Speaker Benjamin J.F. Cruz

JAN 09 2017
Time: 11:18 AM/PM File No.
Received By:
GL# 34-17-02

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OF GUAM

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2017 JAN -9 AM 11:36 PUC

January 9, 2017

VIA HAND DELIVERY

The Honorable Governor Eddie Baza Calvo
Governor of Guam
Ricardo J. Bordallo Governor's Complex
Adelup, Guam

The Honorable Benjamin J.F. Cruz
Speaker, 34th Guam Legislature
155 Hesler Street
Hagatna, Guam 96910

Re: Guam Public Utilities Commission FY2016 Annual Report

Dear Governor Calvo and Speaker Cruz:

In accordance with the mandate of 12 GCA § 12104, the Guam Public Utilities Commission respectfully submits its Annual Report for Fiscal Year 2016.

The Guam Public Utilities Commission ["GPUC"] has functioned well with its full complement of seven Commissioners. It has been able to address its workload with existing resources. The Commission has been successful in reducing its reliance on off-island consultants, and to rely more upon local resources.

However, the workload of the GPUC is growing. When the federal receivership ends, GPUC will assume full regulatory responsibility for the Guam Solid Waste Authority and rate setting authority. The GPUC acts as an arbitrator for telecommunications disputes, and the number and complexity of such disputes has been increasing. In the near future, the GPUC will likely consider a five year rate plan for the Port Authority of Guam. The Guam Waterworks Authority is still carrying out the massive repair and renovation plan ordered by the Federal Court to upgrade the Island's water and wastewater systems. Due to the increase in workload, the GPUC may need to consider a reorganization and augmentation of its internal staff resources, and to develop a plan for future operations.

Over the past year the GPUC has spent considerable time and effort in addressing the aftermath and impacts of the explosion at Guam Power Authority's Cabras 3 & 4 plants. In order to replace lost generation capacity, GPA has been required to undertake the repair and renovation of a number of combustion turbines and fast track generators. GPUC recently approved GPA's plan to procure 180MW of new combined cycle generation plants. The overall plan is to ensure that there is sufficient generation capacity to meet the needs of the ratepayers of Guam.

The GPUC and GPA have been working together to integrate an increasing amount of alternative renewable energy resources into the island wide power system. At present there are plans to include 120MW of alternative renewable resources within the system. GPA's Demand Side Management Program has provided rebates for energy efficient air conditioners, washers, and dryers. The program will be further expanded in the upcoming year. GPA is in the process of developing Time of Use Rates, which are designed to reduce peak load power utilization by ratepayers.

GPUC has no specific legislation to recommend at the present time. However, it still plans to consider revisions to the the Alternative Energy Plan of Guam, 12 GCA §8301 et seq., which was enacted in 1984 and is outdated.

The GPUC looks forward to working with the Executive and Legislative Branches of our Government in enacting legislation that will improve the operations of the utilities. If you have any questions concerning the operations of the Guam Public Utilities Commission, please let us know.

Respectfully submitted,

Jeffrey C. Johnson
Chairman

Enclosure: Attachment A

Speaker Benjamin J.F. Cruz

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Attachment A
Significant Regulatory Action – FY2016

Guam Power Authority

Date	*Docket*	*Action*
10/29/15	GPA 15-18	GPA petitioned the PUC for approval of Contract Award for Procurement of Temporary Power Services for the Loss of Cabras No. 3 & 4. GPA had an immediate need to obtain an additional 40MW of generation capacity because of the explosion at the Cabras No. 3 & 4 plants. GPA selected Aggreko to provide 40 one megawatt units to replace the generation caused by the loss. The cost for this leased generation was roughly $11.7M per year. The PUC approved the Contract Award to Aggreko for the additional 40MW which was necessary because of the generation "under-capacity." GPA was authorized to use the Self-Insurance Fund to pay for the leased generation.
10/29/15	GPA 15-21	GPA requested that the PUC authorize expenditures for the demolition of the Cabras No. 3 & 4 roof. The explosion on August 31, 2015 caused a collapse of the building's roof and rendered both units inoperable. The collapsed roof posed a hazard to the ongoing investigation of the explosion. The Performance Management Contractor of GPA, KEWP, procured the service of Pernix Guam LLC to undertake the demolition project. The PUC authorized GPA to expend and not to exceed $5,298,888.00 for the Cabras No. 3 & 4 Plant Roof Demolition and associated building demolition work.
10/29/15	GPA 15-05	GPA requested that the PUC approve procurement for 120MW of dual fired Combined Cycle generation plant, with an option for an additional 60MW. The PUC disapproved GPA's request, finding that GPA had not submitted the information previously required by PUC and its consultants. GPA was further required to submit a plan to the PUC within 120 days establishing the need for generation capacity, the type of generation that should be procured, and the fuel source for the new units. As a prerequisite to approval of procurement for new generation, GPA was required to implement the

34GL-17-0020.

		four initial Demand Side Management programs and to submit its Report to the PUC on long term funding sources for DSM. GPA's plan was also required to include Time of Use Rates to reduce load, a Third Party Condition Assessment of the Cabras No. 1 & 2 plants and Life Extension Study. To date GPA had not established that the Cabras No. 1 & 2 plants could no longer be operated as a part of the island wide power system. GPA's plan for new generation capacity should be based upon the Independent Power Producer Model. GPA was required to provide an analysis of the customer rate impacts over the long term from a decision to procure the proposed new generation capacity. GPA's plan was also required to adequately assess the incorporation of renewable energy into the generation. The PUC specifically disapproved the Liquefied Natural Gas (LNG) option.
12/10/15	GPA 15-22	GPA requested that PUC approve the Procurement of a Performance Management Contract (PMC) for the Combustion Turbine Power Plants. GPA sought to hire a PMC for the Dededo Combustion Turbine Units No. 1 & 2, the Yigo Combustion Turbine, and the Macheche Combustion Turbine. The Dededo CTs had been out of service for a number of years. There were mechanical and compliance issues that needed to be resolved prior to re-commissioning of the units. The proposed PMC Contract was for a 5-year term, with options to extend for one 3-year term and one additional 2-year term. The PUC deferred action on GPA's application for approval of its procurement of a PMC for the Combustion Turbine Power Plants. GPA had not adequately explained the cost of the PMC, or how it intended to fund the PMC. GPA was ordered to prepare an amended request which adequately addressed the issues set forth.
12/10/15	GPA 15-23	The PUC approved GPA's procurement of 6 Bucket Trucks, 3 55-ft. and 3 65-ft. The PUC found that the procurement of such trucks would give GPA's Transmission & Distribution personnel the capability and capacity to perform new installations to support customer growth and to maintain the overhead power system. It would not be economical to repair the existing bucket trucks. GPA was authorized to expend

		the amount of $1.7M for the bucket trucks.
12/10/2015	GPA 13-14	Chairman Johnson requested that the PUC consider the proposed GPA Demand Side Management Plan. The PUC had ordered that GPA implement certain DSM Programs (Central AC, Ductless AC, Washer, and Dryer). The PUC found that the Rebate Program should be as flexible as possible to encourage as many residential customers to avail themselves of the program to install new Air Conditioning/Washers/Dryers. The PUC approved GPA's DSM program, but with certain reservations. GPA was required to accept applications from Residential Customers for rebate where the equipment met applicable standards even if not on the approved equipment list, or was sold by Vendors not listed on the approved listing. Such applications should be evaluated on a case by case basis.
12/10/2015	GPA 08-10	The PUC proposed to revise GPA's Interim Net Metering Rider. GPA was asked for its opinion on whether the Net Metering Rider should be revised to allow the carryover of excess net metering credit beyond 12 months. PUC proposed that there should be customer carryover of excess net metering credit beyond 12 months as a credit against current monthly billings. Presently, after 12 months, the customer was required to give any excess credits to GPA without compensation to the customer. GPA contended that NEM customers do not pay their full share of the system's cost of service and that extending NEM credits beyond 12 months would result in GPA paying for energy at full retail rates and would result in revenue loss. The PUC revised the Net Metering Rider to provide that, at the end of 12 months, the customer was allowed to elect to have GPA carry the credits forward, or have GPA purchase from the customer all kWh credits remaining on their account at a one-to-one retail rate.
12/10/2015	GPA 15-24	GPA requested that the PUC approve its Performance Management Contract (PMC) for the management, operation and maintenance of the GPA Cabras No. 1 & 2 Power Plants. GPA requested a 1-year extension of the PMC between GPA and Taiwan Electrical & Mechanical (TEMES). The PUC found that, given GPA's need to maintain the continued availability and power production capacity of the Cabras No. 1 & 2 Plants, it

		was reasonable for GPA to retain the present PMC TEMES. The PUC approved the extension, and authorized GPA to expend a total of $2,754, 373.29 for the 1-year extension for Cabras No. 1 & 2 PMC. The approved amount included both the Fixed Management Fee for TEMES and Annual Operation & Maintenance Spending Budget. The approved fees and budget were determined to be in accordance with prior expenditure levels.
12/10/2015	GPA 15-25	GPA requested that the PUC approve its PMC for the Cabras No. 3 & 4 Power Plants. The Application requested a 15-month extension of the PMC between GPA and Korea East-West Power (KEWP). The PUC determined that KEWP could assist GPA by procuring necessary equipment to repair Cabras No. 3. Without such assistance, GPA would have to utilize its own more cumbersome and time consuming procurement process to obtain necessary materials for the repair of Cabras No. 3. PUC approved the 15-month extension of the PMC between GPA and KEWP subject to conditions. GPA was required to preclude any active involvement by KEWP in the undertaking or coordination of the investigation of the causes of the Cabras No. 3 & 4 explosion. GPA was authorized to expend the amount of $2,015,190.00 for the 15-month extension, which included both the Fixed Management Fee and the Annual Operation & Maintenance Spending Budget.
1/25/16	GPA 15-22	GPA again requested that the PUC approve an Award of a Performance Management Contract (PMC) for the Combustion Turbine Power Plants to TEMES. The PUC found that it was critical to achieving sufficient system capacity that the availability of the Dededo CTs, and upgraded capacity for the Macheche and Yigo CTs, be ensured. Since its application in December of 2015, GPA had now identified $5.9M through the reprogramming of 1999 and 2010 Bond Funds to pay the $5.9M plant rehabilitation costs. GPA would fund the annual Fixed Management Fees and the O&M budget for the CTs from revenue funds. The PUC found that GPA should be able to cover the costs of the PMC through the reallocation of internal funds, without ratepayer impact. The award of the PMC contract to TEMES was approved; GPA was authorized to expend the amount

		of $5,980,246.00 for the first five years of the Contract to fund the Fixed Management Fee and the O&M budget for the Combustion Turbines.
1/25/16	GPA 15-27	PUC approved a decrease in the Levelized Energy Adjustment Clause (LEAC) factor for the 6-month period commencing February 1, 2016, from $0.104871 per kWh to $0.086613 per kWh for residential customers on meters read on or after February 1, 2016. GPA had requested that the LEAC factor stay at the same level of $0.104871. The PUC did not authorize GPA to apply insurance settlement proceeds from the Cabras explosion to further reduce the LEAC costs, as no settlement proceeds had yet been received by GPA. Should GPA subsequently receive such insurance proceeds for fuel costs related to the Cabras explosion, it was required to apply such proceeds to the LEAC. The reduction in the LEAC approved by the PUC represented a 9.2% decrease in the total bill for a residential customer utilizing an average of 1,000 kWh per month ($18.26 per month).
1/25/16	GPA 15-17	This matter involves the Complaint of 1st Green Solutions Guam LLC that GPA had inaccurate and inconsistent billing practices for customers having power factor ratings that exceed the established power factor rate of .85 set forth in GPA's tariff. 1st Green alleged that GPA was billing customers more after the installation of 1st Green USES equipment as it was prior to installation. The Administrative Law Judge adopted the Consultant (Lummus) finding that there was evidence of "discrepancies in the form of overcharges." The PUC ordered that GPA provide documentation to the PUC as to how it arrived at the power factor adjustment and how kWh is computed with the analog meters, as compared to such calculation with the new Smart Meters. The Parties were required to cooperate with regard to access for an independent meter testing to be performed.
3/31/16	GPA 15-17	With regard to the continuing Complaint of 1st Green, 1st Green filed a "simplification" to its complaint on March 21, 2016. GPA provided information to the PUC indicating that its current smart meters **directly read** KWH, kvah, and KW. There was no computation or calculation of these readings. With regard to the analog

		meters, GPA indicated that in KWH reading had to be obtained from the kWh meter and then inputted into a manual reading device, and uploaded to the Utiligy software. In its simplified Complaint, 1st Green contended that the accurate billed usage of KWH should never be influenced (increased or decreased) in direct proportion to the power factor. The PUC ordered that GPA's Smart Meters be tested by Landis & GYR to determine whether the meters are taking accurate measurements, and whether they have been configured properly to accurately measure KVAH, as well as calculate KVARH and KWh. The costs for such testing would be determined by the PUC at a later time.
3/31/16	GPA 16-02	GPA requested that the PUC ratify its Design/Construction Contract for the GPA Wind Turbine Pilot Project with DCK Pacific Guam LLC. This project involves a Wind Turbine that produces 275KW of wind power in Yona. This project assists GPA in determining viability of larger scale wind turbine projects. Pernix Guam LLC had recently purchased DCK Pacific Guam, and Pernix was now the contractor performing the Wind Turbine Contract. The project was complete other than provision of post-construction biological surveys for the wind turbine site. To date, the total amount expended by GPA on the Pilot Project exceeded $2.160M. The overwhelming portion of the costs for the Project were funded through federal grants but with a very small portion paid by GPA revenue funds. Even though GPA had technically not followed the procedure outlined in the Contract Review Protocol by obtaining PUC approval prior to awarding the contract, it had recently undertaken proactive steps to provide the required materials under the Protocol to the PUC. The PUC approved the ratification of GPA's Design/Construction contract with DCK Pacific Guam and authorized GPA to expend up to the amount of $2,160,777.91.
3/31/16	GPA 16-03	GPA requested that the PUC approve a contingency fee agreement for GPA's Insurance Adjuster Adviser. As a result of the explosion at the Cabras No. 3 & 4 plants, GPA determined that it needed to retain the services of a professional Insurance Adjuster to assist it in the quantification, documentation and presentation of the

		loss sustained to GPA's Insurers. When Greenspan Co. Adjusters International was originally hired by GPA, it was paid on an hourly billing basis with other negotiated charges. However, GPA, upon further reflection, decided to change the basis of the fee compensation in the contract with Greenspan from an hourly basis to a layered contingency basis. The PUC concurred that it was advisable for GPA to hire an experienced company such as Greenspan in the provision of public insurance adjusting and disaster recovery consultant services. The PUC approved GPA's contingency fee arrangement with Greenspan. Such an arrangement would allow GPA to avoid paying fees to Greenspan until there was a settlement. In addition, the arrangement would provide Greenspan with an additional incentive to obtain a larger insurance settlement on behalf of GPA. The contract would have no ratepayer impact.
4/28/16	GPA 16-04	GPA sought PUC permission to extend its Contract for Environmental Engineering and Technical Services with TRC Environmental Corporation. The proposed contract extension was for an additional 5-year period. The PUC had previously determined that GPA does need the outside services of a qualified contractor to operate and maintain the Ambient Air Quality Monitoring Plan and to assist with other necessary items such as the Environmental Strategic Plan, the Integrated Resource Plan, and the State Implementation Plan. The PUC authorized the extension of the TRC Contract for Environmental Engineering and Technical Services. GPA was authorized to expend bond funds up to a total of $1,900,000.00 to continue tasks for Ambient Air Quality Monitoring. GPA was further authorized to expend revenue funds allocated to the TRC Contract up to a total of $1,725,000.
4/28/16	GPA 16-06	The PUC approved Bond Fund Reallocation for the Dededo Combustion Turbine Performance Management Contract with TEMES. The PUC had previously approved GPA's award of a 5-year PMC contract to TEMES for the management, operation and maintenance of the Dededo Combustion Turbine Units No. 1 & 2, the Yigo Combustion Turbine, and the Macheche Combustion Turbine. GPA indicated that it

		intended to fund various repairs for the Dededo CT Plants, such as generator rotor repair and replacement of Switchgear. The PUC determined that the Dededo CT plant rehabilitation was a worthwhile and necessary project to provide additional generation capacity for the island wide power system. The Dededo CT would also provide dedicated support to Anderson Air Force Base Substation via an underground 34.5kv line. The PUC approved GPA's Petition for Bond Fund Reallocation through the Dededo CT PMC in the amount of $6,360,000. However, since different amounts for bond reallocation were stated in the GPA Petition and the CCU Resolution, the PUC approval was subject to ratification by the Consolidated Commission on Utilities of the amounts and sources requested in GPA's Petition.
4/28/16	GPA 16-07	GPA petitioned the PUC for approval of certain repairs to the Yigo Combustion Turbine. The repairs would be undertaken by the PMC TEMES. TEMES selected a contractor, Turbine Resources International, to replace the existing gas turbine with a renewed gas turbine of the same model and specifications. GPA reiterated that it was necessary to secure the availability of the Yigo CT plant in order to maintain sufficient generation capacity. The PUC approved the Yigo CT repairs. GPA was authorized to expend the amount of $2,300,000 from the Working Capital Fund to pay for such repairs and the installation of the overhauled gas turbine engine.
5/26/16	GPA 16-08	The PUC approved GPA's petition for Procurement to continue with the conversion and installation of Energy Efficient LED Streetlights. The purpose of the conversion of streetlights around the island with LED is to conserve energy and save on annual maintenance and fuel costs. GPA ultimately intends to convert the remaining 10,133 streetlights from High Power Sodium to LED. GPA will experience savings from the implementation of the LED streetlights. The PUC approved GPA's procurement of LED Streetlights for the continued conversion and installation of energy efficient LED streetlights. GPA was authorized to expend up to the sum of $2,792,037.71 in its FY2017 General Plant Budget.
7/28/16	GPA 15-17	1st Green continued to assert that GPA has inaccurate and inconsistent billing practices to customers having

		power factor ratings that exceed the established power factor rate of 0.85, as set forth in GPA's tariff. GPA continued to assert that its meters read the power factor in accordance with GPA's tariff. Landis & Gyr conducted its analysis of the GPA meters and concluded that the meters measured electricity in volts and amps, and that, based on these readings, the meters automatically generated measurements such as watts, kWh and kVah. The meters do not alter these measurements, and GPA cannot program the meters' readings. The Administrative Law Judge concluded that there was no evidence indicating that GPA's smart meters either take inaccurate measurements or erroneously calculate kWh and kVah. The meters are operating precisely how they are engineered to operate, and any discrepancies are isolated. There is no evidence that GPA is not in compliance with its tariff. Based upon the findings of the ALJ, the PUC dismissed the Complaint of 1st Green Solutions. The docket remained open so that the PUC could investigate the fairness or current efficacy of the Tariff.
7/28/16	GPA 16-05	GPA petitioned the PUC for approval of a Lease with the United States Navy for approximately 164 acres of federal land. The purpose of the Lease was to enable GPA to undertake a 37MW Solar Photovoltaic Development. The lease would be for 37 years with the Navy for 5 parcels of land. GPA would develop a total of 37MW PV Solar on the leased premises. GPA would be the Engineering, Procurement and Construction Contractor as a partner for the Navy on the development project. GPA would undertake solicitation of bids and private firms to provide Solar PV facilities at each of the leasehold sites. The lease provided for a rent schedule of payments, but GPA can offset such payments by providing "In Kind Consideration" based upon GPA's development of the solar facilities. GPA wishes to maintain the Navy as a customer to preserve revenues. The PUC found that a major factor warranting approval was that the 37MW Navy Renewables project was already a part of the 120MW of renewables which GPA had previously contemplated incorporating into the IWPS for a number of years. Power from the 37MW Navy Renewables Project will be

		fed into the GPA island wide power system. GPA ratepayers will benefit by the addition of renewable energy into the system. An additional benefit is that the Navy Solar Project would enable GPA to reduce conventional generation reserve requirements. The PUC authorized GPA to enter into the Navy Lease for the 37MW Solar PV Development. GPA was required to obtain prior approval for each procurement of a solar plant through this project in accordance with the Contract Review Protocol.
7/28/16	GPA 16-10	In its LEAC filing dated June 20, 2016, GPA requested that the Levelized Energy Adjustment Clause Factor [LEAC], for the 6-month period commencing August 1, 2016 stay at the same level it was set for in the prior 6-month period: $0.086613 per kWh effective for meters read on or after August 1, 2016. Although the schedules indicates that there should be an over 1% increase in the total bill for the average residential customer, and there was an under-recovery by GPA of "less than $1.8M", GPA did not see a need to increase the current LEAC factor. Updated figures by GPA indicated that, since fuel prices had risen, there would be a $4.6M under-recovery at the end of the period. GPA proposed to offset a portion of the insurance proceeds received from its claim on the Cabras Explosion against the projected under-recovery of $4.6M. The under-recovery would be paid with the insurance funds. The PUC approved the proposed LEAC factor, which kept the total bill cost at the same level for the period of August 1, 2016 through January 31, 2017. GPA was ordered to pay the under-recovery of $4.6M which would result at the end of the LEAC period from the insurance proceeds already received by GPA for the Cabras explosion.
7/28/16	GPA 16-11	GPA requested PUC approval for Macheche CT Repairs. In July 2016 the Macheche Combustion Turbine was shut down after a turbine blade borescope inspection revealed corrosion on the turbine blades. GPA's PMC for the Combustion Turbines, TEMES, recommended that the Macheche turbine engine be replaced at a cost not to exceed $2.7M. The PUC determined that the additional capacity of the Macheche unit was needed to meet the upcoming annual peak demand period. The PUC approved the Macheche CT repairs, and

		authorized GPA to expend the amount of $2.7M from the FY2016 CIP Budget to pay for such repairs and the installation of the engine.
8/25/16	GPA 16-12	NRG is now the owner of the contract with GPA for the development of the Dandan Solar plant. Within the contract, pursuant to § 1.4.2.2, GPA capped "the costs of the developer for developing, designing, procuring, constructing and installing the Interconnection Facilities at $11,411,786.00." The provision further provided that: "any verified costs in excess of such amount shall be reimbursed by GPA to Interconnection customer…". When the plant was constructed, NRG submitted invoices to GPA with documentation, verified by GPA, which demonstrated that NRG paid $2,008,033.36 in excess of the amount specified in the Contract for the Interconnection Facilities. When GPA requested PUC approval of the NRG Interconnection Costs Reimbursement Claim, the PUC determined that GPA was bound by its contractual agreement to pay the amount of the NRG claim relating to the Interconnection Facilities. The PUC approved the NRG Interconnection Costs Reimbursement Claim and authorized GPA to expend the amount of $2,008,033.00 from the FY2016 Revenue CIP Fund to pay the NRG Claim.
9/29/16	GPA 16-13	GPA filed its request for approval of the FY2017 GPA Capital Improvement Project Ceiling Cap. The amount of the cap was $18,798,120, which consisted of General Plant expenditures. The budget included a few extraordinary items: Cabras No. 1 & 2 Overhauls, $5,190,000; 10 Diesel Plant Unit Overhauls, $2,593,300; and Dededo Combustion Turbine Repairs, $2,907,200. The PUC determined that the CIP Cap proposed for FY2017 was generally consistent with the CIP Cap Levels of prior years, but for the extraordinary expenses. With the exception of the extraordinary expenses, the cap for FY2017 was within $2M of the FY2010 cap. The expenditures listed were determined to be reasonable and would be expected to lead to the maintenance and upgrading of GPA operations. Based upon the forgoing determinations, the PUC approved GPA's FY2017 internally funded CIP Ceiling Cap in the amount of $18,798,120.
9/29/16	GPA 16-14	GPA sought PUC approval to issue an Invitation for

Bids for its Property Insurance policy, effective November 1, 2016. GPA is required by its Bond Indenture to maintain property insurance on all of its facilities. On the same day that GPA publicly announced its IFB request, it filed its request with the PUC for approval of the IFB. GPA was not authorized by the PUC to issue the IFB for Property Insurance prior to approval by the PUC. GPA's issuance of the IFB lacked prior PUC approval, and was in violation of the Contract Review Protocol for GPA. In addition, GPA issued the IFB at such a late date that there would be no time for prior review of the bid award by PUC before the proposed effective date of the new insurance, November 1, 2016. The PUC is required to review final awards by selected bidders to ensure that the amount of the bid award is reasonable and whether such award could impact rates. PUC denied GPA's request to issue bids for Property Insurance, as approval of the IFB would violate the Contract Review Protocol. However, PUC indicated that GPA had the option to extend its existing property insurance policy for one or two years.

Guam Waterworks Authority

Date	*Docket*	*Action*
10/29/15	GWA 15-09	GWA sought approval of its Revised Contract with JMI Edison for the purchase of additional wastewater chemicals. GWA is required to purchase chemicals, ACH and Polymer, to ensure that GWA's Northern District and Hagatna Wastewater Treatment Plants remain in compliance with the Clean Water Act. However, due to its emergency need to procure additional chemicals in January of 2015, it had to quickly procure such chemicals without complying with the PUC Contract Review Protocol. The Administrative Law Judge found that GWA's purchase of the ACH chemical from JMI Edison was reasonable and necessary given that the chemicals are indispensable and required for GWA's daily wastewater operations. Therefore, the ALJ recommended that the PUC ratify the payment for chemicals to JMI Edison in the amount of $874,966.78, even though GWA had not obtained prior approval under the Contract Review Protocol. The PUC ratified the contract between GWA and JMI Edison, and

		approved an increase of $874,966.78 in the contract amount with JMI Edison. GWA was authorized to pay the amount owed to JMI Edison.
12/10/15	GWA 15-10	GWA requested PUC approval for its issuance of up to $162M for water and wastewater revenue bonds. The approval was sought so that GWA could fund certain capital improvement projects necessary to meet the Federal Court Order requirements, as well as to fund capitalized interest and a debt service reserve account. GWA requested: $87.148M for 20 potable water projects, including tank replacements and repairs, new fire hydrants, and a continuation of GWA's meter replacement program; $28M for 7 wastewater projects including wastewater system planning, sewage pump station upgrades, planning and design for the Umatac-Merizo STP Improvement Project, and planning and design of the new wastewater treatment facility at the Umatac-Merizo STP site; $8.7M for five electrical engineering projects, and $3.8M for four other miscellaneous projects as well as some information technology improvements. The Bonds will mature after 30 years. The ALJ recommended approval of GWA's request to issue the 2016 bonds in the amounts indicated in the Petition, and that the Commission also approved the terms and conditions of the 2016 revenue bonds as contained in the proposed bond documents. The PUC approved GWA's request to issue bonds and to incur long term debt in the amount of $160M, with capitalized interest at two years. GWA was ordered to obtain contract review approval of any bond project where the project cost was in excess of $1M. It was further required to provide reports to the PUC within 45 days after the close of each quarter on the actual use of the bond funds.
1/25/16	GWA 15-11	GWA petitioned the PUC for approval of Contracts with Total Chemical Resources Inc. and JMI Edison for the purchase of Anionic Polymer, Inorganic Coagulant, and Cationic Polymer chemicals. Total was the lowest responsive and responsible bidder for inorganic coagulant aluminum chlorohydrate (ACH) and anionic polymer. The best offer for cationic polymer was made by JMI. GWA is required to purchase ACH and polymer chemicals to ensure that GWA's Northern

		District and Hagatna Wastewater Treatment Plants remain in compliance with the Clean Water Act. GWA was required to upgrade the Northern District WWTP to use chemically enhanced primary treatment, and therefore must purchase such chemicals as part of its treatment process. The ALJ found that GWA's purchase of the aforementioned chemicals was reasonable and necessary and that these chemicals are indispensable and required for GWA's daily wastewater operations. The PUC approved GWA's petition for the purchase of Anionic Polymer, Inorganic Coagulant, and Cationic Polymer from Total Chemical Resources and JMI Edison. GWA was authorized to enter into a contract with Total Chemical Resources for an amount not to exceed $3,024,623.64 and JMI Edison for an amount not to exceed $60,565.35.
1/25/16	GWA 15-12	GWA petitioned the PUC to approve its Contract for Phase IV of the Line Replacement Program with Giant Construction Corporation. GWA selected Giant Construction as the lowest responsive and responsible bidder. Pursuant to the scope of services, the contractor is to provide construction services for service lateral upgrade and replacement of existing old and leaking water lines with new pipes ranging in size from 2" to 8" diameter to reduce water loss in the potable water system. The project would be undertaken in 11 different locations across the island. The ALJ found that there was a long recognized need for GWA to engage in line replacement as a means to reduce water loss, which reduces costs and improves system reliability. The continuation of such efforts is reasonable and necessary, and will eventually result in savings for GWA by reducing its water loss. The PUC approved the contract between GWA and Giant Construction to complete Phase IV of GWA's Line Replacement Project with a cost of $7,887,046.50.
3/31/16	GWA 16-01	GWA requested approval by the PUC of Change Order No. 6 for the Well Rehabilitation Design Contract with GHD Inc. GWA presently has a contract with GHD Inc. for the design of three new wells, and rehabilitation of seven wells that have been out of service. GHD's original contract involving the design of three new water wells, and rehabilitation of seven wells, originally

		cost GWA $984,857.00. Change Order No. 6 in the contract increases the value of the contract by $34,094.00 and thereby increases the total contract price to $1,033,308.00. GWA seeks gratification and approval of the contract and the Change Order. The Change Order involves revisions to the design, including SCADA updates. The ALJ found that the design of additional deep wells and rehabilitation of existing deep wells will "address the needs of people residing in this territory where interruption in water service is being experienced." The PUC ratified the GWA Contract with GHD Inc. and approved Change Order No. 6 for the new well and rehabilitation design in an amount not to exceed $1,033,308.00.
4/28/16	GWA 16-02	GWA petitioned PUC for approval of the use of additional 2015 Bond Proceeds in the amount of $11,569,463. GWA submitted that when it closed on the 2015 bonds, it was able to secure $140,019,463 for capital improvement projects, which made $11,569,463 of additional funds available to GWA then had originally been planned. GWA now seeks PUC approval to use the additional bond funds of $11,569,463. These bond funds will help finance three projects originally scheduled to be funded by the GWA 2018 Bond issue, as well as to provide additional funding for four projects. The additional bond funding will be used for the following projects: Leak Detection, Potable Water System Planning, Water Audit Program and Water Loss Control Plan, Baza Gardens STP Replacement, Agat/Santa Rita STP Replacement, Laboratory Modernization, and General Plant Improvements. The ALJ recommended that the PUC approve GWA's request for the use of the additional $11,569,463. The PUC approved GWA's use of $11,569,463 of the 2015 Bond funds.
7/28/16	GWA 16-03	GWA petitioned PUC for approval of a procurement of Diesel and Gasoline for the GWA Transportation Fleet. The existing GWA fleet fuel contract expired at the end of September 2016. GWA attached the proposed invitation for Bid to its Petition. GPA sought to issue the IFB before expiration of the existing fuel supply contract in order to ensure continuity of operations and an open, competitive procurement for a multi-year

		supply contract with fixed terms and variable annual costs. GWA submitted that the estimated annual cost for the purchase of the necessary transportation fleet fuel was about $300,000. The three year contract could potentially cost GWA over $1M for the next five years. The fleets needed diesel fuel oil and automotive gasoline, regular unleaded. It will purchase approximately 50,000 gallons of diesel fuel oil a year and approximately 115,000 gallons of automotive gasoline, regular unleaded, per year. The ALJ recommended approval of the proposed IFB. The PUC approved the procurement of diesel and gasoline for GWA's Transportation Fleet.
7/28/16	GWA 16-04	GWA requested PUC approval for the use of 2015 Bond Proceeds. The PUC previously approved GWA's use of $11,569,463 of the 2015 Bond Funds. GWA now seeks PUC approval to reprogram the remaining $128,450,000 in bond funds. The major projects included in the request are a new Water Booster pump station; repair of deep wells; continuation of its master meters projects; water distribution system upgrades; Ugum Water Treatment Plant Reservoir; Agana Heights and Chaot Tanks; Tank Repairs; Tank Replacement in Piti and Hyundai; Fire Hydrant Replacement Program; Lift Station Upgrades; Wastewater Collection System; Umatac-Merizo Replacement; SCADA Improvements; Land Survey Costs, and numerous others. The ALJ recommended that the PUC approve GWA's request for the use of the $128,450,000 for capital improvement projects as identified in GWA CIP FY2015-2020. The PUC approved GWA's request for the use of the $128,450,000 for capital improvement projects as identified in GWA CIP FY2015-2020. GWA was required to submit to the PUC a report detailing the status of all Federal Stipulated order projects, including a timeline of events and deadlines for any outstanding projects, by the next PUC meeting. GWA was also required to submit to the PUC a report detailing the status of all Capital Improvement projects by the next meeting. Finally, GWA was required to submit to the PUC an accounting for any remaining bond funds from prior bond issues, indicating what has been spent and what remained in the account for such bonds, by the

		next PUC meeting.
7/28/16	GWA 16-05	GWA petitioned PUC for approval of the Compliance Laboratory Construction Project with Mega United Corporation. GWA's current laboratory was designated a "hazardous work space" by the Guam Occupational Safety and Health Division. GWA engaged consultants to design a new laboratory to replace the existing laboratory. Based on the design drawings and specifications provided by the consultants, GWA issued an IFB for services related to the construction of a new GWA compliance laboratory. GWA determined that Mega United was the lowest responsive bidder. The contract involves the construction of a new 5,000 square foot laboratory adjacent to GWA's Upper Tumon office. The ALJ recommended that the PUC approve the contract between GWA and Mega United Corporation. The PUC approved the contract with Mega United for the work related to the construction of the Compliance Laboratory, Generator Building and Tank Enclosure. GWA was authorized to expend an amount not to exceed $2,290,985.00.
9/29/16	GWA 16-06	GWA requested approval of a $4,059,877 increase in the Program Management Office with Brown & Caldwell, specifically Amendment No. 6. GWA maintains that it continues to need significant assistance relative to the November 2011 Court Order, SRF project management, Project Management Services for the Umatac-Merizo WWTP Upgrade, analysis and planning to improve Ground Water Production Well meter replacement, among others. The cost of the increase will be funded by 2010, 2013, 2016 bond proceeds and State Revolving Funds (SRF). GWA submitted that it is working on a transition plan to reduce GWA's reliance on PMO management assistance. The purpose behind Program Management Support is to provide GWA with management and consulting services for GWA's capital improvement projects. The PMO provides technical support necessary to respond to GWA's issues on an as-needed basis. The services to be provided include Program Management Support; Agat-Santa Rita WWTP Mixing Zone Study; Project Management for the Umatac-Merizo WWTP Upgrade Design; Agat to Umatac Potable Waterline Analysis; Tumon Wastewater

		Investigation and Analysis (Phase I); Hydraulic Modeling Phase 3; Engineering for Groundwater Well Production Meters; Backflow Prevention Study; Project Management Support for EPA Funded SRF Projects. The ALJ found that the additional funds for the projects described in the Petition are critical and necessary in order for GWA to meet the deadline imposed by the federal Stipulated Order. The increase requested would not have a negative impact on rates, as the source of funding would be Bond funds. The ALJ recommended that the PUC approve GWA's request for additional funding for its contract with Brown & Caldwell. The PUC authorized GWA to increase its contract with Brown and Caldwell for an amount not to exceed $2,029,938.50. The approval of the remaining half would be considered upon GWA's submission of a transition plan by December 31, 2016, which plans shall address GWA's current and future efforts to reduce its reliance on PMO services.
9/29/16	GWA 16-07	This matter came before the PUC pursuant to its Rate Decision dated October 29, 2013. Pursuant to that Decision, GWA is required to provide the PUC with certain updated information annually, specifically its annual "true-up report" regarding its proposed rates for the following year. Pursuant to the October 29, 2013 Rate Decision, the PUC had approved a rate increase of 7% for FY2017. Based upon its review of its rates, GWA recommended a lower 3.5% rate increase for basic, lifeline and non-lifeline rates for FY2017 for all rate classes except Agriculture. A 3.5% rate increase would generate a total of $113M in operating revenues for FY2017. GWA also reflected the Legislative Surcharge in its report, which must be adjusted annually by 3.7% to pay for healthcare benefits and annuities of GWA's retirees. GWA submitted that it has realized certain cost savings resulting from a reduction of $6M in debt service, $5M in power cost cuts, and $3M in deferred Expenditures. GWA indicates that its obligations for FY2017 necessitate a revenue requirement of about $81M. GWA projects that its total revenues for water and wastewater for FY2017 is about $111,016,742.00, based upon a 3.5% rate increase. GWA estimates that if the 3.5% rate increase is not approved by the PUC, then

its revenues will be less by $4.1M. The ALJ recommended that the PUC not grant any rate relief at the present time. The PUC should be concerned that many of the bond fund projects have yet to be completed. There are substantial amounts of bond funds that remain uncommitted in the accounts. Repairs deserve some relief while GWA continues its efforts to improve its systems. GWA could make up this shortfall by holding off on the filing of new employment positions requested for FY2017, which would save about $2M. However, with regard to the Legislative Surcharge, the ALJ recommended that the PUC approve the increase of this surcharge by 3.7%, as requested by GWA. A majority of the Commissioners found that GWA had satisfied the requirements concerning its annual true-up. GWA's request to increase its Lifeline and Non-Lifeline Water and Wastewater rates by 3.5% was approved. Authorization was also granted for GWA to increase its Legislative Surcharge by 3.7%.

Port Authority of Guam

Date	*Docket*	*Action*
10/29/15	PAG 15-04	PAG filed a Rate Petition with the PUC to increase its Tariffs. The Petition has been duly considered by the PUC Consultant Slater-Nakamura. Public hearings were held on the matter in October 2015. Slater-Nakamura submitted its Report to the PUC. Although PAG presented documentation for a 5-year tariff increase, PAG only petitioned the PUC for a single year rate increase. PAG's basic request is to increase tariff rates by 7% in order to continue payment of debt service on existing loans, which have funded $7M in wharf repairs; $1M towards the Terminal Operating System (TOS); and $2M to purchase two top lifters. The tariff increase would also assist PAG in funding its operations and programs. Slater-Nakamura found that the 7% increase would have a marginal impact on consumer's prices, and that the increase is therefore "just and reasonable." Slater found that the instant rate relief does not appear to be sufficient to cover operating costs, capital investments, and debt service. However, the Consultants recommended approval of the requested

		tariff rates, although felt that PAG needed to take numerous steps to strengthen its financial condition including adjustment of its proposal to raise salaries to the 50th market percentile, and to change its operational activities, which can reduce its maintenance backlog and cost operations. The ALJ supported the recommendations of Slater, finding that such increases and adjustments were "just" and "reasonable". Upon consideration of the Slater Report and the ALJ Report, the PUC authorized PAG to implement the proposed 7% increase to PAG's Terminal Tariff rates, excluding the crane surcharge.
3/31/16	PAG 15-04	On October 29, 2015, the PUC had issued an Order approving a 7% increase to PAG's Terminal Tariff Rates, excluding the crane surcharge. On February 6, 2015, the Honorable Senator Thomas C. Ada sent a letter to Chairman of the PUC requesting clarification on October 29, 2015 Order, specifically whether the tariff increase would be effective for one year only, and whether the 7% increase was truly "reasonable", among other issues. Pursuant to Senator Ada's request the PUC clarified that the October 29, 2015 Order "meant that such rate increase would remain in effect until such time as the agency either returns to the PUC, or is ordered by the PUC, to request rate relief." Once a rate increase has been approved by the Commission, the utility does not deviate from the increase, unless such increase is approved under a multi-year rate plan, in which case the rate increase will be adjusted annually pursuant to the multi-year plan. The 7% tariff increase, as implemented by PAG, should remain in full force and affect until there is further action by the PUC. The PUC further determined that PAG was required to submit its findings regarding its plan to adjust salaries to the 50th market percentile to the PUC by July 31, 2016. In his Report, the ALJ further recommended that PUC require PAG to file a multi-year Rate Plan by October 1, 2016. The PUC ordered PAG to file a multi-year Rate Plan by October 1, 2016. PAG was required to work collaboratively with the PUC consultants to develop a financial model that will serve as a basis for PAG's multi-year Rate Plan. The PAG was required to work collaboratively with PUC to review its plan to adjust

salaries to the 50th market percentile and to determine the impact of such an adjustment on the financial stability of the Port, and to submit its findings to the PUC by July 31, 2016. The 7% tariff increase would remain in full force and affect until there is further action by the PUC.

Telecommunications

TeleGuam Holdings, LLC, dba GTA

Date	*Docket*	*Action*
10/25/16	GTA 15-05	GTA filed a complaint alleging the refusal of Pacific Data Systems (PDS) to pay certain Unbundled Network Element (UNE) Loop Invoices. PDS claimed that GTA changed the characterization of the loop services that it was providing to PDS from "local loops" to "sub-loops." Since the current PDS-GTA Interconnection Agreement did not include any interim pricing for sub-loops, PDS believed that it was entitled to withhold payments for such sub-loop services until payment rates are established in PDS Docket 14-01. The Administrative Law Judge, as an Arbitrator in this matter, conducted a hearing to receive testimony, evidence and argument. Based upon the recommendations of the ALJ, the PUC found that there were no rates for "sub-loops" under the ICA and nor had any service for "sub-loops" been approved by the PUC. PDS and GTA previously agreed to suspend any orders for sub-loops, and that there would be no sub-loop services until permanent rates were established by the PUC in PDS Docket 14-01. On January 7, 2015, GTA and PDS signed a Stipulation regarding permanent pricing negotiations for UNE rates. PDS agreed that rates for to sub-loop services would be based upon permanent rates established through the TELRIC Study and the PUC Rate Arbitration. The parties therefore had agreed that "sub-loops were off the table until permanent rates were established." There was no basis upon which PDS could reasonably have concluded that GTA had established new sub-loop service or rates. None of the applicable billings from GTA to PDS indicated that PDS was being billed for "sub-loop" service. PDS admitted that GTA had been billing "all UNE circuits as local loops

		consistent with past GTA billings." PDS also indicated during the hearing that it had continued to receive the disputed services without interruption. PDS' alleged justification for non-payment to GTA was without merit or basis. PDS was required to make payment under what has been referred to as the "constructive order doctrine." The issue concerning "sub-loops" had already been resolved by another ALJ Order [in PDS Docket 14-01] on Issues involving a TELRIC Study, issued on August 17, 2015. There the ALJ held that when permanent prices were developed and implemented, only then could GTA incorporate the "sub-loop" terminology into the interconnection agreement and alter its billing. It was not fair or equitable that PDS continued to receive UNE loop services from GTA, and even ordered new loop services, without making any payment. The PUC ordered that PDS immediately pay to GTA all arrears and unpaid amounts owed for UNE loop services outside of Agana with interest at the rate of one and one half percent per month from the date each such amounts were due until the date upon which they are paid in full. PDS was also required to pay GTA interest at the rate of one and one half percent per month on all arrears and unpaid amounts on the Hagatna UNE loops from June through October 2015.
2/25/16	GTA 15-06	This dispute between GTA and PDS involved the provision of "Dark Fiber Services" by GTA to PDS under the Interconnection Agreement. GTA implemented certain changes to its network infrastructure; GTA previously had three central office/wire center facilities. However, in 2014-2015 GTA undertook a "switch collapse" project which resulted in a network change to only one switch/central office/wire center- -the Agana Central Office. GTA maintained that, because there was now only one central office/wire center, Dark Fiber "Inter-Office Facility Transport" had essentially been eliminated. GTA then sought, pursuant to the ICA, to charge PDS for what had been previously been Dark Fiber service as"...the commercial service that GTA, in its sole discretion, determined to be most analogous to the subject Dark Fiber Transport." The rates which GTA

proposed to charge PDS were six times the previously charged rates, from $8,409.19 per month to $54,539.44 per month. PDS refused to pay invoices regarding the disputed services. The parties agreed to submit the arbitration matter to the Administrative Law Judge. After finding that GTA had a continuing obligation under the Interconnection Agreement to provide Dark Fiber IOF to PDS, at the rates agreed to in the ICA, the PUC considered the recommendation of the ALJ. Among other matters, the PUC ordered the following:

1. GTA was authorized under ICA §42 to make the network upgrades it undertook in January 2015;

2. GTA provided adequate notice under ICA §28 to PDS and the public of the proposed network changes;

3. The Federal CFR notice requirements were not applicable to the Notice provided herein pursuant to ICA §28.

4. The Remote Switching Centers (RSCs) are not "wire centers".

5. GTA retired the Tumon and Dededo end offices/wire centers in January 2015; at present there was only one central office/wire center, the Agana Central Office.

6. GTA had a contractual obligation under the ICA, Exhibit A, and the Pricing Attachment thereof, to provide Dark Fiber IOF Service to PDS at the rates agreed upon under the ICA.

7. GTA, both before and after the network changes, provided Dark Fiber IOF to seventeen routes involving Remote Switching Centers, even though such routes were not between a pair of wire centers.

8. The "analogous commercial rates" which GTA sought to impose upon PDS for Dark Fiber Transport were not valid and effective, as they had not been reviewed or approved by the PUC pursuant to the Guam Telecommunications Act of 2004.

9. GTA would be required to bill PDS for Dark Fiber Transport at the rates established in the ICA dated August 11, 2014.

		10. The rates established in the ICA dated August 11, 2014, would remain in effect until the expiration of the current ICA in August 2017 or unless otherwise changed or altered by the PUC.
4/28/16	GTA 15-06	GTA filed a Petition for rehearing of certain provisions in the PUC Order dated February 25, 2016. The ALJ Report recommended that GTA's petition for Rehearing be granted; the ALJ recommended that the PUC allow at least a limited rehearing pursuant to the provision of the ICA, Network Elements Attachments § 8.1, which stated: "For the avoidance of any doubt, notwithstanding any other provision of this Agreement, a GTA Tariff or otherwise, GTA shall not be required to provide, and PDS shall not request or obtain, Dark Fiber Transport that does not connect a pair of GTA UNE Wire Centers." The ALJ welcomed an opportunity to hear discussion and argument from the parties concerning the import of this provision. The PUC adopted the recommendation for a limited rehearing, and authorized the ALJ to conduct the same.
5/26/16	GTA 16-01	The matters herein came before the PUC upon the E-911 Fiscal 2015 Surcharge Summary and Recommendations prepared by the PUC Consultant Slater-Nakamura. Previously public law had required that PUC impose the E-911 surcharge upon "up to a maxium of twenty-five (25) access lines per account bill rendered for local exchange telephone service, and "for commercial mobile radio service up to a maximum of twenty-five (25) account numbers per account bill rendered per month." However, a subsequent law removed the caps of twenty-five (25) access lines per account bill for local exchange telephone service, and for commercial mobile radio service. This meant that all local exchange telephone lines and account numbers for commercial mobile radio service would be charged the E911 surcharge. The PUC adopted revisions to its prior Orders clarifying that the surcharge would apply to all non-exempt subscriber access lines and to the MRS accounts. For further clarification, the PUC held that Collection Agents, Local Exchange Carriers, and CMRS Providers were not responsible for uncollectable surcharges (surcharges which cannot be collected from customers), even though they may have failed to provide the required quarterly reports on any and all

		subscribers who refused to pay the "911" fee. The law, Section 6 of Public Law No. 25-55, specifically excused collection agents from any responsibility for uncollectable surcharges. However, Collection Agents still did have the responsibility to provide quarterly reports to list the names, addresses and telephone numbers of any and all subscribers who have identified to LEC or CMRS Providers their refusal to pay the "911" fee. The PUC created a new docket to address the implementation of the E-911 Surcharge on Voice Over Internet Protocol telephone services. The PUC further clarified the reporting requirements of each Collection Agent under E-911. The requirements included the timely obligation of collection agents to file quarterly reports; to remit collected E-911 surcharges no later than 45 days following the last day of the month in which the surcharges were collected; and provision of notice to the PUC, with a copy of the monthly Department of Administration remittance receipts for the E-911 payments. Failure by collection agents to comply with their mandated duties could lead to the imposition of penalties.
7/28/16	GTA 15-06	The ALJ prepared an Order regarding the Limited Rehearing authorized by the PUC. Having thoroughly reconsidered the matter, the ALJ determined that the original PUC Order and Award should be upheld for the following reasons: GTA is mandated by the August 28, 2014, PUC Order/Arbitration Award to provide Dark Fiber IOF to PDS at 19 colocation centers. The arbitration award is final and binding upon GTA; in the Third ICA, GTA did contractually obligate itself under § 8.1 of the Network Elements Attachment to provide Dark Fiber IOF to PDS at 19 facilities for a three year term; § 8.1 of the Network Elements Attachments does not "unambiguously" require that GTA's obligation to provide Dark Fiber IOF services to PDS be abrogated and deleted from § 8.1 of the Third ICA. The history of the ICA negotiation between the parties and implementation of the three ICAs, as well as the circumstances of the entire proceeding, must be addressed to consider the issues herein. It was relevant to consider the parties' course of dealings; GTA's Waiver Argument and provisions §§ 1.4 & 48 of the

		ICA, did not justify non-compliance by GTA with its obligation under § 8.1 Elements Attachment to provide PDS with unbundled access to Dark Fiber IOF; at the present time it was not necessary or appropriate for the PUC to decide whether Dark Fiber is a "telecommunications service"; the New Billing Pricing Rates which GTA attempted to impose upon PDS had not been properly determined; they were merely "estimates." GTA cannot unilaterally impose such rates upon PDS, but, by law, must have prior approval from the PUC. The PUC adopted the ALJ Recommendations and Order dated July 26, 2016. The PUC denied GTA's petition for rehearing and denied all other relief requested therein. The PUC indicated that its February 25, 2016 Order was a "final" Arbitration Award.
9/29/16	GTA 16-04	The PUC issued its annual certification to the Federal Communications Commission and the Universal Services Administration Company that Teleguam Holdings, LLC, is eligible to receive federal high-cost support for program year 2017. PUC certified that Teleguam Holdings, LLC, used such support in the preceding calendar year and would use such support in the coming calendar year for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent in section 254(e) of the Communications Act.
9/29/16	GTA 16-05	The PUC issued its annual certification to the Federal Communications Commission and the Universal Services Administration Company that Teleguam Holdings, LLC, f/k/a Pulse Holdings LLC, is eligible to receive federal high-cost support for program year 2017. PUC certified that Teleguam Holdings, LLC, f/k/a Pulse Holdings LLC used such support in the preceding calendar year for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent in section 254(e) of the Communications Act.
Guam Telecom, LLC		
9/29/16	GT 16-01	The PUC issued its annual certification to the Federal Communications Commission and the Universal Services Administration Company that Guam Telecom, LLC, is eligible to receive federal high-cost support for

		program year 2017. PUC certified that Guam Telecom, LLC, used such support in the preceding calendar year and would use such support in the coming calendar year for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent in section 254(e) of the Communications Act.
PTI Pacifica Inc.		
Date	*Docket*	*Action*
9/2/15	PTI 16-01	The PUC issued its annual certification to the Federal Communications Commission and the Universal Services Administration Company that PTI Pacifica Inc., is eligible to receive federal high-cost support for program year 2017. PUC certified that PTI Pacifica Inc. used such support in the preceding calendar year and would use such support in the coming calendar year for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent in section 254(e) of the Communications Act.
Docomo Pacific Inc.		
3/31/16	Docomo 16-01	Guam Telecom LLC and Docomo Pacific Inc. applied to the PUC for the transfer of Guam Telecom LLC's Certificates of Authority to Docomo Pacific Inc. The applicants also requested that PUC approve the assignment of GT's Eligible Telecommunications Carrier Designation to Docomo Pacific Inc. Docomo Pacific and GT Telecom are both wholly owned subsidiaries of Docomo Guam Holdings Inc. The Administrative Law Judge conducted a public hearing on the application. No public comments or opposition were filed in response to the Joint Application. Before the GT Certificates of Authority can be transferred to Docomo Pacific, there must be the prior approval of the PUC. There are two findings that the PUC must make before the certificates can be transferred: (1) The applicant possesses sufficient technical, financial, and managerial resources and abilities to provide the telecommunications services in Guam for which it seeks a certificate of authority; and (2) The granting of a certificate of authority to the applicant would not be contrary to the public interest. The ALJ found that Applicants would continue to possess sufficient

financial and managerial resources to provide telecommunication services in Guam after the transfer of the certificates of authority to Docomo Pacific Inc. The balance sheets and financial statements filed by the Applicants indicate substantial and significant financial resources which should enable them to continue to provide telecommunication service in Guam after the transfer of GT's Certificates of Authority to Docomo Pacific Inc. The parent company, NTT Docomo is a worldwide, large and financially secure company with revenues of billions of dollars. The management structure of GT could not be changed as a result of the merger into Docomo Pacific Inc. The managers will be the same as those who currently operated telecommunication services for GT. Both Docomo Pacific and NTT Docomo will provide managerial and technical resources after the merger. The ALJ found that the transfer was not "contrary to the public interest." The entity consolidation of GT and Docomo Pacific Inc. will ensure that services continue to be provided to customers in Guam without change of rates or terms of service. The consolidation will promote the goal of the Guam Telecommunications Act of providing innovative, accessible and affordable telecommunication services to the people of Guam. Based upon the recommendation of the ALJ, the PUC authorized Guam Telecom LLC to assign and transfer its Certificates of Authority (to provide resold and facilities based local exchange services within the Territory of Guam and Facilities-based and resold special access service in the form of private line service on Guam) to Docomo Pacific Inc. The PUC also approved the assignment and transfer of GT's ETC designation to Docomo Pacific. The applicants were determined to have met all the requirements for the authorization to transfer their certificates of authority.

PUC Administrative Matters

Date	*Action*
12/10/15	The PUC approved the Assignment of the PUC/Lummus Consulting Agreement to Kelly Energy Associates, LLC.
1/25/16	The PUC reviewed the FY2015 Annual Report.
3/31/16	The PUC reviewed the E-911 Fiscal 2015 Surcharge Summary, GTA

	Docket 16-01.
4/28/16	The PUC extended its Contract for Administrative and Bookkeeping Services.
9/29/16	The PUC approved its Administrative Budget for FY2016 and its Administrative Assessment Order for the utilities and telecom companies. The PUC also approved Contracts for FY2017 Legal Counsel, Administrative Law Judge, and PUC Consultant. The PUC renewed the contract for PUC Administrator.