



BEFORE THE PUBLIC UTILITIES COMMISSION

IN RE:) **PAG DOCKET 14-02**
)
REVIEW OF PAG'S)
LEGAL SERVICES) **ORDER**
CONTRACT)
_____)

INTRODUCTION

This matter comes before the Guam Public Utilities Commission (the “PUC”) pursuant to the Petition filed by the Jose D. Leon Guerrero Commercial Port, Port Authority of Guam (“PAG”) on January 9, 2014, whereby PAG requests review and approval of its contract for legal services with the Law Offices of Phillips & Bordallo, P.C. (hereinafter referred to as either “Phillips & Bordallo” or the “Law Firm”).

DETERMINATIONS

On January 9, 2014, PAG filed a Petition for review and approval of its contract for legal services with Phillips & Bordallo (the “Petition”).

On January 24, 2014, the Administrative Law Judge of the PUC Joephet R. Alcantara (the “ALJ”) filed an ALJ Report regarding the Petition which included his findings and recommendations based on the administrative record before the PUC.

In his January 24, 2014 ALJ Report, the ALJ found that based on the information provided by PAG, the terms and conditions of its contract for legal services appear commercially reasonable and not burdensome. Further, the ALJ also found that the cost of the subject contract is reasonable, and not uncommon for a large government entity, given that the Law Firm acts as PAG’s general counsel and, therefore, handles all in-house

legal issues, as well as matters in litigation, including personnel matters before administrative tribunals. The ALJ noted that, based on media reports, other large agencies have budgeted, or have incurred, legal fees between \$360,000 and over \$1 million per year. The ALJ further noted that the current form of the contract was approved by the Office of the Attorney General.

Based on the record before the Commission in the instant docket, the ALJ ultimately found that the subject contract for legal services, with its costs, terms and conditions, are reasonable prudent and necessary in order for PAG to successfully operate.

Accordingly, the ALJ recommended that the PUC approve and ratify the existing Professional Services Agreement between PAG and the Law Offices of Phillips & Bordallo, P.C. The ALJ further recommended that should the parties exercise their option to renew for another term, PAG should be required to file with the PUC a cost estimate for the final term of the contract by March 1, 2014.

The Commission hereby adopts the findings made in the January 24, 2014 ALJ Report and, therefore, issues the following:

ORDERING PROVISIONS

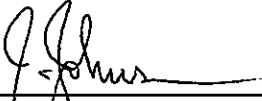
Upon careful consideration of the record herein, and for good cause shown, on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS the following:

1. That the PUC approve and ratify the existing Professional Services Agreement between PAG and the Law Offices of Phillips & Bordallo, P.C.

2. That if the parties exercise their option to renew for another term, PAG is ordered to file with the PUC a cost estimate for the final term of the contract by March 1, 2014.

3. PAG is 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 30th day of January, 2014.



JEFFREY C. JOHNSON
Chairman




JOSEPH M. MCDONALD
Commissioner



ROWENA E. PEREZ
Commissioner



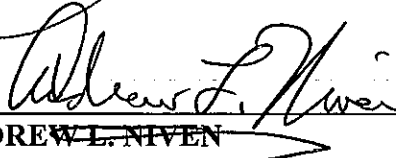
FILOMENA M CANTORIA
Commissioner



MICHAEL A. PANGELINAN
Commissioner



PETER MONTINOLA
Commissioner



ANDREW L. NIVEN
Commissioner

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