

PUERTO RICO TELEPHONE COMPANY, INC
2015 PRICE CAP REVISIONS
Short Form Tariff Review Plan
Filed May 18, 2015
DESCRIPTION AND JUSTIFICATION

I. Introduction

A. Background

Puerto Rico Telephone Company, Inc. (“PRTC”) hereby submits this filing in support of the upcoming 2015 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, 2015 Annual Access Charge Tariff Filings*, WC Docket No. 15-75, DA 15-368, released March 27, 2015, 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 (2013) and associated decisions (“Price Cap Rules”).

B. Waivers

PRTC lists below all currently applicable waivers that permit rate elements different from 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 2015 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 2014 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 (“LECs”) are allowed to recover the impact of regulatory fees as an exogenous cost. The calculations in this short form TRP filing related to the regulatory fees to be paid in the 2015 tariff year are based on the factor of 0.00343 as referenced in Attachment B of the *Assessment and Collection of Regulatory Fees for Fiscal Year 2014*, MD Docket No. 14-92, *Report and Order and Further Notice of Proposed Rulemaking*, FCC 14-129, released August 29, 2014. The 0.00343 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 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 (“TRS”). For the 2015 tariff year, the calculations in this short form TRP filing related to this fee are based on the factor of 0.01219 as set forth in *Telecommunications Relay Services and Speech-to-Speech Services*

for Individuals with Hearing and Speech Disabilities, CG Docket No. 03-123, Order, DA 14-946, released June 30, 2014. The 0.01219 factor is already reflected in PRTC's price cap indices and represents the most currently available TRS fee factor. Accordingly, no changes to price cap indices related to TRS fees are proposed at this time in this short form TRP filing.

3) North American Numbering Plan Fee

The Commission requires all telecommunications carriers to contribute to the cost recovery for the North American Numbering Plan Administration ("NANPA"). To remain consistent with the price cap treatment of similar fees (e.g., the Regulatory Fee and the Telecommunications Relay Services Fee), the NANPA fee is treated as an exogenous change. For the 2015 tariff year, the calculations in this short form TRP filing related to this fee will be based on the factor of 0.0000365 as set forth in Public Notice, "Wireline Competition Bureau Announces the Proposed North American Numbering Plan Administration Fund Size Estimate and Contribution Factor For July 2014 through June 2015, CC Docket No. 92-237," DA 14-792, released June 13, 2014. The 0.0000365 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.