



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:) GPA Docket 14-02
)
The Application of the Guam Power)
Authority Requesting Approval of the) **STATUS REPORT OF LEGAL**
Procurement of an Integrated Program) **COUNSEL**
Management Office Contract (PMO))
_____)

COMES NOW Legal Counsel for the Guam Public Utilities Commission [PUC] and provides the following status report concerning the current docket.

On April 24, 2014, the Commissioners ratified additional charges under the R.W. Armstrong PMO Contract in the amount of \$544,221.37. However, Commissioners found that GPA violated the cap for the PMO Contract of \$3.9M established by Order dated January 11, 2012. Commissioners further found that there were numerous issues concerning the cost effectiveness of the PMO program and the accountability of the program. Counsel was authorized to explore, with the assistance of a consultant if necessary, options for either eliminating or otherwise carrying out the functions of the PMO program.

During the April 24, 2014 meeting, Commissioner Cantoria volunteered the assistance of her accounting students at the University of Guam for auditing/reviewing the billings of R.W. Armstrong under the PMO Contract. Subsequent to the hearing, Counsel sent Commissioner Cantoria the PUC Orders applicable to the review and other relevant documents. All PMO billing materials were also forwarded to Commissioner Cantoria. In his email to Commissioner Cantoria dated April 29, 2014, Counsel indicated the following:

"Here are some of the items that Chairman Johnson is interested in having the students calculate:

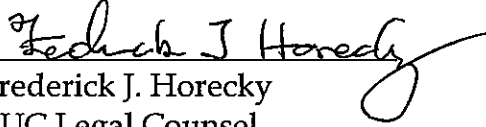
1. Billing totals by calendar year for 2012 and 2013; this would be yearly totals and overall totals as indicated by the billing statements
2. Billings categorized by project category; the billings generally indicate the project under which they were incurred, i.e., Media, DCS, Administrative Budget Support, GPA Office Facility, etc. We want to know the totals in each project category.
3. Whether billing totals match overall expenditure total that we have (\$4.44M)"

Counsel believes that the students have begun their review.

In the meantime, the Guam Power Authority has filed a petition on April 24, 2014, requesting authorization to expend an additional amount of \$440,000.00 for new Program Management Services under the R.W. Armstrong PMO Contract. Counsel requests that the Commissioners advise him as to whether they wish him to refer any issues concerning the PMO to the PUC Consultants.

Counsel anticipates that this matter should be ready for hearing by the Commissioners at the PUC meeting on June 26, 2014.

Dated this 23rd day of May, 2014.


Frederick J. Horecky
PUC Legal Counsel