

**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

**IN RE:            PETITION FOR TARIFF RATE            )            PAG DOCKET 11-01**  
**RELIEF BY THE PORT                )            ORDER**  
**AUTHORITY OF GUAM                    )**  
\_\_\_\_\_ )

**INTRODUCTION**

This matter comes before the Guam Public Utilities Commission (the “PUC”) pursuant to a request by the Jose G. Leon Guerrero Commercial Port, Port Authority of Guam (“PAG”). The instant docket concerns PAG’s June 28, 2011 Base Rate Case Petition, which sought to increase rates contained in PAG’s terminal tariff.

**ORDERING PROVISIONS**

Upon consideration of the record herein, the August 20, 2012 ALJ Report, and for good cause shown, on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS that:

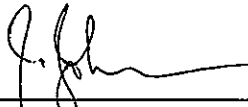
1. By October 22, 2012, PAG shall file a five (5) year rate plan, which shall detail any tariff rate increases for the next five (5) years; this filing shall also address the policy justification as to why outgoing container and petroleum wharfage rates are less than incoming container and petroleum wharfage rates.
2. By October 22, 2012, PAG shall file a plan for the upgrade of the marina facilities.
3. By October 22, 2012, PAG shall file a management audit, which shall include: (1) a staffing pattern analysis comparison with other ports of similar operations, including identification of required delegation of duties and procedural requirements (e.g., types of positions, number of personnel, job specifications and comparable salaries); (2) an evaluation of port and terminal functions and operations; (3) an analysis of terminal management techniques, warehousing system and purchasing and inventory control to

include spare parts inventory control; (4) an analysis of all material handling equipment operations including the training and certification requirements of personnel to operate the equipment and maintain it to the highest degree of reliability and dependability (preventative maintenance program); and, (5) recommendations with respect to improvement. The PUC reserves its right to require that PAG conduct a sensitivity analysis to determine the impact of the deferment of the U.S. military buildup, along with the current throughput of materials on the ability of PAG to generate the revenue it needs to service its debts, and thus file a report on such sensitivity analysis.

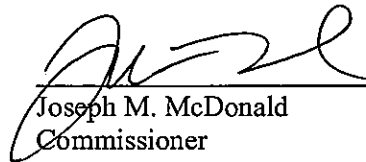
4. The deadline for PAG to file a financing plan for the completion of Phase I and Phase II of the 2007 Port Master Plan shall remain as November 22, 2012.

5. PAG is further ordered to pay the PUC's regulatory fees and expenses, including and without limitation, consulting and counsel fees, and the fees and expenses associated with this docket. Assessment of the PUC's regulatory fees and expenses is authorized pursuant to 12 G.C.A. §§ 12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the PUC.

**SO ORDERED** this 27<sup>th</sup> day of August, 2012.



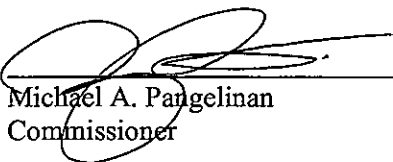
Jeffrey C. Johnson  
Chairman



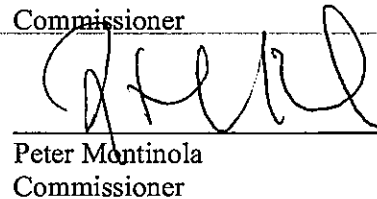
Joseph M. McDonald  
Commissioner

Rowena E. Perez  
Commissioner

Filomena M. Cantoria  
Commissioner



Michael A. Pangelinan  
Commissioner



Peter Montinola  
Commissioner

P124063.JRA