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33-15-0626
Office of the Speaker
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July 15, 2015

Honorable Judith T. Won Pat, Ed.D.
Speaker, 33rd Guam Legislature
155 Hesler Place
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Date: 7/15/15
Time: 1:15pm
Received By: [Signature]

Re: Report of the Guam Public Utilities Commission for FY2014 detailing the receipts, collections and amounts of the Enhanced 911 Emergency System Surcharges

Dear Speaker Won Pat:

On behalf of the Guam Public Utilities Commission, it is my pleasure to submit to you the FY2014 Report of the Guam Public Utilities Commission [PUC] detailing the receipts, collections and amounts of the CMRS accounts, and the Enhanced 911 Emergency System Surcharges. This Report was prepared by the PUC's Consultant, Slater, Nakamura & Co., LLC. PUC is required by Section 3 of Public Law 28-44 to submit this Report to *I Maga'lahañ Guåhan*, the Speaker of *I Liheslaturan Guåhan*, and the Public Auditor of Guam.

Please let me know should you have any questions concerning the PUC E911 Report. Thank you for your consideration in this regard.

Sincerely,

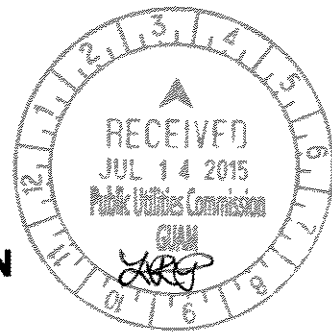
[Signature]
Frederick J. Horecky
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Public Utilities Commission

Enclosure

0626

2015 JUL 15 PM 1:59



THE GUAM PUBLIC UTILITIES COMMISSION

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E-911 Fiscal 2014 Surcharge Summary) GTA Docket 15-01
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Office of the Speaker
Judith T. Won Pat, Ed.D

Date: 7/15/15
Time: 1:15 PM
Received By: [Signature]

E-911 Fiscal 2014 Surcharge Summary

**For The Guam Public Utilities Commission
GTA Docket 15-01**

June 30, 2015

Slater, Nakamura & Co, LLC

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1.0 EXECUTIVE SUMMARY

SUMMARY OF REVIEW

Pursuant to Public Law 32-096, the Public Utilities Commission is required to file an annual report on the receipts, collections and remittances of E-911 surcharges. This report must be filed with the Governor of Guam, the Guam Legislature, and the Office of Public Accountability within sixty days of the Government of Guam fiscal year end.

The PUC has retained Slater, Nakamura & Co, LLC as the consulting firm tasked with the preparation of this report. In completing the report, Slater, Nakamura completed the following tasks:

- Reviewed the underlying Guam Public Laws, reports issued by the Office of Public Accountability, previous dockets of the Guam Public Utilities Commission along with their orders thereon, the previous years' E-911 reports, and Collection Agent Reports filed with the PUC by the individual Collection Agents.
- We then completed a review and analysis of the FY 2014 Collection Agents' quarterly reports on the same basis as was utilized in our FY 2013 review and wrote our report.

In this report, for comparative purposes, we have included data from the 2011, 2012 and 2013 fiscal years. Data is presented on an annual basis.

Findings

- Public Law 32-096 was signed into law on November 27, 2013. The law amends section 2 (c), section 3, and section 4 of Public Law 25-55, relative to 911 surcharges. The law removed language that established a cap on the 911 surcharge at 25 access lines per account bill. We believe that the provisions of the law has been adopted and implemented by the Collection Agents and has resulted in 77,451 fewer line exemptions this fiscal year compared to the previous fiscal year.
- In addition, Public Law 32-096 established the requirement that E-911 surcharges be collected for Voice Over Internet Protocol (VOIP) telephone services. Certain Collection Agents have made inquiries and requested guidance from the PUC as to how these surcharges should be determined and collected.
- There is a diverse array of methodology being utilized by the different Collection Agents in the assessment and collection of the E-911 Surcharge on prepaid accounts.
- The Collection Agents are required to file quarterly reports with the PUC providing specifically required details on all of their customers who refused to pay the monthly E-911 Surcharge. Once the required report has been filed with the PUC, the Collection Agent has no further responsibility to collect the unpaid E-911 Surcharge. We found no instance during the 2011, 2012, 2013 and 2014 fiscal years where the required reports were filed with the PUC. In

spite of the failure to file the required reports, some Collection Agents withheld uncollected E-911 Surcharges from their remittances to the Department of Administration. The reported accumulated E-911 surcharges as of the 2011, 2012 and 2013 fiscal year ends were \$47,740, \$58,117 and \$65,309 respectively. As of September 30, 2014 the total accumulated uncollected surcharges for all Collection Agents amounted to \$86,244.

- We noted that among the various Collection Agents, there is a wide variance in the number of exempt lines as a percentage of total lines reported. There was no specific error or problem noted and it appears that the reason for this percentage variance emanated from differing customer mixes among the various Collection Agents. There are some collection agents who concentrate on very large customers while other Collection Agents have a higher percentage of individual accounts.
- The Collection Agents are required to remit the net collected E-911 Surcharges no later than forty-five days following the last day of the month in which the Surcharges were collected. However, we noted that there were instances where some remittances were made later than the due date, and also sometimes more than one month of E-911 Surcharges collected were remitted to the DOA at one time.
- The Collection Agents are required to file a quarterly report with the PUC on the number of lines and accounts serviced together with the amount of their E-911 revenues, collections, remittances and administrative expenses. These reports are due to be filed no later than forty-five days after the end of each quarter of the fiscal year. In fiscal year 2014 most of the required reports were filed well past the reporting due date. The final required report for the 2014 fiscal year ended September 30, 2014 was not received until April 6, 2015.
- Starting in fiscal year 2013 the Collection Agents were asked to provide the PUC with copies of the receipts for all E-911 payments issued by the Department of Administration. However, during fiscal year 2014 many of the Collection Agents failed to provide such receipt copies.

Recommendations

- We recommend that the PUC review its orders relative to the collection of surcharges on exempt lines to make sure that they comply with current law, including Public Law 32-096 which removed the 25 line cap on single bill accounts.
- In addition, we recommend that the PUC establish procedures for assessing and collecting the surcharges on VOIP telephone services.
- In order to assist the Collection Agents in understanding the proper methodology and procedures to be followed in the E-911 Surcharge assessment, collection, remittance, and reporting process, we recommend that each of the Collection Agents be encouraged to provide feedback and comments on these annual reports.

- We recognize that the difference in the methods being utilized by the different Collection Agents is due to differences in the systems and software being utilized by the collection agents. We believe that this is acceptable so long as the individual Collection Agents consistently apply their assessment and collection methodology over time. We recommend that the PUC consider a review of how the E-911 surcharge is being assessed on prepaid accounts to assure this consistency.
- In order to determine that all remittances are being paid to the DOA in a timely manner, we recommend that the PUC require all Collection Agents to provide the PUC and Slater, Nakamura with a copy of the monthly DOA remittance receipts for the E-911 payments together with their quarterly reports when filed with the PUC.
- The Collection Agents are not following required procedures relative to uncollected E-911 Surcharges. Each Collection Agent is required to file a quarterly report with the PUC listing detailed information on each customer who refused to pay the monthly Surcharge. Having completed that requirement, the Collection Agents are then relieved of any further collection responsibility. In our review of the procedures delineated by the PUC in its June 24, 2002 Order relative to uncollected surcharges we find that it sets out the reporting requirements on the part of the Collection Agents but fails to state who will bear the ultimate payment responsibility should the Collection Agents fail to file the required report.
 - Some of the Collection Agents are not filing the required reports but are, none-the-less, withholding remittance of the uncollected Surcharges. Some Collection Agents are not filing the required reports but are not deducting uncollected E-911 Surcharges from their remittances. We recommend that any Collection Agent who makes a deduction for uncollected surcharges from its remittances to DOA be required to file the appropriate supporting reports with the PUC.
 - We recommend that the PUC review its previous orders relative to the reporting of uncollected E-911 Surcharges and make a determination as to whether or not the failure of a Collection Agent to file the required reports relieves the Collection Agent of all responsibility for payment thereof. If the PUC determines that this requirement is not necessary we recommend that the Commission issue a new order that relieves the Collection Agents of this reporting and collection requirement and the circumstances under which such relief can be claimed.
- We recommend that all collection agents make the required monthly payments of collected E-911 Surcharges within the 45 day period following the end of each month in which the Surcharges were actually collected from customers.
 - Evidence of these payments, including a copy of the Department of Administration payment receipt, is required to be submitted to the PUC and Slater, Nakamura within the required quarterly reporting time period.

- We recommend that these payments be monitored by the PUC and/or Slater, Nakamura with a notice of payment deficiency being sent to any Collection Agent who fails to submit such payment documentation with a copy to the PUC.
- We recommend that all Collection Agents prepare and submit the required quarterly report together with all supporting documentation no later than forty-five days after the end of each quarter of the fiscal year. We further recommend that the PUC and/or Slater, Nakamura monitor the filing of these reports and issue a notice of reporting deficiency to any Collection Agent for any missing report.

2.0 BACKGROUND

In this section is presented information related to the E-911 system

The E-911 System provides the Guam community with rapid and direct telecommunication access to Guam's public safety and emergency response agencies. The 911 system was established in 1991 by Public Law (P.L.) number 21-61 which placed the responsibility for the system on the Office of Civil Defense.

In 1996 the responsibility for the system was transferred to the Guam Fire Department by P.L. 23-77.

P.L. 25-55 (E-911 Act) authorized the levy of a 911 surcharge to fund an enhanced emergency system that would include the technology, equipment and personnel necessary to provide improved 911 services to the public. The E-911 Act also provided for the establishment of the Enhanced 911 Emergency Reporting System Fund (E-911 Fund). The E-911 Act further directed the Guam Public Utilities Commission (PUC) to establish a monthly surcharge rate, not to exceed the amount of one dollar per month per access line, and not to exceed twenty-five lines per month per account. The surcharge must be specifically identified as a separate line item on customer invoices.

The PUC in its Docket 99-10, 911 Emergency System Surcharge Order dated February 25, 2000, set the E-911 surcharge rate at the maximum allowed of one dollar per month. The surcharge applies to all landline, postpaid and prepaid accounts.

Landline accounts are for regular wired telephone service customers. Postpaid accounts are cell phone service accounts that are billed to customers on a monthly basis. Prepaid accounts are those for which customers pay in advance for services. The service for these accounts is provided when the customer purchases a phone card and enters the service provided by the card into their telephone device.

The E-911 Act dictates that Guam's telecommunication providers (Collection Agents) are responsible for assessing and collecting the E-911 surcharge from each account and remitting those collections to the Government of Guam Department of Administration (DOA). The remittance of the surcharge collections must be paid by the Collection Agents no later than forty-five days after the end of the month in which the collection was made. The Collection Agents are further required by Docket 99-10, E-911 Emergency System Surcharge Order dated June 24, 2002, to file a quarterly report with the PUC on the number of lines and accounts serviced together with the amount of their E-911 revenues, collections, remittances and administrative expenses. These reports are required to be filed no later than forty-five days after the end of each quarter of the Government of Guam fiscal year.

The Collection Agents are authorized by the E-911 Act to deduct from their remittances the administrative costs that they incur in the process of assessing, collecting, remitting and reporting on the E-911 surcharge. The PUC in its Docket 99-10, E-911 Emergency System Reimbursement Protocol Orders dated June 23, 2003, March 30, 2004, April 22, 2005, and July 27, 2005 ruled on the amount that five of the Collection Agents are authorized to deduct from their remittances as compensation for their administrative costs. In its Docket 10-04, Emergency

System Reimbursement Protocol Order dated April 18, 2011 the PUC ruled on the amount that one of the Collection Agents is authorized to deduct from their remittances as compensation for its administrative costs. One Collection Agent has not filed for authorization to make a deduction for administrative expenses from its DOA remittances.

P.L. 28-44 requires that the PUC file an annual report, on the receipts, collections and remittances of the E-911 surcharges. This report must be filed with the Governor of Guam, the Guam Legislature, and the Office of Public Accountability within sixty days of the Government of Guam fiscal year end. The PUC has engaged the services of their telecom consultants to prepare these reports.

There are currently seven telecommunication carriers that have been designated as Collection Agents. These Collection Agents are (in alphabetical order):

- Docomo Pacific
- Teleguam Holdings
- Guam Telecom
- I-Connect
- Pacific Data Systems
- PTI Pacifica d/b/a IT&E
- Teleguam Holdings f/k/a Pulse Mobile

Of these seven carriers there are three landline carriers. The landline carriers are:

- Teleguam Holdings
- Guam Telecom
- Pacific Data Systems

The remaining four carriers are cellular service providers. The cellular service providers are:

- Docomo Pacific
- I-Connect
- PTI Pacifica d/b/a IT&E
- Teleguam Holdings f/k/a Pulse Mobile

3.0 DISCUSSION OF THE REPORT COMPILATION

This section discusses the approach that was used to prepare this report.

SOURCE DATA

In preparing this report we reviewed the underlying Guam public laws discussed above, reports issued by the Office of Public Accountability, previous dockets of the PUC along with their orders thereon, previous years' E-911 reports, and the Collection Agent Reports filed with the PUC by the individual Collection Agents.

CONFIDENTIALITY

In order to protect the confidential proprietary business data of the Collection Agents we are only reporting summary data in our report. It should be noted that the Georgetown Consulting Group, Inc. also only reported summary data in their reports issued in prior years.

PROCEDURES

FY 2014 Review and Analysis

We received and reviewed the quarterly Collection Agent reports relative to the 2014 fiscal year that were filed with the PUC by the Collection Agents. At the time that we were retained by the PUC to work on the E-911 accounting and reporting, the PUC requested that, henceforth, the Collection Agents copy Slater, Nakamura on all E-911 filings with the PUC. Subsequently, we have received said filings directly from the Collection Agents.

The data contained in the individual FY 2014 quarterly Collection Agent reports was entered into spreadsheets for analysis. On a quarterly basis we reviewed the report submissions from the Collection Agents. Any questions regarding the submissions were sent to the Collection Agents and resolved through dialog.

We also prepared various tables and graphs of the summarized Collection Agent data. For comparative purposes, the data from FY 2011, FY 2012, FY 2013 and FY 2014 is included in our tables and graphs. These tables and graphs assisted us in our analysis and understanding of the procedures relative to the assessment, collection, remittance, and reporting of the E-911 surcharges for 2014.

E-911 FISCAL 2014 SURCHARGE SUMMARY REPORT

Using the knowledge, data and information that we gained in our review, we prepared this report for the PUC, the Governor of Guam, the Guam Legislature and the Office of Public Accountability.

4.0 FY 2014 ANALYSIS

This Analysis Section presents the review and analysis of the FY 2013 Collection Agent Reports filed with the PUC.

ELEMENTS INCLUDED IN OUR REVIEW AND ANALYSIS

Our analysis of the individual and the overall elements of the FY 2014 E-911 surcharges included:

- A comparison of all 2014 numbers and amounts with the comparable numbers or amounts from our FY 2011, FY 2012 and FY 2013 analysis.
- The components of the Total Line Elements.
- Revenues billed by the Collection Agents.
- Uncollected E-911 Surcharges.
- Adjustments to the E-911 revenues billed by the Collection Agents.
- The unremitted beginning fund balance held by the Collection Agents.
- The E-911 Surcharge cash receipts received by the Collection Agents.
- Payments made by the Collection Agents to the DOA.
- Costs of the PUC paid by one of the Collection Agents.
- Administrative costs incurred by the Collection Agents that were deducted by the Collection Agents from the remittances to DOA
- The unremitted ending fund balance held by the Collection Agents.

FY 2014 ANALYSIS APPROACH

The steps in the analysis were:

- Identification of the individual elements of the total lines billed by the Collection Agents to their accounts.
 - Postpaid Lines.
 - Prepaid Lines
 - Exempt Lines.
 - Reconciliation Items.
- Analysis of the Collection Agent fund balances and the receipts, disbursements and transfers in and out of the Collection Agent funds.
 - Identifying the unremitted opening fund balance held by the Collection Agents.
 - Reviewing the E-911 Surcharge cash receipts received by the Collection Agents.
 - Identifying the payments made by the Collection Agents to the DOA.

- Identifying the costs of the PUC which were paid by one of the Collection Agents and transferred to the PUC.
- Reviewing the administrative costs incurred by the Collection Agents and deducted from their remittances to the DOA.

FY 2014 Total Line Elements

In our analysis of the total net lines billed by the Collection Agents to their customers, we identified four individual elements that made up the Net Billed Lines. These elements are:

- Postpaid Lines
- Prepaid Lines
- Exempt Lines
- Reconciliation Items

From the FY 2014 individual Collection Agent reports that we received, we prepared individual spreadsheets for each Collection Agent and also a summary spreadsheet that combined all of the data included in the individual spreadsheets. From that individual spreadsheet we prepared the following table:

Figure 1: Fiscal Years 2011 through 2014 Total Line Elements

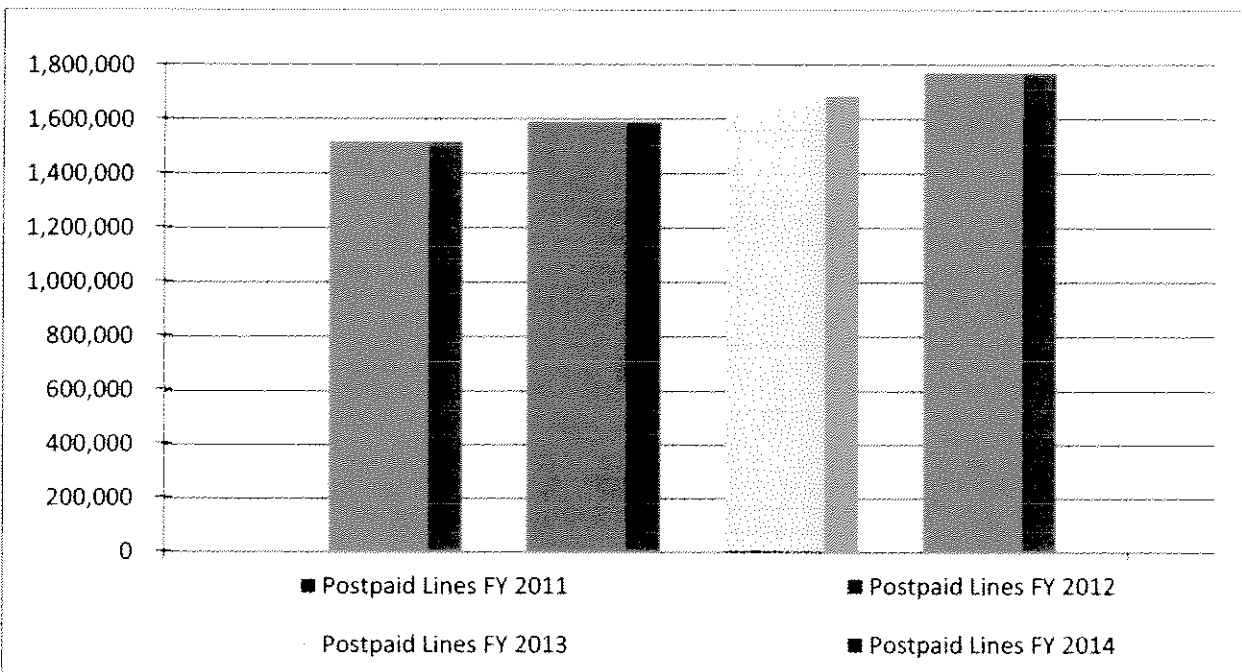
Fiscal Year	Postpaid Lines	Prepaid Lines	Exempt Lines	Reconciliation Items	Net Billed Lines
2011	1,515,044	548,108	(105,418)	21,918	1,979,652
2012	1,587,740	491,163	(121,919)	40,223	1,997,207
2013	1,684,504	467,868	(137,772)	34,971	2,049,570
2014	1,768,861	494,127	(60,321)	13,271	2,215,938

An analysis of this table includes several graphs that immediately follow in this report. In order to enhance our analysis we have presented, in the FY 2014 graphs that follow, comparative numbers from FY 2011, FY 2012 and FY 2013.

Fiscal Years 2011 through 2014 Comparative Postpaid Lines

The first graph that we prepared for our FY 2014 analysis is Figure 2: Graph of Fiscal Years 2011 through 2014 Comparative Postpaid Lines.

Figure 2: Graph of Fiscal Years 2011 through 2014 Comparative Postpaid Lines



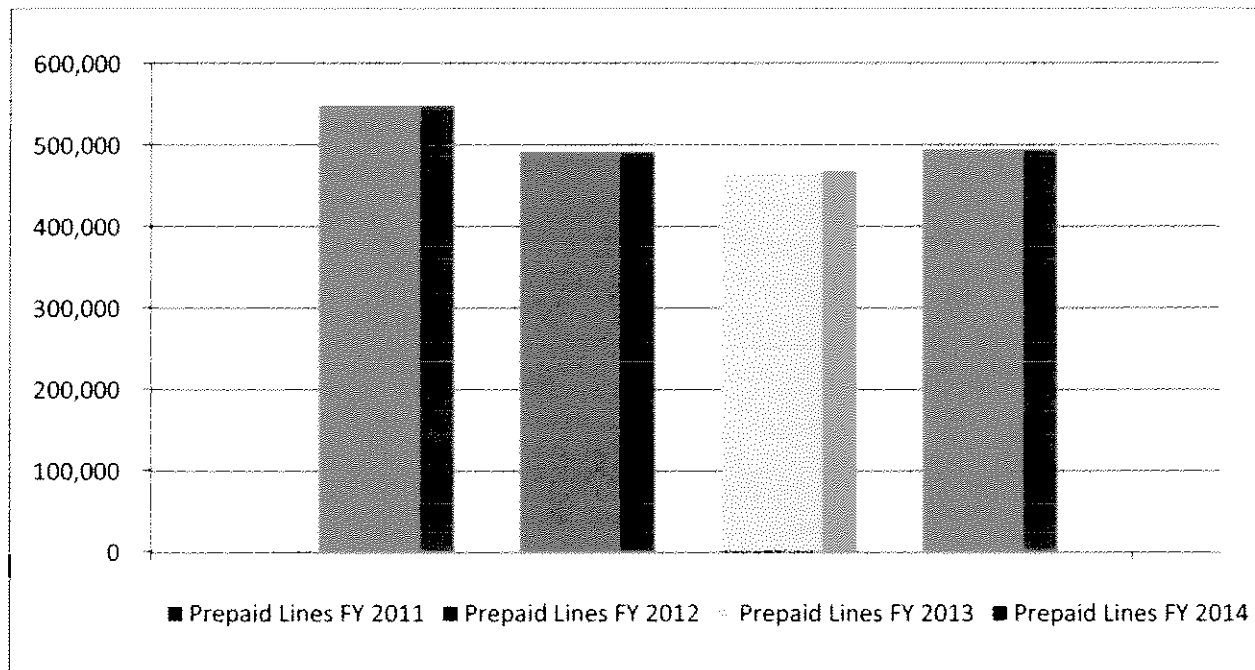
Postpaid lines are subscribed landline and cell phone access lines that are billed by the service providers on a monthly basis. The number of postpaid lines as of the beginning of FY 2014 was 138,995 lines. The high for the year was 152,561 lines and the low was 137,990 lines. The average number of lines on a monthly basis was 147,405 lines. As of the end of the fiscal year the number of postpaid lines was 152,561, a 9.76% increase over the beginning of the fiscal year number of lines. The total for all postpaid lines for FY 2014 was 1,768,861 lines compared with 1,684,504, 1,587,740 and 1,515,044 for fiscal years 2013, 2012 and 2011 respectively.

Fiscal Years 2011 through 2014 Comparative Prepaid Lines

Prepaid telecommunications services are only provided by the four cellular service providers.

The following graph is Figure 3: Graph of Fiscal Year 2011 through 2014 Comparative Prepaid Lines on an annual basis.

Figure 3: Graph of Fiscal Year 2011 through 2014 Comparative Prepaid Lines



Prepaid accounts are those accounts for which customers pay in advance and on a continuing demand basis for their telecom services. The service for these accounts is provided to the customer when the customer purchases a prepaid phone card and enters the service provided by the card into their telephone device. Once activated, the customer will have a predetermined number of minutes of telecom service as provided on the phone card.

As was mentioned above, prepaid cards are only marketed by the four cellular providers. These are:

- Docomo Pacific
- I-Connect
- PTI Pacifica d/b/a IT&E
- Teleguam Holdings f/k/a Pulse Mobile

Phone cards are sold by the above listed providers through a multitude of retail outlets throughout the island. These cards are available in a variety of price points. Based on the needs and resources of the customer, the purchasing pattern of each individual customer will likely vary from other prepaid customers; for example, one customer may purchase one twenty dollar phone card that will last him or her for a month. Another customer may purchase, as an example, four individual five dollar phone cards for service during the same period of time.

The E-911 surcharge is supposed to be assessed based on each individual access line. In its order dated June 24, 2002, relative to Docket 99-10, the PUC ordered that, "With regard to CMRS access lines, under a prepaid calling card arrangement, Collection Agents shall collect the Surcharge when and as

there is a positive balance in the customer's account for each month or portion thereof that the line is activated."

We made inquiries of each of the Collection Agents who offer prepaid services as to the methodology utilized by them to assess and collect the E-911 Surcharge for prepaid telecom services. The four Collection Agents, in no particular order, responded as follows:

Collection Agent A: This Collection Agent applies the Surcharge to every customer that has a balance in his or her account as of the last day of each month. If a customer has a load or has remaining value in their account at the end of any particular month, their system deducts the \$1.00 Surcharge from their account at that time.

This Collection Agent looks to see how many active, with load, prepaid users are in their prepaid system at the end of each month and reports that balance to the PUC.

If, however, a particular customer of this Collection Agent has activity within the month but has a zero balance as of the end of the month then no Surcharge is being collected for that customer by this Collection Agent. It is likely that this collection agent is under-collecting the E-911 Surcharge to the extent that its customers have zero balances as of the beginning and also the end of each month.

Collection Agent B: This Collection Agent applies the Surcharge to any balance in a customer's account as of the first day of every month. If a customer has a load or has opening value in their account at the beginning of any particular month, their system deducts the \$1.00 Surcharge from their account at that time.

This Collection Agent looks to see how many active, with load, prepaid users are in their prepaid system at the beginning of each month and reports that balance to the PUC.

If, however, a particular customer of this Collection Agent has activity within the month but has a zero balance as of the beginning of the month then no Surcharge is being collected for that customer by this Collection Agent.

Collection Agent C: When this Collection Agent's new prepaid accounts are activated their billing system imposes a minimum balance of \$1.00 below which the customer's account will not be permitted to fall. When the subscriber adds additional load during the calendar month no additional Surcharge is withheld. On the first day of each following calendar month, their prepaid system deducts \$1.00 from the account for the prior month's E-911 Surcharge. The only time when this Collection Agent would not collect the Surcharge is when a customer has no positive balance in their account at any time during the month.

Collection Agent D: When this Collection Agent's new prepaid accounts are activated their billing system immediately assesses and collects the \$1.00 E-911 Surcharge. In following months the Surcharge will be assessed at any

time when there is at least a \$1.00 balance in the account. Only one \$1.00 Surcharge is assessed in any one calendar month regardless of how many prepaid cards are loaded into the account in that month. If there is no positive balance in an account at any time during the month then there will be no assessment of the E-911 Surcharge.

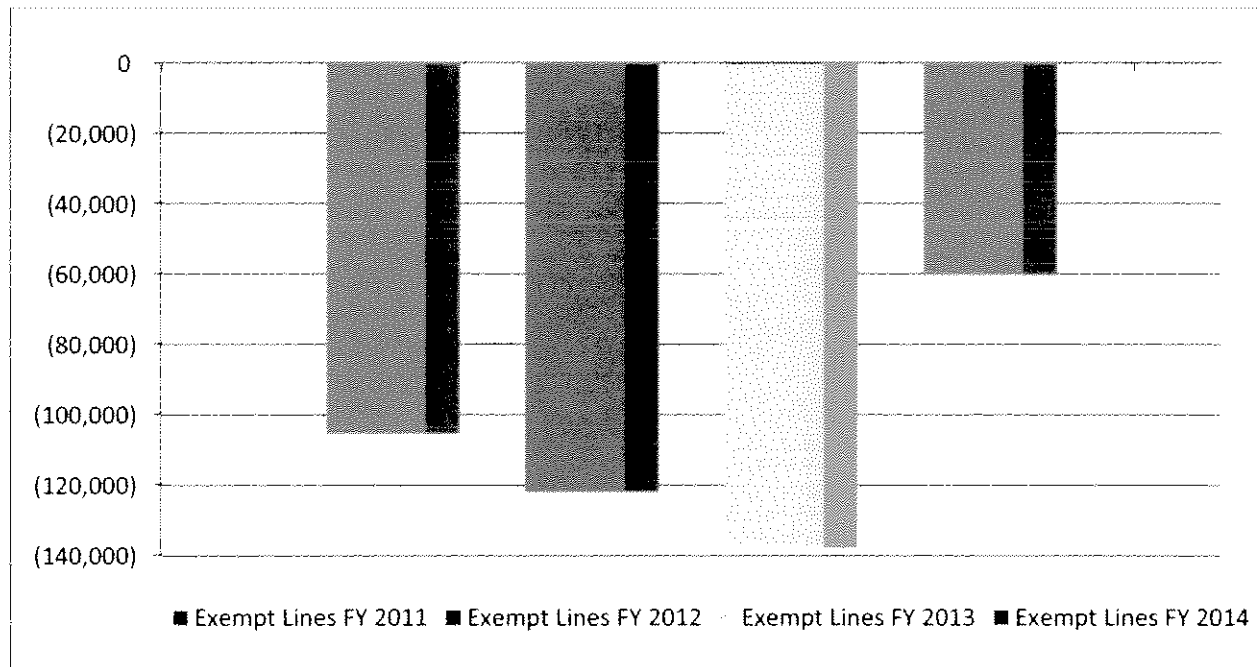
The number of prepaid accounts as of the beginning of FY 2014 was 39,810. The high for the year was 43,095 lines and the low was 38,416. The average number of prepaid accounts on a monthly basis was 41,177. As of the end of the fiscal year the number of prepaid accounts was 42,111, a 5.78% increase from the number of accounts as of the beginning of the fiscal year. The total for all prepaid accounts for FY 2014 was 494,127 accounts compared with 467,868, 491,163 and 548,108 for fiscal years 2013, 2012 and 2011, respectively, a 5.61% increase.

Fiscal Year 2011 through 2014 Comparative Exempt Lines

The E-911 Act specifies that life-line customers and telecommunication services which are incapable of accessing 911 are exempted from paying the E-911 Surcharge.

Figure 4 is a graph of the number of exempt lines claimed by the Collection Agents in Fiscal Years 2011 through 2014. The exempt line balances are shown in Figures 1 and 4 as negative numbers because they are deducted from the total line count for the purposes of calculating net billed lines.

Figure 4: Graph of Fiscal Year 2011 through 2014 Comparative Exempt Lines



In Fiscal 2014 three of the Collection Agents claimed no exempt lines at any time during the fiscal year. Four of the Collection Agents claimed exempt lines during every month of the fiscal year. The failure of any of the Collection Agents to claim exempt lines in any month of the fiscal year did not result in any underpayment of

E-911 Surcharges to the E-911 Fund. In FY 2014 exempt lines as a percentage of total lines ranged from 0% to 60% among the various Collection Agents. The wide range of this variance results from the fact that some Collection Agents have a higher percentage of large accounts, those subject to the exemption, than other Collection Agents whose customer base is composed of smaller or individual accounts.

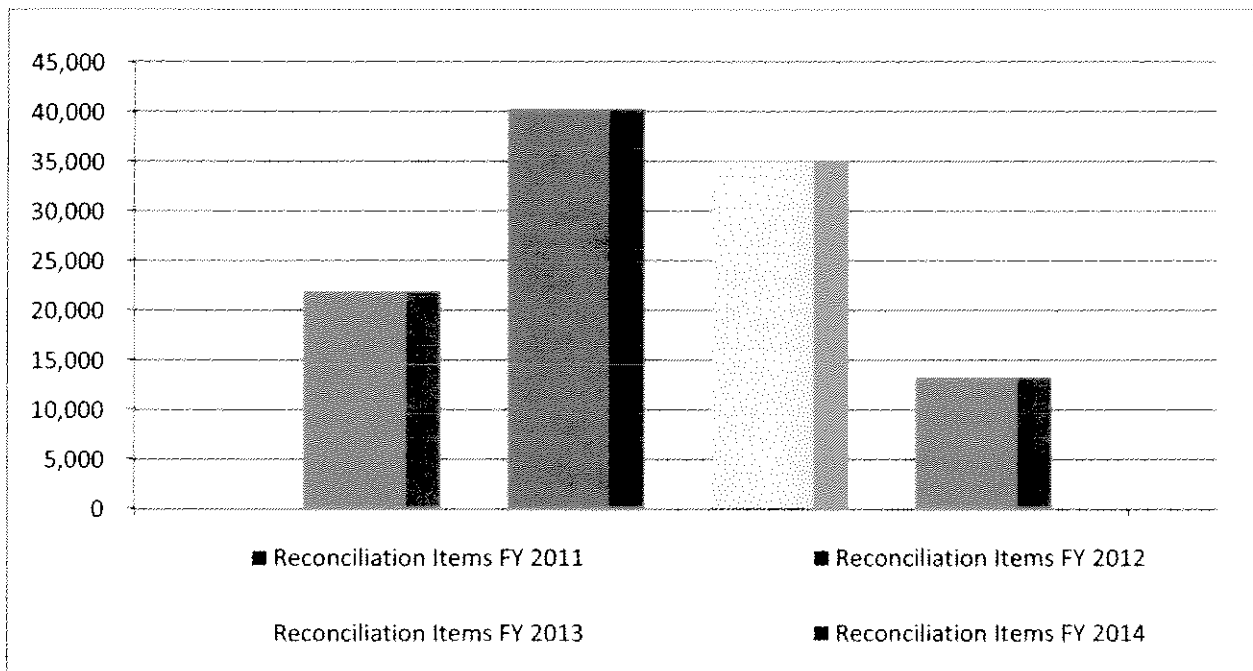
The number of exempt lines in the first month of the fiscal year was 7,128 lines. The high for the year was 7,128 lines and the low was 3,941 lines. The average number of exempt lines on a monthly basis was 5,027 lines. As of the end of the fiscal year the number of exempt lines was 4,255. The total for all exempt lines for FY 2014 was 60,321 lines compared with 137,772, 121,919 and 105,418 for fiscal years 2013, 2012 and 2011 respectively. This was a decrease of 77,451 lines and a 56.22% decrease over fiscal year 2013.

Fiscal Year 2011 through 2014 Comparative Reconciliation Items

There were reconciliation items in every month of FY 2014. Four of the Collection Agents had no reconciliation items in their quarterly reports.

Two of the Collection Agents were unable to satisfactorily reconcile their telecom management system generated line counts with the amount shown in their accounting records as being collected from their customers. Both Collection Agents collected more from their customers than their telecom management system reported as active lines and accounts. In order to make sure that they have paid at least the proper amount due, these Collection Agents have reported the difference as a reconciling item in each month and have paid the amount collected from their customers to DOA. Based on our review of these practices it is our conclusion that the DOA has been paid at least the amount that was due and the E-911 Fund has suffered no loss or underpayment.

Figure 5: Graph of Fiscal Year 2011 through 2014 Comparative Reconciliation Items

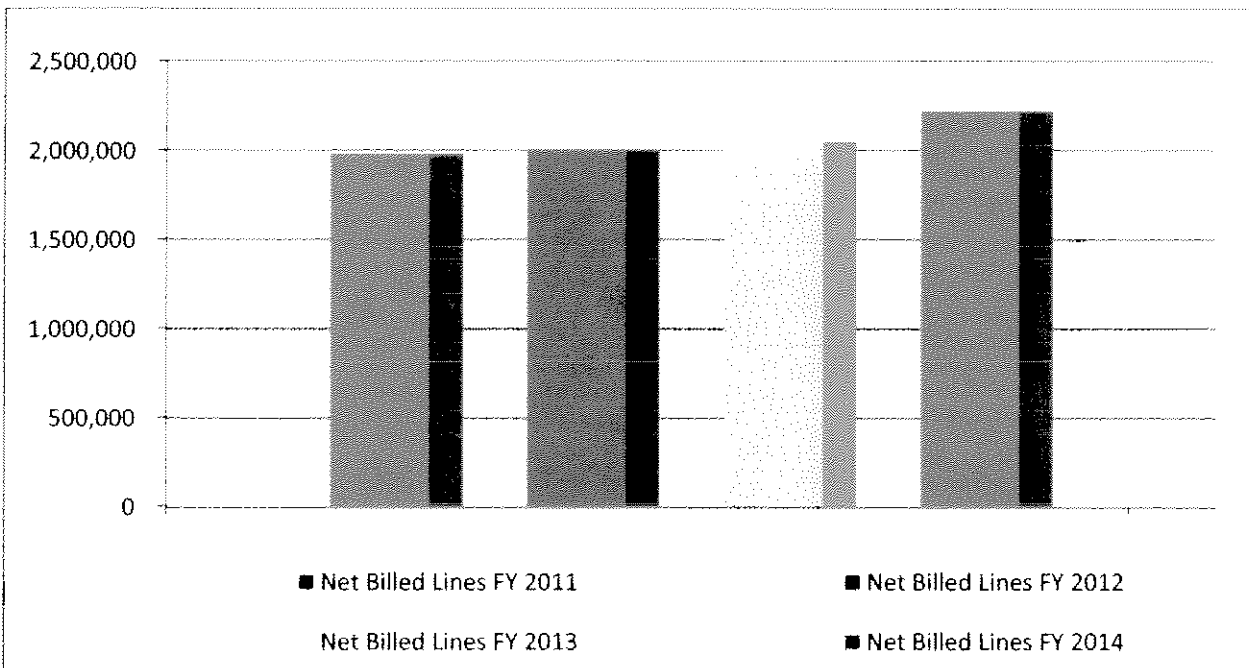


During FY 2014, reconciliation items reported by the Collection Agents in the calculation of net billed lines subject to the E-911 Surcharge were at a low of (1,405) lines and a high of 5,348 lines. The number of reconciliation items declared as of the beginning of the fiscal year was 1,326. The average number of reconciliation items on a monthly basis was 1,106 lines. As of the end of the fiscal year the number of Reconciliation Items lines was (1,405). The total for all reconciling item lines for FY 2014 was 13,271 lines compared with 34,971, 40,223 and 21,918 for fiscal years 2013, 2012, and 2011 respectively. This was a decrease of 21,700 lines, and a 62.05% decrease.

Fiscal Year 2011 through 2014 Comparative Net Billed Lines

Net billed lines are derived by adding the postpaid lines and prepaid accounts and then subtracting the exempt lines and adding the reconciling items.

Figure 6: Graph of Fiscal Year 2011 through 2014 Comparative Net Billed Lines



During FY 2014 net billed lines subject to the E-911 Surcharge were at a low of 173,003 lines and a high of 189,669 lines with an average of 184,662 lines. The number of net billed lines as of the beginning of the fiscal year was 173,003. As of the end of the fiscal year the number of net billed lines was 189,013, a 9.25% increase over the beginning of the fiscal year. The total of all net billed lines for FY 2014 was 2,215,938 lines compared with 2,049,570, 1,997,207 and 1,979,652 for fiscal years 2013, 2012 and 2011 respectively. This was an increase of 166,368 lines, and an 8.12% increase.

FY 2014 Revenue Elements

In order to convert the net billed lines to Net revenues it is necessary to review the individual elements of that conversion. These elements are:

- Revenues Billed
- E-911 Uncollected Surcharges
- Adjustments
- Net Revenues

The following chart details each of these elements:

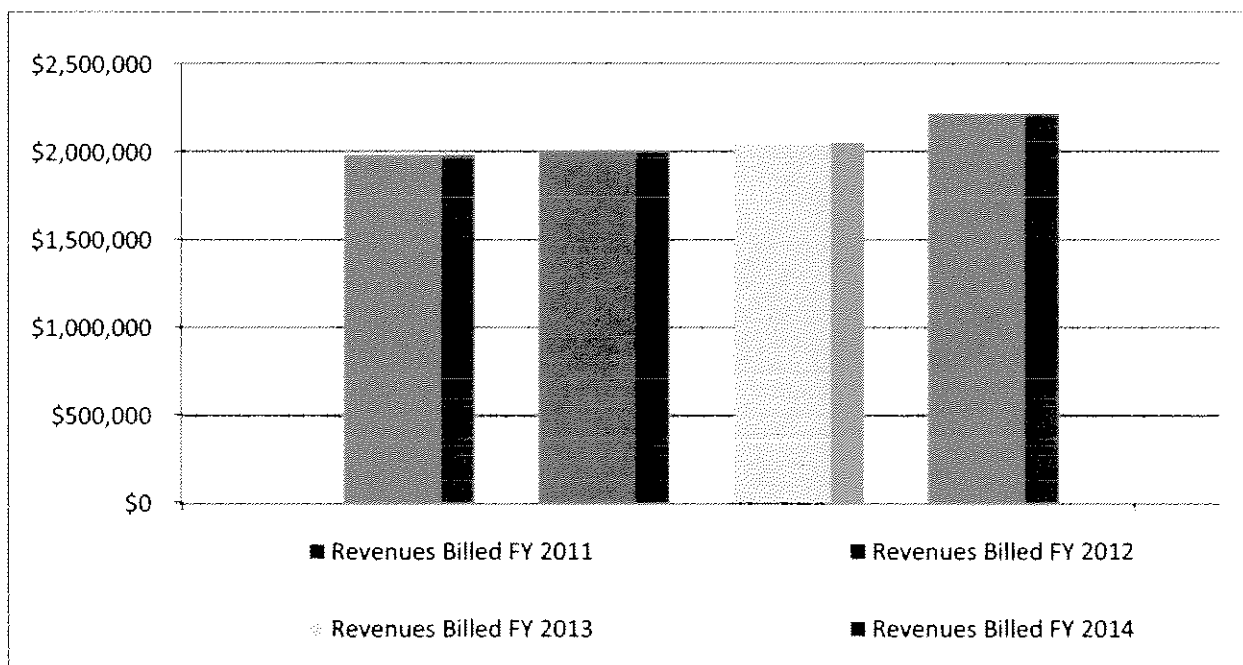
Figure 7: Fiscal Year 2011 through 2014 Revenue Elements

Fiscal Year	Revenues Billed	E-911 Uncollected	Adjustments	Net Revenues
2011	\$1,979,652	(\$9,751)	\$31	\$1,969,932
2012	\$1,997,207	(\$10,377)	\$0	\$1,986,830
2013	\$2,049,570	(\$7,192)	\$0	\$2,042,378
2014	\$2,215,938	(\$20,935)	(\$3)	\$2,195,001

Fiscal Year 2011 through 2014 Comparative Revenues Billed

Net Revenues are derived by multiplying the total Net Billed Lines, detailed in Figures 1 and 6 of this report, by the monthly E-911 Surcharge rate of \$1 per billable line. With the exception of the conversion of this graph to a dollar quantity as opposed to a line count quantity, this graph is identical to Figure 6: Graph of Fiscal Year 2011 through 2014 Net Billed Lines.

Figure 8: Graph of Fiscal Year 2011 through 2014 Comparative Revenues Billed



Fiscal Year 2011 through 2014 E-911 Comparative Uncollected Surcharges

In response to Public Law 26-55 the PUC, in its order dated June 24, 2002, relative to Docket 99-10, ordered that, "In the event a customer pays less than its full monthly invoice and unless the customer specifically instructs the Collection Agent otherwise in writing, the customer's payment on the invoice shall be first applied by the Collection Agent to cover the Surcharge. Except as provided in this paragraph, Collection Agents shall have no duty to pursue the collection of unpaid surcharges."

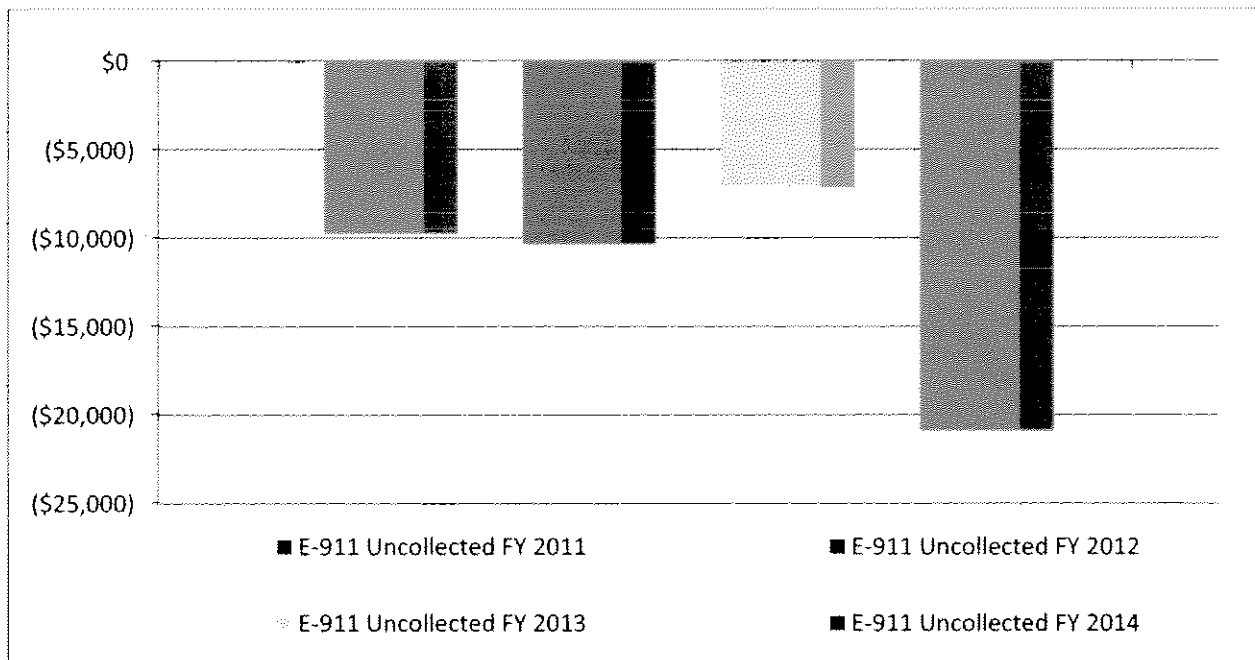
In the same order the PUC ordered that, "On or before the 45th day after the end of each quarter [ending March, June, September and December] Collection Agents shall file the following quarterly reports with the Commission:

- a. A report, which contains a list of each subscriber, including name, address and telephone number, who refused or failed to pay the Surcharge during the quarter and the amount of unpaid surcharge."

During FY 2014 we are unaware of any of the Collection Agent that filed the required report relative to any unpaid surcharges to the PUC.

There were, however, numerous deductions for uncollected E-911 surcharges made from the remittances paid by the Collection Agents to the DOA. Total net deductions for uncollected E-911 surcharges made by the Collection Agents in fiscal year 2014 were \$20,935. The following graph depicts this balance in comparison with the uncollected deductions for fiscal years 2011 through 2013:

Figure 9: Graph of Fiscal Year 2011 through 2014 Comparative E-911 Uncollected Surcharges



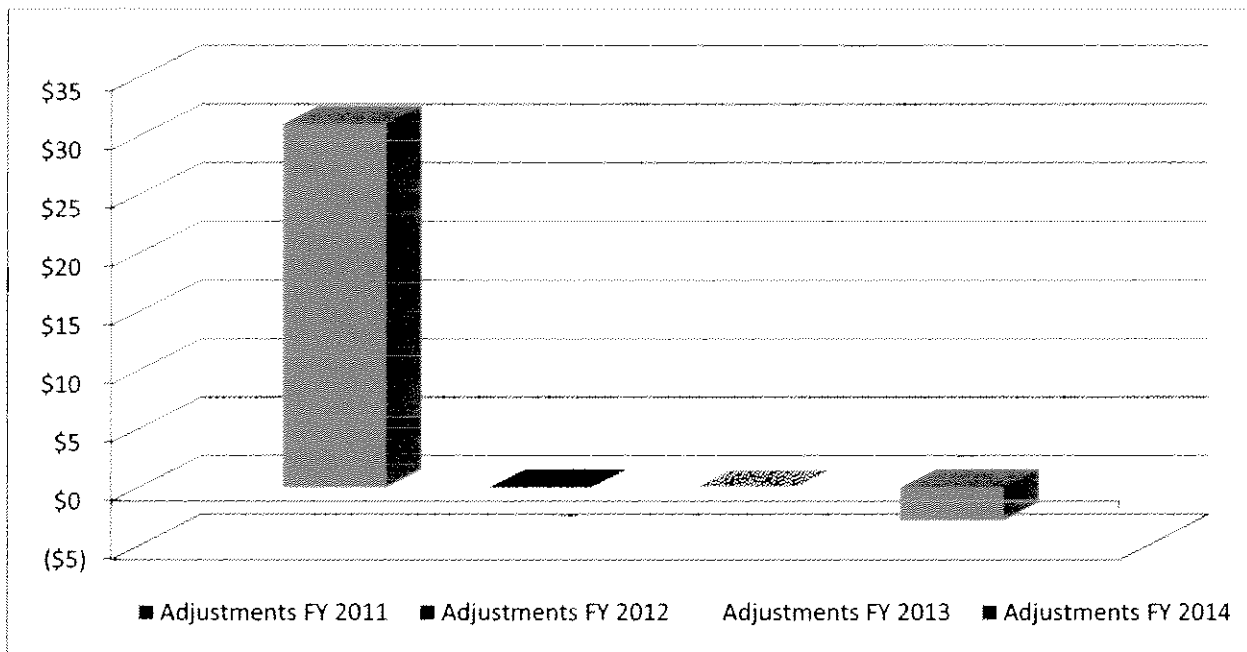
Accumulated uncollected surcharges as of the end of fiscal year 2010 were \$37,989. Net uncollected surcharges reported in fiscal years 2011, 2012, 2013 and 2014 \$9,751, \$10,377, \$7,192 and \$20,935 respectively. As a result the uncollected accumulated surcharges increased to \$47,740 at the end of fiscal year 2011, \$58,117 at the end of fiscal year 2012, \$65,309 at the end of fiscal year 2013 and \$86,244 as of the end of fiscal year 2014.

We recommend that the PUC review its previous orders relative to uncollected E-911 Surcharges and the ultimate responsibility, if any, for the payment of those surcharges be determined. We further recommend that the PUC enforce its requirement that any Collection Agent who makes a deduction from its reporting and remittances for uncollected surcharges file the required report thereon with the PUC.

Fiscal Year 2011 through 2014 Comparative Adjustments

There were \$31 of net adjustments in FY 2011. In FY 2012 and FY 2013 there were no adjustments. In fiscal year 2014 there were \$3 in net adjustments. The following graph depicts the comparative net revenue adjustments for fiscal years 2011 through 2014.

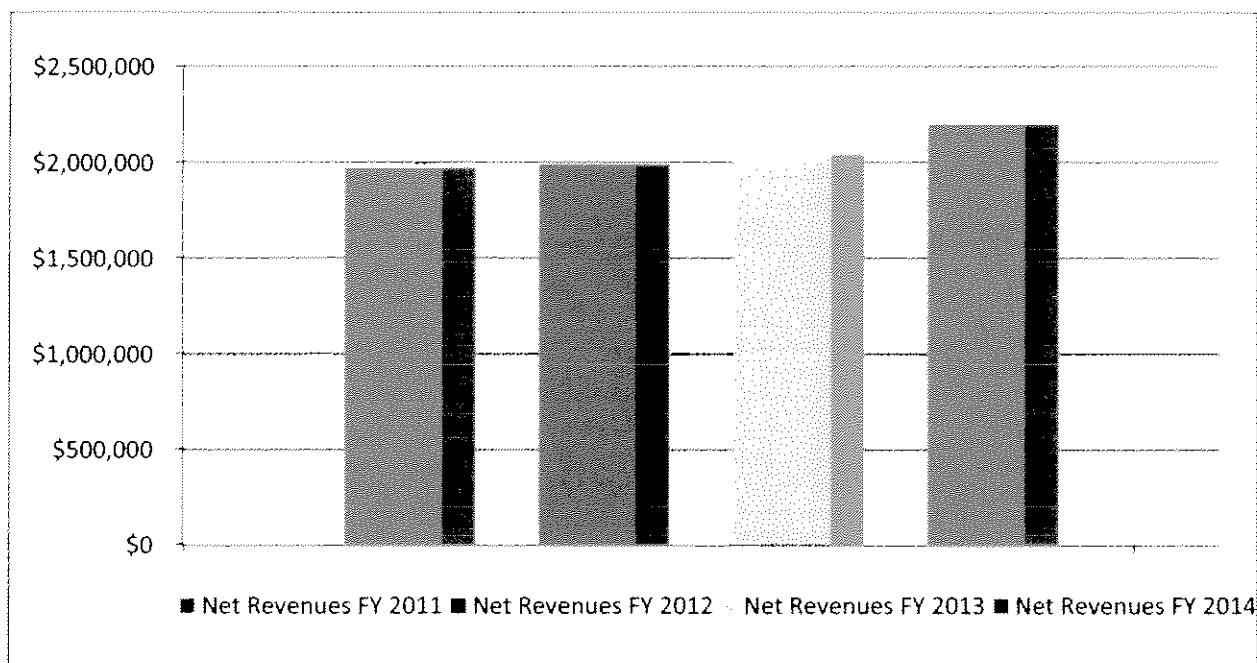
Figure 10: Graph of Fiscal Year 2011 through 2014 Comparative Adjustments



Fiscal Year 2011 through 2014 Comparative Net Revenues

The FY 2014 net revenues figure represents the total revenues billed less the uncollected Surcharges incurred during the year plus any adjustments. This figure will equal the Cash Receipts figure in the Fiscal 2014 Collection Agent Fund Balance Elements table in the following section.

Figure 11: Graph of Fiscal Year 2011 through 2014 Comparative Net Revenues



During fiscal year 2014 net monthly revenues were at a low of \$169,963 and a high of \$190,300 with an average of \$182,917. The amount of net revenues as of the beginning of the fiscal year was \$169,963. As of the end of the fiscal year the amount of monthly net revenues was \$188,627, a 10.98% increase over the beginning of the fiscal year amount of net revenues. The total of all net revenues for fiscal year 2014 was \$2,195,001 compared with \$1,969,932, \$1,986,830 and \$2,042,378 for fiscal years 2011, 2012 and 2013 respectively. This was an increase of \$152,623, and a 7.47% increase for fiscal year 2014 over fiscal year 2013.

FY 2014 Collection Agent Fund Balance Analysis

After having performed an analysis of the Collection Agents' lines and revenues, we reviewed and summarized the individual opening and closing Collection Agent fund balances. These balances represent the net unremitted funds held by the Collection Agents as of the beginning and end of the fiscal year. The elements that make up the Collection Agent fund balances are:

- Opening Fund Balance
- Cash Receipts
- Remittances Paid to DOA
- Costs Paid on Behalf of the PUC
- Costs Retained by the Collection Agents
- Closing Fund Balance

The following chart contains the monthly balances for each of these elements for fiscal years 2011, 2012, 2013 and 2014.

Figure 12: Fiscal Year 2011 through 2014 Collection Agent Fund Balance Elements

Fiscal Year	Opening Fund Balance	Cash Receipts	Remittances Paid to DOA	Costs Paid on Behalf of the PUC	Costs Retained By the Collection Agents	Closing Fund Balance
2011	\$84,592	\$1,969,932	(\$1,668,814)	(\$32,282)	(\$143,006)	\$210,422
2012	\$210,422	\$1,986,830	(\$1,862,010)	(\$6,546)	(\$144,612)	\$184,085
2013	\$184,085	\$2,042,378	(\$1,865,094)	(\$34,069)	(\$144,612)	\$191,688
2014	\$191,688	\$2,195,001	(\$2,036,513)	(\$25,065)	(\$144,612)	\$180,499

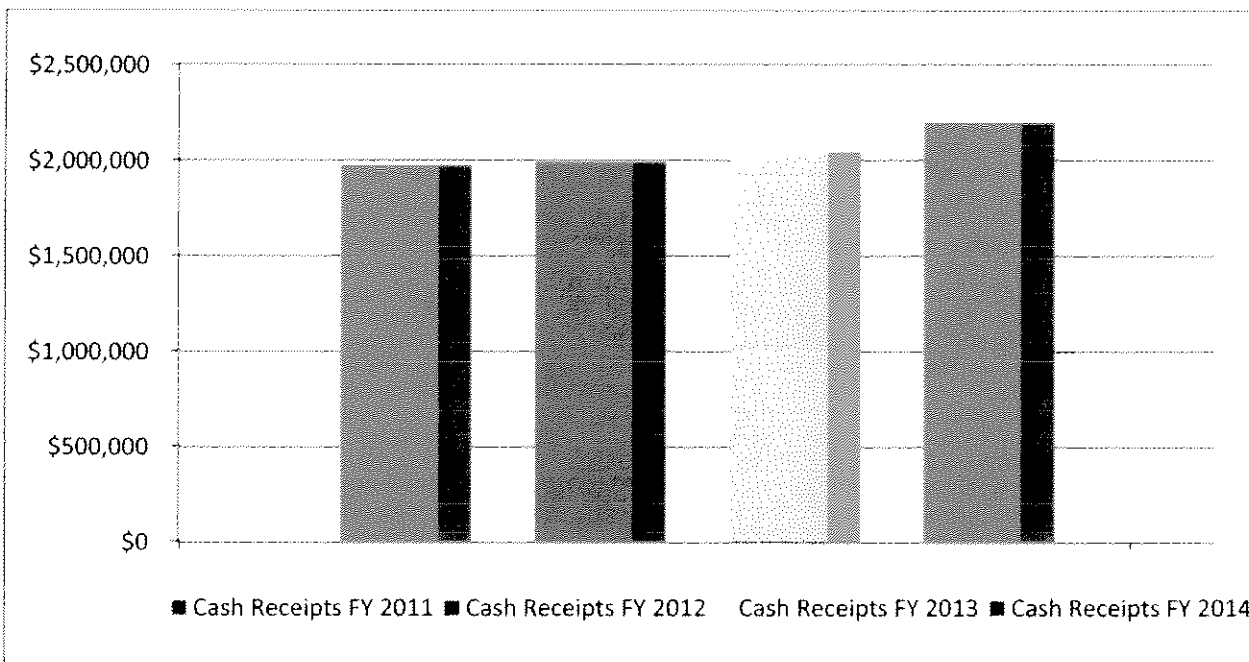
Fiscal Year 2014 Opening Fund Balances

According to the FY 2014 Collection Agent reports filed with the PUC by the individual Collection Agents, the total Collection Agent Opening Fund Balances was \$191,688. This balance represents the aggregate of the individual Collection Agents' unremitted E-911 Surcharges that they had collected and on hand as of the last day of the 2013 fiscal year and the first day of the 2014 fiscal year.

Fiscal Year 2011 through 2014 Comparative Cash Receipts

The cash receipts element of the fund balance analysis represents the actual total cash collected by the Collection Agents during the fiscal year. During fiscal year 2014 the Collection Agents collected, in aggregate, \$2,195,001 in E-911 Surcharges from their customers. The following graph depicts these collections on an annual comparative basis for the fiscal years from 2011 through 2014:

Figure 13: Graph of Fiscal Year 2011 through 2014 Comparative Cash Receipts



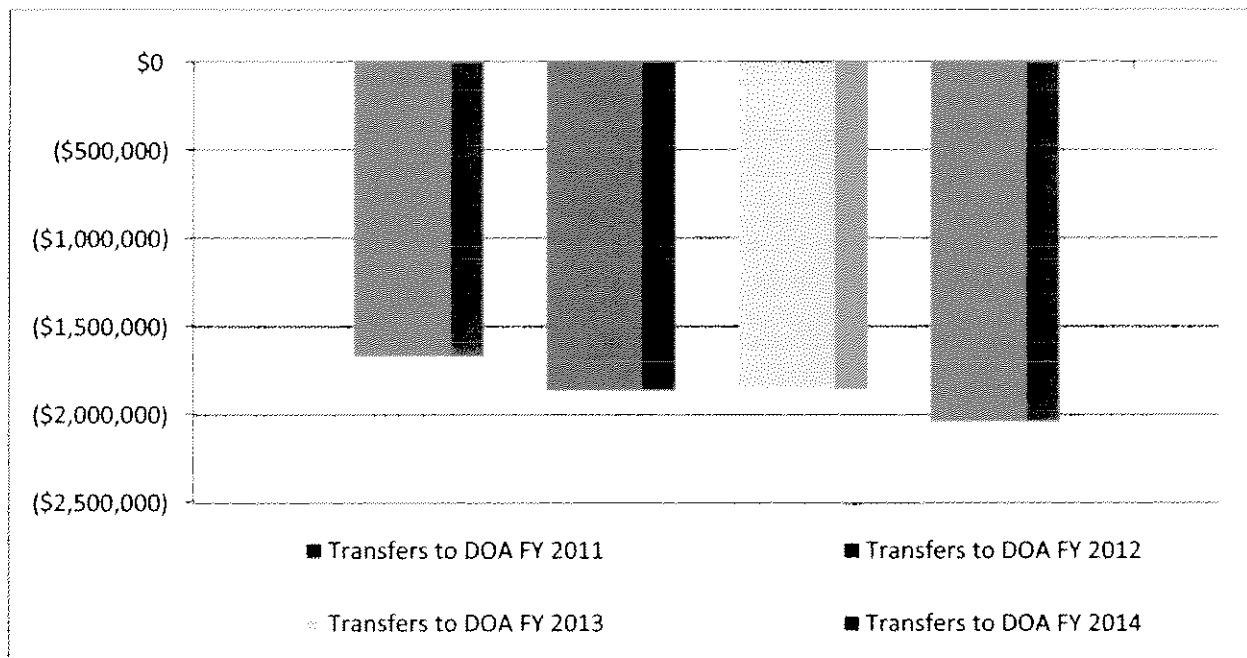
The cash receipts element used in this calculation is the same as the Net Revenue figures discussed in the immediately preceding section of this report and in Figures 7 and 11.

During fiscal year 2014, cash receipts were at a low of \$169,963 and a high of \$190,300 with a monthly average of \$182,917. The amount of monthly cash receipts as of the beginning of the fiscal year was \$169,963. As of the end of the fiscal year the amount of monthly cash receipts was \$188,627, a 10.98% increase over the beginning of the fiscal year amount of cash receipts. The total for all cash receipts for fiscal year 2014 was \$2,195,001 compared with \$1,969,932, \$1,986,830 and \$2,042,378 for fiscal years 2011, 2012 and 2013. This was an increase of \$152,623 for fiscal year 2014 over fiscal year 2013, and a 7.47% increase.

Fiscal Year 2011 through 2014 Comparative Remittances Paid to the DOA

During FY 2014, there was a total of \$2,036,513 in E-911 Surcharges reported by the Collection Agents as being remitted to the DOA. The following graph depicts, on an annual basis, the remittances reported to have been paid by the Collection Agents to the DOA in fiscal years 2011, 2012, 2013 and 2014:

Figure 14: Graph of Fiscal Year 2011 through 2014 Comparative Remittances Paid to DOA



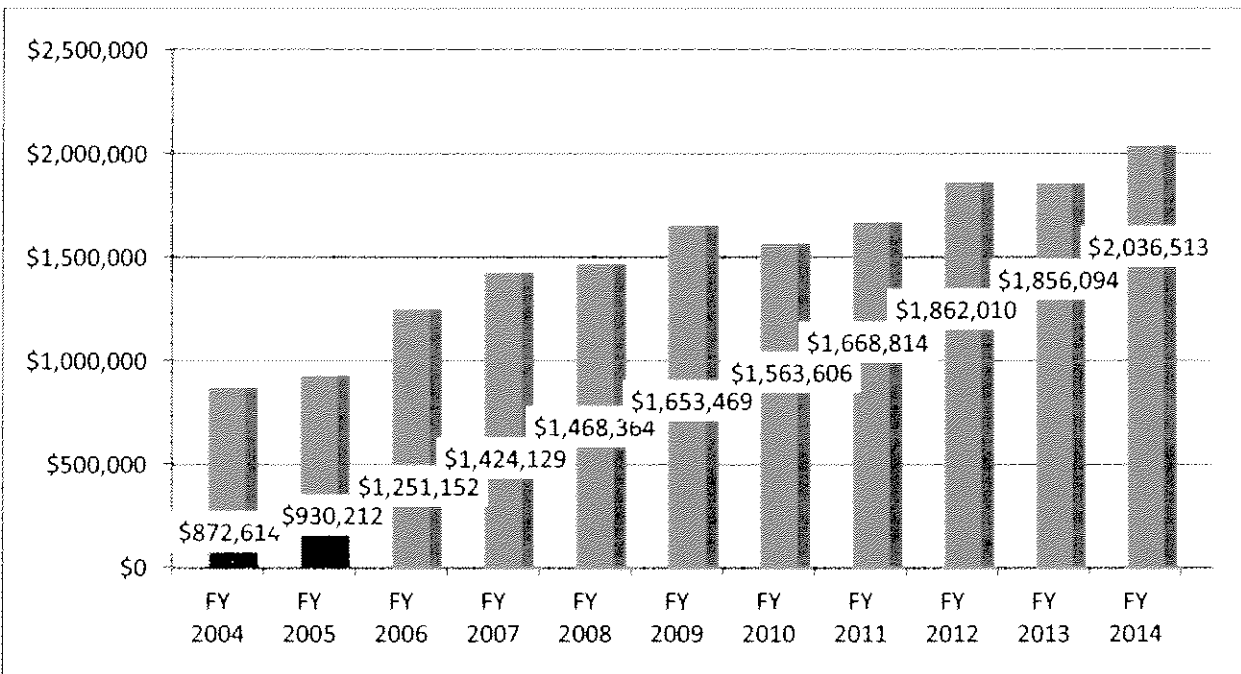
The remittances paid to DOA are shown in Figures 12 and 14 as negative numbers because they are deducted from the opening fund balances and cash receipts for the purposes of calculating closing fund balances.

In accordance with public law and orders of the PUC, these funds are required to be deposited with the DOA no later than forty-five days following the last day of the month in which these funds were collected from each Collection Agent’s customers.

However, in FY 2014 there were three Collection Agents who did not make their remittances on a monthly basis. These Collection Agents made their remittances only on an intermittent basis.

Historically, on an annual basis, remittances from the Collection Agents into the E-911 Fund through DOA have grown from a few hundred thousand dollars early in the century to \$2.04 million in 2014. The following graph presents visually the annual remittances from FY 2004 through FY 2014.

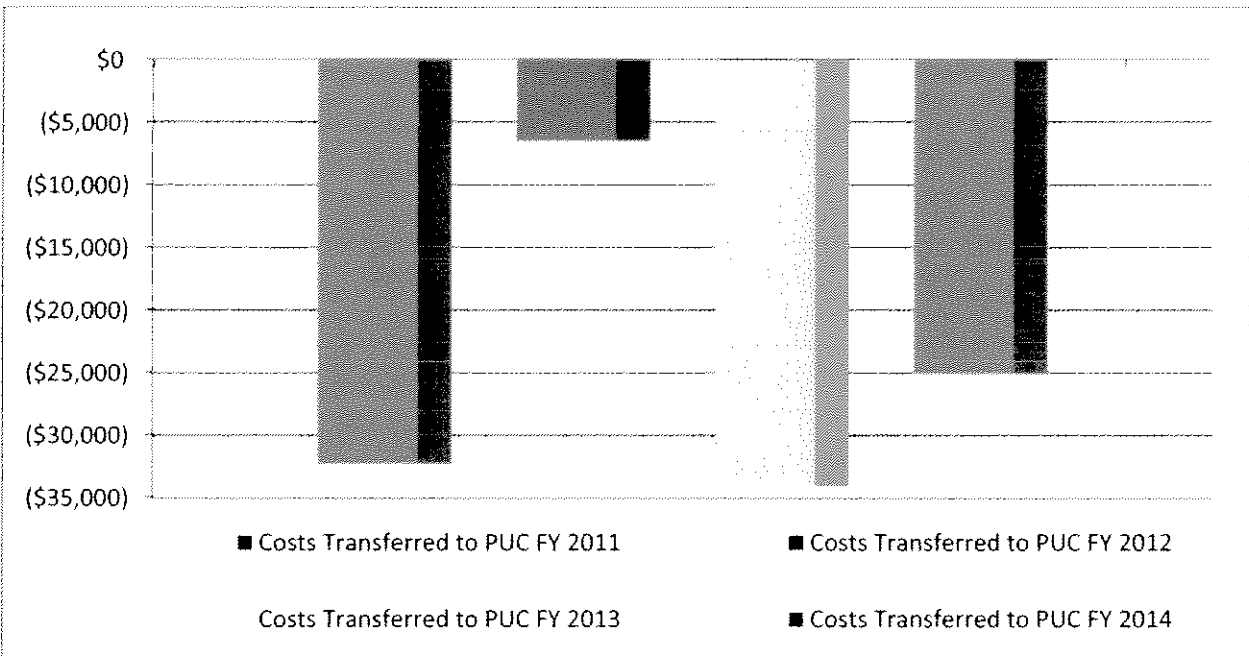
Figure 15: Graph of Fiscal 2004 through 2014 E-911 Fund Remittance Trend



Fiscal Year 2011 through 2014 Comparative Costs Paid on Behalf of the PUC

During Fiscal Year 2014 the PUC incurred expenses related to the regulation of and reporting on telecom matters. An example of these expenses was fees paid to the PUC’s telecommunication consultants for E-911 Surcharge review and reporting. Pursuant to the PUC Order dated February 25, 2000, the Commission designated GTA as the Collection Agent responsible for paying, from its Surcharge receipts, the Commission’s regulatory expenses which are incurred under the E-911 Act. The Order further provides that GTA shall pay any Commission invoice for expenses incurred under the E-911 Act within 45 days of receipt. The following graph depicts the expenditures made by GTA during fiscal years 2011, 2012, 2013 and 2014 for the benefit of the PUC:

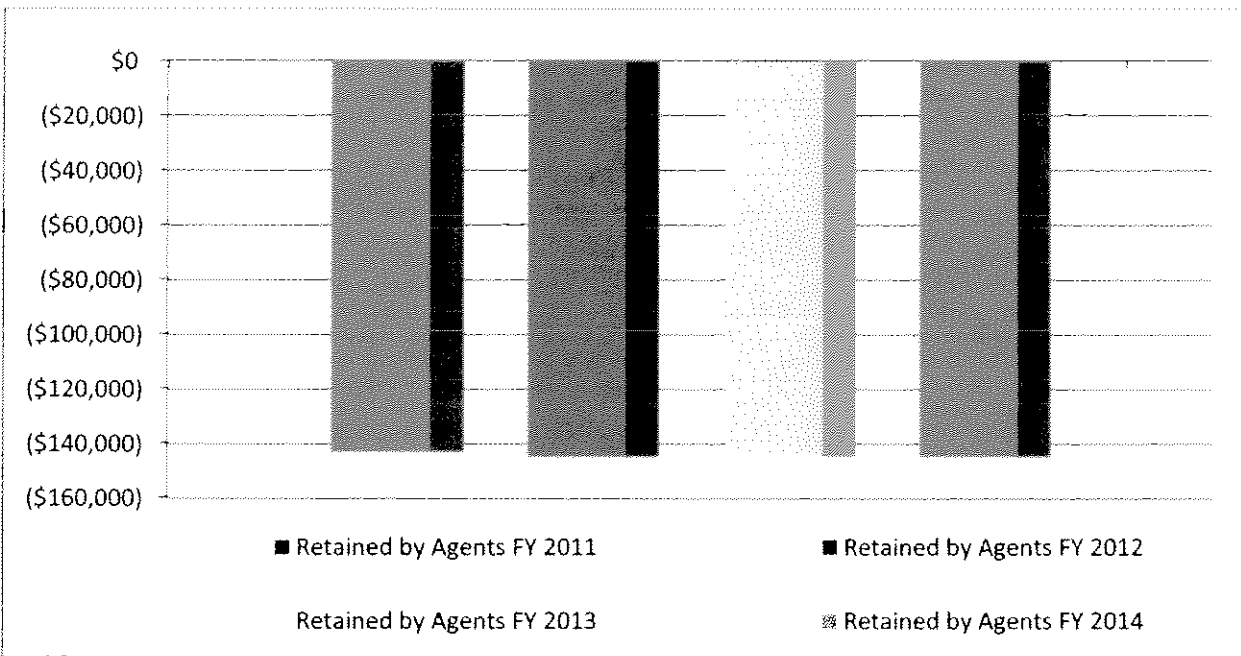
Figure 16: Graph of Fiscal Year 2011 through 2014 Comparative Costs Paid on Behalf of the PUC



Fiscal Year 2011 through 2014 Costs Retained by the Collection Agents to Cover their Administrative Costs

The Collection Agents are authorized by the E-911 Act to deduct, from their remittances, the administrative costs that they incur in the process of assessing, collecting, remitting and reporting on the E-911 surcharges. The PUC in its Docket 99-10, E-911 Emergency System Reimbursement Protocol Orders dated March 30, 2003, April 22, 2003, June 23, 2003, and July 27, 2005 ruled on the amount that five of the Collection Agents are authorized to deduct from their remittances as compensation for their administrative costs. In its Docket 10-04, Emergency System Reimbursement Protocol Order dated April 18, 2011 the PUC ruled on the amount that one of the Collection Agents is authorized to deduct from their remittances as compensation for its administrative costs. One Collection Agent has not filed for authorization to make a deduction for administrative expenses from its DOA remittances. The total administrative costs deducted by the Collection agents in fiscal years 2011, 2012, 2013 and 2014 were \$143,006, \$144,612, \$144,612 and 144,612 respectively.

Figure 17: Graph of Fiscal Year 2011 through 2014 Comparative Collection Agents' Administrative Costs



Fiscal Year 2014 Closing Fund Balances

According to the FY 2014 Collection Agent reports filed with the PUC by the individual Collection Agents, the total Collection Agent Closing Fund Balances was \$180,499. This balance represents the aggregate of the individual Collection Agents' unremitted E-911 Surcharges that they had collected and on hand as of the last day of the 2014 fiscal year.

5.0 FINDINGS

The Findings section discusses the facts that can be derived from the analysis.

Based upon the analysis in Section 4, we reached the following findings:

Findings

- Public Law 32-096 was signed into law on November 27, 2013. The law amends section 2 (c), section 3, and section 4 of Public Law 25-55, relative to 911 surcharges. The law removed language that established a cap on the 911 surcharge at 25 access lines per account bill. We believe that the provisions of the law has been adopted and implemented by the Collection Agents and has resulted in 77,451 fewer line exemptions this fiscal year compared to the previous fiscal year.
- In addition, Public Law 32-096 established the requirement that E-911 surcharges be collected for Voice Over Internet Protocol (VOIP) telephone services. Certain Collection Agents have made inquiries and requested guidance from the PUC as to how these surcharges should be determined and collected.
- There is a diverse array of methodology being utilized by the different Collection Agents in the assessment and collection of the E-911 Surcharge on prepaid accounts.
- The Collection Agents are required to file quarterly reports with the PUC providing specifically required details on all of their customers who refused to pay the monthly E-911 Surcharge. Once the required report has been filed with the PUC, the Collection Agent has no further responsibility to collect the unpaid E-911 Surcharge. We found no instance during the 2011, 2012, 2013 and 2014 fiscal years where the required reports were filed with the PUC. In spite of the failure to file the required reports, some Collection Agents withheld uncollected E-911 Surcharges from their remittances to the Department of Administration. The reported accumulated E-911 surcharges as of the 2011, 2012 and 2013 fiscal year ends were \$47,740, \$58,117 and \$65,309 respectively. As of September 30, 2014 the total accumulated uncollected surcharges for all Collection Agents amounted to \$86,244.
- We noted that among the various Collection Agents, there is a wide variance in the number of exempt lines as a percentage of total lines reported. There was no specific error or problem noted and it appears that the reason for this percentage variance emanated from differing customer mixes among the various Collection Agents. There are some collection agents who concentrate on very large customers while other Collection Agents have a higher percentage of individual accounts.
- The Collection Agents are required to remit the net collected E-911 Surcharges no later than forty-five days following the last day of the month in which the Surcharges were collected. However, we noted that there were instances where some remittances were made later than the due date, and

also sometimes more than one month of E-911 Surcharges collected were remitted to the DOA at one time.

- The Collection Agents are required to file a quarterly report with the PUC on the number of lines and accounts serviced together with the amount of their E-911 revenues, collections, remittances and administrative expenses. These reports are due to be filed no later than forty-five days after the end of each quarter of the fiscal year. In fiscal year 2014 most of the required reports were filed well past the reporting due date. The final required report for the 2014 fiscal year ended September 30, 2014 was not received until April 6, 2015.
- Starting in fiscal year 2013 the Collection Agents were asked to provide the PUC with copies of the receipts for all E-911 payments issued by the Department of Administration. However, during fiscal year 2014 many of the Collection Agents failed to provide such receipt copies.

6.0 RECOMMENDATIONS

The Recommendations section provides the recommendations to the Guam PUC relating to our review of the E-911 Surcharge assessments, collections, remittances, and reporting.

Based upon the investigation of the supporting documents, we recommend that:

Recommendations

- We recommend that the PUC review its orders relative to the collection of surcharges on exempt lines to make sure that they comply with current law, including Public Law 32-096 which removed the 25 line cap on single bill accounts.
- In addition, we recommend that the PUC establish procedures for assessing and collecting the surcharges on VOIP telephone services.
- In order to assist the Collection Agents in understanding the proper methodology and procedures to be followed in the E-911 Surcharge assessment, collection, remittance, and reporting process, we recommend that each of the Collection Agents be encouraged to provide feedback and comments on these annual reports.
- We recognize that the difference in the methods being utilized by the different Collection Agents is due to differences in the systems and software being utilized by the collection agents. We believe that this is acceptable so long as the individual Collection Agents consistently apply their assessment and collection methodology over time. We recommend that the PUC consider a review of how the E-911 surcharge is being assessed on prepaid accounts to assure this consistency.
- In order to determine that all remittances are being paid to the DOA in a timely manner, we recommend that the PUC require all Collection Agents to provide the PUC and Slater, Nakamura with a copy of the monthly DOA remittance receipts for the E-911 payments together with their quarterly reports when filed with the PUC.
- The Collection Agents are not following required procedures relative to uncollected E-911 Surcharges. Each Collection Agent is required to file a quarterly report with the PUC listing detailed information on each customer who refused to pay the monthly Surcharge. Having completed that requirement, the Collection Agents are then relieved of any further collection responsibility. In our review of the procedures delineated by the PUC in its June 24, 2002 Order relative to uncollected surcharges we find that it sets out the reporting requirements on the part of the Collection Agents but fails to state who will bear the ultimate payment responsibility should the Collection Agents fail to file the required report.
 - Some of the Collection Agents are not filing the required reports but are, none-the-less, withholding remittance of the uncollected Surcharges. Some Collection Agents are not filing the required reports but are not deducting uncollected E-911 Surcharges from their remittances. We

recommend that any Collection Agent who makes a deduction for uncollected surcharges from its remittances to DOA be required to file the appropriate supporting reports with the PUC.

- We recommend that the PUC review its previous orders relative to the reporting of uncollected E-911 Surcharges and make a determination as to whether or not the failure of a Collection Agent to file the required reports relieves the Collection Agent of all responsibility for payment thereof. If the PUC determines that this requirement is not necessary we recommend that the Commission issue a new order that relieves the Collection Agents of this reporting and collection requirement and the circumstances under which such relief can be claimed.
- We recommend that all collection agents make the required monthly payments of collected E-911 Surcharges within the 45 day period following the end of each month in which the Surcharges were actually collected from customers.
 - Evidence of these payments, including a copy of the Department of Administration payment receipt, is required to be submitted to the PUC and Slater, Nakamura within the required quarterly reporting time period.
 - We recommend that these payments be monitored by the PUC and/or Slater, Nakamura with a notice of payment deficiency being sent to any Collection Agent who fails to submit such payment documentation with a copy to the PUC.
- We recommend that all Collection Agents prepare and submit the required quarterly report together with all supporting documentation no later than forty-five days after the end of each quarter of the fiscal year. We further recommend that the PUC and/or Slater, Nakamura monitor the filing of these reports and issue a notice of reporting deficiency to any Collection Agent for any missing report.

APPENDIX A – FISCAL YEAR 2014 SUMMARY OF COLLECTION AGENT REMITTANCE REPORTS

PUBLIC UTILITIES COMMISSION
 Docket 14-00 E-911
 Summary of Collection Agent Remittance Reports
 Fiscal Year Ended September 30, 2014

	OCT 2013	NOV 2013	DEC 2013	JAN 2014	FEB 2014	MAR 2014	APR 2014	MAY 2014	JUN 2014	JUL 2014	AUG 2014	SEP 2014	FY 2014 TOTAL
Postpaid Lines FY 2014	135,960	134,680	135,254	142,901	142,981	148,037	150,733	150,702	150,416	150,787	153,302	152,175	1,747,928
Prepaid Lines FY 2014	39,810	38,416	39,660	40,126	43,095	42,132	41,101	42,688	41,440	41,220	42,528	42,111	494,127
Total Lines	175,770	173,096	174,914	183,027	186,076	190,169	191,834	193,390	191,856	192,007	195,830	194,286	2,242,055
Exempt Lines FY 2014	(7,128)	(6,057)	(5,471)	(5,478)	(5,401)	(5,548)	(4,260)	(4,302)	(4,333)	(3,941)	(4,147)	(4,255)	(60,321)
Net Lines	168,642	167,039	169,243	177,549	180,675	184,621	187,574	189,088	187,523	188,066	191,683	190,031	2,181,734
Reconciliation Items FY 2014	4,361	6,316	6,647	10,158	8,994	3,554	(216)	(275)	(846)	(1,213)	(2,255)	(1,019)	34,204
Net Billed Lines FY 2014	<u>173,003</u>	<u>173,355</u>	<u>175,890</u>	<u>187,707</u>	<u>189,669</u>	<u>188,175</u>	<u>187,358</u>	<u>188,813</u>	<u>186,677</u>	<u>186,853</u>	<u>189,428</u>	<u>189,013</u>	<u>2,215,938</u>
Revenues Billed FY 2014	\$173,003	\$173,355	\$175,890	\$187,707	\$189,669	\$188,175	\$187,358	\$188,813	\$186,677	\$186,853	\$189,428	\$189,013	\$2,215,938
E-911 Uncollected FY 2014	(\$3,037)	(\$3,310)	(\$3,310)	(\$4,810)	(\$4,130)	(\$67)	(\$1,066)	(\$1,058)	(\$483)	(\$150)	\$872	(\$386)	(\$20,935)
Adjustments FY 2014	(53)	50	50	50	50	50	50	50	50	50	50	50	(53)
Net Revenues FY 2014	<u>\$169,963</u>	<u>\$170,045</u>	<u>\$172,630</u>	<u>\$182,897</u>	<u>\$185,539</u>	<u>\$188,108</u>	<u>\$186,290</u>	<u>\$187,755</u>	<u>\$186,194</u>	<u>\$186,703</u>	<u>\$190,300</u>	<u>\$188,627</u>	<u>\$2,195,001</u>
Funds Flow:													
Opening Fund Balances FY 2014	\$191,688	\$156,942	\$174,650	\$159,518	\$187,360	\$205,663	\$255,801	\$271,697	\$205,339	\$233,975	\$199,898	\$236,258	\$191,688
Cash Receipts FY 2014	\$169,963	\$170,045	\$172,580	\$182,897	\$185,539	\$188,108	\$186,290	\$187,755	\$186,194	\$186,703	\$190,300	\$188,627	\$2,195,001
Subtotal FY 2014	\$361,651	\$326,987	\$347,230	\$342,415	\$372,899	\$393,771	\$442,091	\$459,452	\$391,533	\$420,678	\$390,198	\$424,884	\$2,386,689
Transfers to DOA FY 2014	(\$186,692)	(\$140,286)	(\$175,661)	(\$143,004)	(\$155,185)	(\$124,043)	(\$158,343)	(\$242,062)	(\$145,307)	(\$208,759)	(\$141,889)	(\$215,111)	(\$2,036,513)
Costs Transferred to PUC FY 2014	(\$5,966)	50	50	50	50	(\$1,876)	50	50	50	50	50	(\$17,223)	(\$25,065)
Retained by Agents FY 2014	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$144,612)
Closing Fund Balances FY 2014	<u>\$156,942</u>	<u>\$174,650</u>	<u>\$199,918</u>	<u>\$187,360</u>	<u>\$205,663</u>	<u>\$255,801</u>	<u>\$271,697</u>	<u>\$205,339</u>	<u>\$233,975</u>	<u>\$199,898</u>	<u>\$236,258</u>	<u>\$188,627</u>	<u>\$180,689</u>
E911 Uncollected	\$3,037	\$3,310	\$3,310	\$4,810	\$4,130	\$67	\$1,066	\$1,058	\$483	\$150	\$872	\$386	\$21,807
E911 Uncollectible	50	50	50	50	50	50	50	50	50	50	50	50	50

APPENDIX B – FISCAL YEAR 2013 SUMMARY OF COLLECTION AGENT REMITTANCE REPORTS

PUBLIC UTILITIES COMMISSION
 Docket 13-00 E-911
 Summary of Collection Agent Remittance Reports
 Fiscal Year Ended September 30, 2013

	OCT 2012	NOV 2012	DEC 2012	JAN 2013	FEB 2013	MAR 2013	APR 2013	MAY 2013	JUN 2013	JUL 2013	AUG 2013	SEP 2013	FY 2013 TOTAL
Postpaid Lines FY 2013	135,258	136,077	139,888	140,384	141,821	141,086	141,130	141,501	141,604	141,393	141,804	142,558	1,684,594
Prepaid Lines FY 2013	40,206	39,569	41,694	40,658	39,462	39,058	38,773	38,750	36,693	37,623	37,609	37,773	467,868
Total Lines	175,464	175,646	181,582	181,042	181,283	180,144	179,903	180,251	178,297	179,016	179,413	180,331	2,152,372
Exempt Lines FY 2013	(10,251)	(10,465)	(11,986)	(11,802)	(12,405)	(11,984)	(11,684)	(11,513)	(11,518)	(11,358)	(11,344)	(11,462)	(137,772)
Net Lines	165,213	165,181	169,596	169,240	168,878	168,160	168,218	168,738	166,779	167,658	168,069	168,869	2,014,599
Reconciliation Items FY 2013	2,942	3,305	4,134	4,432	3,662	507	2,353	2,689	2,677	2,356	2,829	3,095	34,971
Net Billed Lines FY 2013	<u>168,155</u>	<u>168,486</u>	<u>173,730</u>	<u>173,672</u>	<u>172,540</u>	<u>168,667</u>	<u>170,571</u>	<u>171,427</u>	<u>169,406</u>	<u>170,054</u>	<u>170,898</u>	<u>171,964</u>	<u>2,049,570</u>
Revenues Billed FY 2013	\$168,155	\$168,486	\$173,730	\$173,672	\$172,540	\$168,667	\$170,571	\$171,427	\$169,406	\$170,054	\$170,898	\$171,964	\$2,049,570
E-911 Uncollected FY 2013	(\$249)	(\$905)	(\$2,674)	(\$111)	(\$776)	\$160	\$1,148	\$483	(\$2,414)	(\$434)	(\$631)	(\$789)	(\$7,192)
Adjustments FY 2013	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Revenues FY 2013	<u>\$167,906</u>	<u>\$167,581</u>	<u>\$171,056</u>	<u>\$173,561</u>	<u>\$171,764</u>	<u>\$168,827</u>	<u>\$171,719</u>	<u>\$171,910</u>	<u>\$166,992</u>	<u>\$169,620</u>	<u>\$170,267</u>	<u>\$171,175</u>	<u>\$2,042,378</u>
Funds Flow:													
Opening Fund Balances FY 2013	\$184,085	\$170,946	\$169,985	\$189,585	\$158,813	\$173,677	\$170,649	\$158,123	\$175,385	\$170,368	\$155,888	\$173,610	\$184,085
Cash Receipts FY 2013	\$167,906	\$167,581	\$171,056	\$173,561	\$171,764	\$168,827	\$171,719	\$171,910	\$166,992	\$169,620	\$170,267	\$171,175	\$2,042,378
Subtotal FY 2013	\$351,991	\$338,527	\$341,041	\$363,146	\$330,577	\$342,504	\$342,368	\$330,033	\$342,377	\$339,988	\$326,155	\$344,785	\$2,226,463
Transfers to DOA FY 2013	(\$168,994)	(\$139,399)	(\$139,405)	(\$192,282)	(\$144,849)	(\$142,877)	(\$172,194)	(\$142,597)	(\$159,958)	(\$172,049)	(\$140,494)	(\$141,046)	(\$1,856,094)
Costs Transferred to PUC FY 2013	\$0	(\$17,092)	\$0	\$0	\$0	(\$16,977)	\$0	\$0	\$0	\$0	\$0	\$0	(\$34,069)
Retained by Agents FY 2013	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$144,612)
Closing Fund Balances FY 2013	<u>\$170,946</u>	<u>\$169,985</u>	<u>\$168,585</u>	<u>\$159,013</u>	<u>\$173,677</u>	<u>\$170,649</u>	<u>\$158,123</u>	<u>\$175,385</u>	<u>\$170,368</u>	<u>\$155,888</u>	<u>\$173,610</u>	<u>\$191,688</u>	<u>\$191,688</u>

APPENDIX C – FISCAL YEAR 2012 SUMMARY OF COLLECTION AGENT REMITTANCE REPORTS

PUBLIC UTILITIES COMMISSION
 Docket 12-05 E-911
 Summary of Collection Agent Remittance Reports
 Fiscal Year Ended September 30, 2012

	OCT 2011	NOV 2011	DEC 2011	JAN 2012	FEB 2012	MAR 2012	APR 2012	MAY 2012	JUN 2012	JUL 2012	AUG 2012	SEP 2012	FY 2012
Postpaid Lines FY 2012	128,420	129,333	130,743	132,220	132,659	132,319	132,743	132,776	133,460	133,772	134,319	134,976	1,387,740
Prepaid Lines FY 2012	40,621	39,644	42,188	43,092	42,004	41,602	41,243	40,355	39,933	40,154	40,060	40,267	491,163
Total Lines	169,041	168,977	172,931	175,312	174,663	173,921	173,986	173,131	173,393	173,926	174,379	175,243	2,078,903
Exempt Lines FY 2012	(10,253)	(10,335)	(10,173)	(10,131)	(10,377)	(10,185)	(10,126)	(9,730)	(10,121)	(10,199)	(10,105)	(10,184)	(121,919)
Net Lines	158,788	158,642	162,758	165,181	164,286	163,736	163,860	163,401	163,272	163,727	164,274	165,059	1,956,984
Reconciliation Items FY 2012	3,368	3,169	3,474	3,614	3,220	3,123	2,978	2,981	3,567	3,443	3,546	3,790	40,223
Net Billed Lines FY 2012	<u>162,156</u>	<u>161,811</u>	<u>166,232</u>	<u>168,795</u>	<u>167,506</u>	<u>166,859</u>	<u>166,788</u>	<u>166,382</u>	<u>166,839</u>	<u>167,170</u>	<u>167,820</u>	<u>168,849</u>	<u>1,997,207</u>
Revenues Billed FY 2012	\$162,156	\$161,811	\$166,232	\$168,795	\$167,506	\$166,859	\$166,788	\$166,382	\$166,839	\$167,170	\$167,820	\$168,849	\$1,997,207
E-911 Uncollected FY 2012	(\$2,966)	(\$1,040)	(\$2,134)	\$461	(\$1,015)	\$802	(\$1,084)	\$464	(\$2,176)	(\$1,202)	(\$344)	(\$143)	(\$10,377)
Adjustments FY 2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Revenues FY 2012	<u>\$159,190</u>	<u>\$160,771</u>	<u>\$164,098</u>	<u>\$169,256</u>	<u>\$166,491</u>	<u>\$167,661</u>	<u>\$165,704</u>	<u>\$166,846</u>	<u>\$164,663</u>	<u>\$165,968</u>	<u>\$167,476</u>	<u>\$168,706</u>	<u>\$1,986,830</u>
Funds Flow:													
Opening Fund Balances FY 2012	\$210,422	\$137,373	\$152,879	\$170,793	\$147,771	\$160,082	\$176,667	\$186,871	\$163,164	\$219,835	\$188,673	\$163,162	\$210,422
Cash Receipts FY 2012	\$159,190	\$160,771	\$164,098	\$169,256	\$166,491	\$167,661	\$165,704	\$166,846	\$164,663	\$165,968	\$167,476	\$168,706	\$1,986,830
Subtotal FY 2012	\$369,612	\$298,144	\$316,977	\$340,049	\$314,262	\$327,743	\$342,371	\$353,717	\$327,828	\$385,803	\$356,149	\$331,868	\$2,197,252
Transfers to DOA FY 2012	(\$220,188)	(\$133,214)	(\$134,133)	(\$180,227)	(\$142,129)	(\$139,106)	(\$137,256)	(\$178,502)	(\$95,942)	(\$185,079)	(\$180,936)	(\$135,378)	(\$1,862,010)
Costs Transferred to PUC FY 2012	\$0	\$0	\$0	\$0	\$0	\$0	(\$6,192)	\$0	\$0	\$0	\$0	(\$354)	(\$6,546)
Retained by Agents FY 2012	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$144,612)
Closing Fund Balances FY 2012	<u>\$137,373</u>	<u>\$152,879</u>	<u>\$170,793</u>	<u>\$187,771</u>	<u>\$160,082</u>	<u>\$176,667</u>	<u>\$186,871</u>	<u>\$163,164</u>	<u>\$219,835</u>	<u>\$188,673</u>	<u>\$163,162</u>	<u>\$168,085</u>	<u>\$184,085</u>

APPENDIX D – FISCAL YEAR 2011 SUMMARY OF COLLECTION AGENT REMITTANCE REPORTS

PUBLIC UTILITIES COMMISSION
 Docket 12-05 E-911
 Summary of Collection Agent Remittance Reports
 Fiscal Year Ended September 30, 2011

	OCT 2010	NOV 2010	DEC 2010	JAN 2011	FEB 2011	MAR 2011	APR 2011	MAY 2011	JUN 2011	JUL 2011	AUG 2011	SEP 2011	FY 2011
Postpaid Lines FY 2011	120,957	122,354	120,514	127,626	130,346	127,450	128,886	128,592	125,699	126,818	127,404	128,398	1,515,044
Prepaid Lines FY 2011	39,053	46,689	49,799	51,400	49,453	44,652	46,440	45,568	45,029	44,062	43,544	42,419	548,108
Total Lines	160,010	169,043	170,313	179,026	179,799	172,102	175,326	174,160	170,728	170,880	170,948	170,817	2,063,152
Exempt Lines FY 2011	(3,118)	(3,294)	(3,235)	(12,006)	(11,794)	(11,818)	(11,361)	(11,200)	(9,454)	(9,318)	(9,320)	(9,500)	(105,418)
Net Lines	156,892	165,749	167,078	167,020	168,005	160,284	163,965	162,960	161,274	161,562	161,628	161,317	1,957,734
Reconciliation Items FY 2011	25	25	25	2,732	1,978	3,201	2,402	1,989	2,504	2,251	2,393	2,393	21,918
Net Billed Lines FY 2011	<u>156,917</u>	<u>165,774</u>	<u>167,103</u>	<u>169,752</u>	<u>169,983</u>	<u>163,485</u>	<u>166,367</u>	<u>164,949</u>	<u>163,778</u>	<u>163,813</u>	<u>164,021</u>	<u>163,710</u>	<u>1,979,652</u>
Revenues Billed FY 2011	\$156,917	\$165,774	\$167,103	\$169,752	\$169,983	\$163,485	\$166,367	\$164,949	\$163,778	\$163,813	\$164,021	\$163,710	\$1,979,652
E-911 Uncollected FY 2011	\$4,052	(\$753)	(\$3,094)	\$1,138	(\$927)	(\$520)	(\$3,306)	(\$132)	(\$3,182)	(\$2,401)	(\$1,069)	\$443	(\$9,751)
Adjustments FY 2011	\$0	\$0	\$0	\$0	\$0	\$30	\$0	\$0	\$0	\$1	\$0	\$0	\$31
Net Revenues FY 2011	<u>\$160,969</u>	<u>\$165,021</u>	<u>\$164,009</u>	<u>\$170,890</u>	<u>\$169,056</u>	<u>\$162,995</u>	<u>\$163,061</u>	<u>\$164,817</u>	<u>\$160,596</u>	<u>\$161,413</u>	<u>\$162,952</u>	<u>\$164,153</u>	<u>\$1,969,932</u>
Funds Flow:													
Opening Fund Balances FY 2011	\$84,592	\$108,850	\$150,526	\$162,108	\$146,743	\$157,438	\$210,760	\$136,984	\$154,535	\$205,190	\$221,700	\$153,802	\$84,592
Cash Receipts FY 2011	\$160,969	\$165,021	\$164,009	\$170,890	\$169,056	\$162,995	\$163,061	\$164,817	\$160,596	\$161,413	\$162,952	\$164,153	\$1,969,932
Subtotal FY 2011	\$245,561	\$273,871	\$314,535	\$332,998	\$315,799	\$320,433	\$373,821	\$301,801	\$315,131	\$366,603	\$384,652	\$317,955	\$2,054,524
Transfers to DOA FY 2011	(\$124,660)	(\$111,294)	(\$140,376)	(\$152,677)	(\$146,310)	(\$97,622)	(\$224,786)	(\$135,215)	(\$97,890)	(\$132,852)	(\$209,650)	(\$95,482)	(\$1,668,814)
Costs Transferred to PUC FY 2011	\$0	\$0	\$0	(\$3,133)	\$0	\$0	\$0	\$0	\$0	\$0	(\$9,149)	\$0	(\$32,282)
Retained by Agents FY 2011	(\$12,051)	(\$12,051)	(\$12,051)	(\$10,445)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$12,051)	(\$143,006)
Closing Fund Balances FY 2011	<u>\$108,850</u>	<u>\$150,526</u>	<u>\$162,108</u>	<u>\$166,743</u>	<u>\$157,438</u>	<u>\$210,760</u>	<u>\$136,984</u>	<u>\$154,535</u>	<u>\$205,190</u>	<u>\$221,700</u>	<u>\$153,802</u>	<u>\$210,422</u>	<u>\$210,422</u>