

PUERTO RICO TELEPHONE COMPANY, INC
2014 PRICE CAP REVISIONS
Short Form Tariff Review Plan
Filed May 19, 2014
DESCRIPTION AND JUSTIFICATION

I. Introduction

A. Background

Puerto Rico Telephone Company, Inc. ("PRTC") hereby submits this filing in support of the upcoming 2014 Annual Access Charge Tariff Filing. This information is being filed pursuant to the Federal Communications Commission's ("Commission") decision *In the Matter of July 1, 2014 Annual Access Charge Tariff Filings*, WC Docket No. 14-48, DA 14-404, released March 25, 2014, and includes adjustments consistent with the requirements of Sections 61.41 through 61.49 of the Commission's Rules, , 47 C.F.R. § 61.41 – 61.49 (2012).

B. Waivers

PRTC lists below all currently applicable waivers that permit rate elements different than those specified in 47 C.F.R., Part 69.

The Commission in Order, *In the Matter of Petition of Puerto Rico Telephone, Inc., for Election of Price Cap Regulation and Limited Waiver of Pricing and Universal Service Rules*, DA 08-1026, released May 6, 2008, provided PRTC with the requested relief to convert its companies subject to rate-of-return regulation to price cap regulation and establish initial price cap indexes ("PCIs") for price cap baskets.

C. New Services

PRTC has no new services to report for the 2014 Annual Access Tariff Filing.

II. Index and Rate Development

A. Exogenous Costs

PRTC developed exogenous cost changes according to the Price Cap Rules. These exogenous costs were measured at 2013 base period level of operations and apportioned on a cost-causative basis among the price cap baskets. Exogenous cost changes and allocations are shown in Exhibit EXG.

1) Regulatory Fees

Local Exchange Companies are allowed to recover the impact of regulatory fees as an exogenous cost. The calculations of the regulatory fees to be paid in the 2014 tariff year are based on the factor of 0.00347 as referenced in Attachment C of the Commission's decision *In the Matter of Assessment and Collection of Regulatory Fees for Fiscal Year 2013*, MD Docket No. 13-140, *Report and Order*, FCC 113-110, released August 12, 2013. The 0.00347 factor is already reflected in PRTC's price cap indices and represents the most currently available regulatory fee factor. Accordingly, no changes to price cap indices changes related to regulatory fees are proposed at this time in this short form TRP filing.

2) Telecommunications Relay Service Fee

All common carriers providing interstate telecommunications services are required to contribute to a fund designated to support telecommunications relay services. For the 2014 tariff year, the fee will be based on the factor of 0.01174 as set forth in the Commission's Public Notice "Rolka Loube Saltzer Associates Submits Payment Formulas and Funding Requirement for the

Interstate Telecommunications Relay Services Fund for the 2014-2015 Fund Year, CG Docket No. 03-123,” DA 14-627, released May 9, 2014.

3) North American Numbering Plan Fee

The Commission requires all telecommunications carriers to contribute to the cost recovery for the North American Numbering Plant Administration (“NANPA”). To remain consistent in the price cap treatment of such fees (e.g., Regulatory Fee and Telecommunications Relay Services Fee), the NANPA fee is treated as an exogenous change. For the 2014 tariff year, the fee will be based on the factor of 0.0000302 as set forth in the Commission’s Public Notice, “Wireline Competition Bureau Announces the Proposed North American Numbering Plant Administration Fund Size Estimate and Contribution Factor For July 2013 through June 2014, CC Docket No. 92-237,” DA 13-1215, released May 28, 2013. The 0.0000302 factor is already reflected in PRTC’s price cap indices and represents the most currently available NANPA fee factor. Accordingly, no changes to price cap indices related to NANPA fees are proposed at this time in this short form TRP filing.

B. Excluded Services

Exhibit OUTPC provides a detailed listing of those services which are excluded from price cap regulation.