

GUAM PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
November 13, 2009  
SUITE 207 GCIC BUILDING, HAGATNA



MINUTES

The Guam Public Utilities Commission [PUC] conducted a regular business meeting commencing at 6:00 p.m. on November 13, 2009 pursuant to due and lawful notice. Commissioners Cantoria, Johnson, Perez, and McDonald were in attendance. The following matters were considered at the meeting under the agenda made *Attachment "A"* hereto.

**1. Approval of Minutes**

The Commission reviewed the minutes of the meeting conducted on September 30, 2009 and, upon motion duly made, seconded and unanimously carried, the Commission approved said minutes.

**2. Port Authority of Guam**

The Commission next considered the request of the Port Authority of Guam [PAG] for an investigation into the rates and tariffs of the Port, Port Docket 09-02. Legal Counsel reported that, in its letter dated October 27, 2009, the PAG requested that the PUC conduct an investigation into the Port's container charges, or cargo handling charges, Bunkering/Fuel throughput/Waste Oil Fees, Wharfage Rates for Transshipment, Easement Lease Rates, Facility Maintenance Fees, and Marina Fees for Boat Slips. Legal Counsel further indicated that the PAG request was based upon recommendations of its consultant, Parsons Brinkerhoff. The PAG request states that the Port has not had any rate increases since 1993. It believes that such increases are necessary to modernize its facilities and to prepare for the military buildup and the large increase in container load.

Legal Counsel recommended that the PUC approve an investigation into the rates and tariffs of the PAG. The PUC is fully authorized to establish "interim rates" for the Port pursuant to Public Law 30-52. Commissioner Perez questioned whether the Ratepayer Bill of Rights would apply to the rate investigation. Counsel indicated that, since this would be a PUC Initiated Investigation, the provisions of the Rate Payer Bill of Rights would not apply. Upon motion duly made, seconded and unanimously carried, the Commissioners approved an investigation into the rates and tariffs of the Port pursuant to Public Law 30-52 and various provisions of Title 12 Guam Code Annotated. The Order adopted by the Commission is made *Attachment "B"* hereto.

2. **Guam Power Authority**

(a) Procurement of Residual Fuel Oil No. 6, Docket 94-04

On October 1, 2009, GPA petitioned the PUC for approval of the procurement of Residual Fuel Oil No. 6 for the Baseload Generating Plants. Counsel presented a Report, which has been filed with the PUC in this docket. Based upon the clear need of GPA for Residual Fuel Oil No. 6 for the Baseload power plants, Legal Counsel stated that the procurement is essential for GPA operations. The procurement and the proposed contract are reasonable, prudent and necessary. Counsel also indicated that GPA Residual Fuel Oil procurement has been improved through the inclusion of a five year term, performance bond, and liability provisions which are designed to protect GPA. Counsel recommended approval of the procurement, but suggested that the PUC Chairman should be removed as a signatory from the final contract. In Counsel's opinion, an Order from the PUC is sufficient to establish its approval thereof. The Commissioners, after GPA had satisfactorily addressed questions concerning the term and performance bond requirements of the bid, upon motion duly made, seconded and unanimously carried, approved GPA's procurement for Residual Fuel Oil No. 6 for the Baseload generating plants. The Order adopted by the Commission is made *Attachment "C"* hereto.

(b) GPA Focused Management Audit of Operations, Docket 02-04

This matter came before the Commission upon the Guam Power Authority's [GPA] filing, on October 23, 2009, of the Baker Tilly/Virchow Krause [VK] Comprehensive Management and Organizational Assessment. Counsel has submitted his Report which is filed herein. Counsel indicated that this matter had previously been before the Commission on numerous occasions; on March 30, 2009, the PUC had approved the Phase II Plan and authorized VK to proceed with a Staffing Pattern and Manpower Report. The Staffing Report was now before the PUC for review. The Commission is required to consider such Staffing Report as a part of rate proceedings filed by GPA. If such Report is approved, it could be used by the PUC as the staffing study required by the Ratepayer Bill of Rights. The PUC would then utilize such Report in any determination as to whether to approve a proposed rate increase for GPA.

Counsel stated that the VK staffing study, while not conclusive, found that GPA is probably appropriately staffed. Evidence could suggest a variance of 11 employees between GPA's level of 597 employees (including apprentices and contractors) and GPA's "expected range" of 577-589 employees. However, in most instances, such variance could be explained by unique factors of GPA operations, such as, for example, the unusually high number of generation units

maintained by GPA. GPA's employee count is virtually unchanged since 2001. Counsel recommended that the PUC approve and adopt the Staffing and Productivity Study Report and take the results of such report into account in the event that GPA files a Phase II rate case in Docket 07-10. GPA answered several questions from the Commissioners concerning the use of comparable utilities, the number of comparables utilized, funding for the study and remaining issues concerning Certified Technical and Professional salaries. According to Counsel, the PUC could further examine the CTP issues in the future. Upon motion duly made, seconded and unanimously carried, the Commission adopted and approved the VK Phase II Staffing and Productivity Study Report. The Order adopted by the Commission is made *Attachment "D"* hereto.

#### 4. **Guam Waterworks Authority**

The Commission next considered the Petition of the Guam Waterworks Authority [GWA] in Docket 08-08 for approval of the proposed water and wastewater system development charges and accompanying rules [SDC]. Legal Counsel presented the Administrative Law Judge Report, which indicated that the proceedings in this matter before the Commission had spanned a period of 8 years. The Commissioners were provided with copies of the ALJ Report and had the opportunity to review the same. Therein, the ALJ indicated that GCG and GWA had entered into a Stipulation, with schedules attached for both water and wastewater SDC fees, along with the proposed SDC Rules and Regulations. The ALJ reported that public hearings were conducted on November 5 and 6, 2009, at the offices of the GPUC in Hagatna, and in Asan and Yigo. There was no testimony in opposition to the SDCs. Only one witness appeared, Attorney Oliver Bordallo; he requested that GWA provide offsets and credits to the SDCs for developers who make off site improvements. Based upon his analysis, the ALJ recommended that the GPUC approve the Stipulation and the attached SDC schedules and rules and regulations.

Counsel presented a draft Order to the Commission which would have the effect of approving the Stipulation of the Parties, the Schedule of water and wastewater SDCs and implementing Rules and Regulations. Citizens from the public, Martin Benavente and Joe San Nicolas, were allowed to raise certain concerns about the implementation of the SDCs. Thereafter, the Chairman asked a number of questions concerning implementation of the SDCs: (1) whether most residential customers had 5/8" x 3/4" or 3/4" water meters; (2) which meter size would be utilized for residential hookups; and (3) whether adequate provision been made for "offsets" and/or credits for developers who make "offsite" water system improvements.

GWA officials indicated that the vast majority of residential customers would use 5/8" x 3/4" meters and, that going forward, the standard residential hookup would be 5/8" x 3/4". GWA indicated that existing rules and law already provide that developers could secure offsets and credits. GWA was still not certain

whether new customers and homeowners who do not have sewer connections would be charged a wastewater development charge. The Chairman, based upon his concerns regarding the implementation of the SDCs, requested that the Commissioners table this matter until the December meeting of the Commission. Upon motion duly made, seconded and unanimously carried, the Commission tabled SDCs until the December meeting.

**5. Administrative Matters**

(a) Selection of the PUC Consultant for Port Authority Matters, RFP No. 01-09

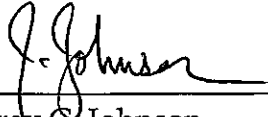
Counsel stated that there had been a competitive procurement bidding process between two applicants, and a close scoring. Slater, Nakamura & Co. LLC dba Grant Thornton, was selected by the Selection Committee as the most qualified. Counsel indicated that he had prepared a Professional Services Agreement retaining the selected Contractor as the PUC consultant for Port services. Upon motion duly made, seconded and unanimously carried, the Commissioners approved the selection of Slater, Nakamura & Co. LLC dba Grant Thornton Guam & Micronesia, as the PUC's Consultant for Port Authority of Guam matters and approved the Professional Services Agreement for said Consultant. The Resolution adopted by the Commission is made *Attachment "E"* hereto.

(b) Order Requiring Payment of Administrative Assessments and Regulatory Fees, Commission Administrative Docket

Counsel reported that ALJ Mair issued General Order No. 2 on November 8, 2009. Said Order concerns PUC administrative fees and assessments and requires all regulated utilities and telecommunications companies to pay outstanding administrative assessments and regulatory fees; it further establishes a dispute resolution procedure for any disputes which utilities or companies may have with the fees imposed. Legal Counsel recommended that the Commission adopt an Order providing that : (1) all regulated utilities and telecom companies must pay their administrative assessments and outstanding regulatory fees immediately, in accordance with General Order No. 2; (2) the Commission will not provide assistance to utilities or telecom companies on any new matters if such utilities or companies are not fully current in payment of their administrative and regulatory fees; and (3) the fee dispute procedure recommended by the ALJ is adopted. Upon motion duly made, seconded and unanimously carried, the Commission approved General Order No. 2 and the fee dispute procedure set forth therein. The Order adopted by the Commission is made *Attachment "F"* hereto.

**6. Other Business**

There being no further business, upon motion duly made, seconded and unanimously carried, the meeting was adjourned.

A handwritten signature in cursive script, appearing to read "J. Johnson", written over a horizontal line.

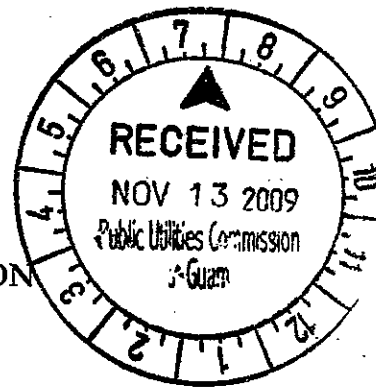
Jeffrey C. Johnson,  
Chairman

**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

**REGULAR MEETING  
SUITE 206 GCIC BUILDING  
414 W. SOLEDAD AVE. HAGATNA, GUAM  
6:00 p.m. November 13, 2009**

**Agenda**

- 1. Approval of Minutes of September 30, 2009.**
- 2. Guam Power Authority**
  - **Docket No. 94-04, Petition for Approval of the Procurement of Residual Fuel Oil No. 6 for the Baseload Power Generating Plants, PUC Legal Counsel Report, and Proposed Order**
  - **Docket 02-04, GPA Focused Management Audit of Operations, PUC Legal Counsel Report, and Proposed Order**
- 3. Guam Waterworks Authority**
  - **Docket 08-08, Petition of Guam Waterworks Authority for Establishment of a System Development Charge, ALJ Report, and Proposed Order**
- 4. Port Authority of Guam**
  - **Status Report on RFP No. 01-09; Resolution Approving Consultant Professional Services Agreement**
  - **Port Docket 09-02, Request by the Port for PUC Review of Rates, Proposed Order**
- 5. Administrative Matters**
  - **Order mandating payment by utilities of administrative and regulatory fees and expenses prior to commencement of new projects or award of relief**
- 6. Office Space for PUC**
- 7. PUC Website**
  - **Update**
- 8. Other Business**



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

The Port Authority Of Guam )  
[PAG] Request For PUC Investigation )  
of Rates and Tariffs )  
\_\_\_\_\_ )

Docket 09-02

ORDER APPROVING AN INVESTIGATION OF RATES AND TARIFFS

This matter comes before the Guam Public Utilities Commission [PUC] upon the request of the Port Authority of Guam [PAG] for an investigation into the rates and tariffs of the Port. <sup>1</sup> The PAG requests that the PUC conduct an investigation into the Port's container charges, or cargo handling charges, Bunkering/Fuel throughput/Waste Oil Fees, Wharfage Rates for Transshipment, easement lease rates, facility maintenance fees, and marina fees for boat slips. <sup>2</sup>

PAG offers a substantial justification for the requested review of its rates. The current PAG terminal tariff was established in 1993, and major container charges have not been increased since 1993. Other rates have been unchanged since 1983. <sup>3</sup> The port facilities were designed and placed into service in 1969, but have not undergone a major modernization since that time. Because of its aging container handling equipment and increasingly demanding schedules and productivity requirements, the Port is unable to provide the level of service and productivity required by its users. <sup>4</sup>

The Port's Consultant, Parsons Brinkerhoff, has recommended that the Port needs an increase in its container charges and annual rate increases over the next twenty years in order to meet the task of refurbishing and modernizing its facilities and preparing for the massive expansion of port operations needed to handle the increased container load resulting from the anticipated military buildup. <sup>5</sup>

In July of 2009, the Guam Legislature defined the PAG as a "public utility", and placed PAG under the regulatory oversight supervision of the PUC. <sup>6</sup> Section 7 of Public Law 30-52 provides in pertinent part:

<sup>1</sup> Letter from PAG General Manager Glenn A. Leon Guerrero to PUC Chairman Jeffrey C. Johnson, dated October 27, 2009.

<sup>2</sup> Id. at pgs. 2-4.

<sup>3</sup> Id. at p. 1.

<sup>4</sup> Id. at p. 2.

<sup>5</sup> Id. at p. 1.

<sup>6</sup> Public Law 30-52, enacted July 14, 2009.

Pursuant to its oversight supervision, the Commission *shall* begin proceedings with the Jose D. Leon Guerrero Commercial Port (the Port) to review and modify, or establish rates and other items and charges set forth in Title 12 GCA §10104(j), for the use of Port facilities or appliances. Until December 31, 2010, the Commission may establish interim rates and charges for the use of Port facilities or appliances as may be necessary for estimated operation or maintenance costs, required capital improvements, or other reasonable costs. To establish any such interim rates or charges, the Commission may conduct such investigation and hearings as it deems necessary pursuant to its powers under Title 12 GCA §12004. (Emphasis Added).

Pursuant to Public Law 30-52, the PUC is obligated to commence proceedings to review the rates and tariffs of PAG and is specifically empowered to establish interim rates and charges for the use of port facilities. Furthermore, the Commission is empowered to conduct "such investigation and hearings as it deems necessary pursuant to its powers under 12 GCA §12004." In accordance with its power pursuant to 12 GCA §§12004, 12005, and 12007, the PUC, *on its own initiative*, may commence an investigation into the rates of a public utility, and determine whether such rates are sufficient to cover the full cost of the services provided by the utility.

The Commission is required to conduct such investigations and hearings as to any rate changes as it deems necessary.<sup>7</sup> The Commission has broad authority under 12 GCA §12005 to examine the financial condition of any utility.<sup>8</sup> 12 GCA §12007 empowers the Commission to request any relevant information from a public utility regarding rates and charges, and gives the power to the Commission to investigate such rates and charges.<sup>9</sup>

In accordance with its aforementioned powers, and after careful consideration of the request of PAG for a PUC investigation of its rates and tariffs, and for good cause shown, and on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS that::

1. Pursuant to 12 GCA §§12004, 12005, and 12007, and Public Law 30-52, the PUC will conduct an investigation and review of the rates and tariffs of the Port Authority of Guam. Such investigation shall include those matters set forth in the letter from the General Manager of PAG dated October 27, 2009.

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<sup>7</sup> Id., §12004.

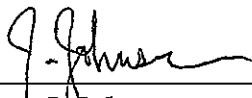
<sup>8</sup> Id., at 12 GCA §12005.

<sup>9</sup> Id. at 12 GCA §12007.



2. PUC Legal Counsel is directed to work with, and coordinate work activities, with the Commission's Consultant on PAG matters. Said Consultant is requested to provide a review and analysis of the rates and tariffs referred to in PAG's request for investigation, and to provide recommendations to the PUC concerning the establishment of interim "just" and "reasonable" rates and tariffs for PAG.
3. Subsequent to the provision of such recommendation and analysis by the PUC's Consultants, public hearings shall be scheduled should there be any recommendation to increase PAG rates.
4. Upon the conclusion of said public hearings, the Commission will initiate further proceedings and take such action as is appropriate in this matter.
5. PAG shall pay for the Commission's regulatory fees and expenses, including without limitation, consulting and counsel fees and the fees and expenses of conducting and transcribing the hearing proceedings. Assessment of PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §§12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

Dated this 13<sup>th</sup> day of November, 2009.



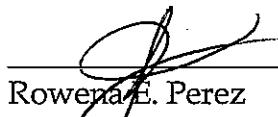
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Jeffrey C. Johnson  
Chairman



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Joseph M. McDonald  
Commissioner



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Rowena E. Perez  
Commissioner



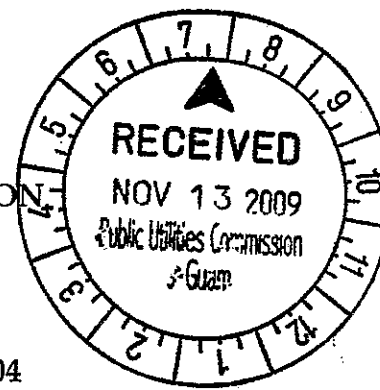
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Filomena M. Cantoria  
Commissioner

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Michael A. Pangelinan  
Commissioner

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:

DOCKET 94-04

The Application of the Guam Power Authority  
for Approval of the Procurement of Residual  
Fuel Oil No. 6 for the Baseload Power  
Generating Plants.

ORDER

This matter comes before the Guam Public Utilities Commission [GPUC] upon the Petition of the Guam Power Authority [GPA] for PUC review and approval of GPA's Request to Procure Residual Fuel Oil No. 6 [RFO] for the Baseload Power Generating Plants.<sup>1</sup> As indicated by the PUC Legal Counsel Report filed herein,<sup>2</sup> the present contract for the supply of RFO with British Petroleum expires on January 31, 2010.<sup>3</sup>

On June 23, 2009, the Consolidated Commission on Utilities approved the solicitation of competitive bids to supply GPA's RFO requirements, finding that such solicitation was "prudent and in the best interest of GPA's customers."<sup>4</sup> The CCU recognized that GPA continues to rely upon burning residual fuel oil for the generation of electricity to serve its customers.<sup>5</sup>

The new proposed contract appears to include various improved provisions which protect GPA and its customers. For example, GPA believes that locking in the contractor's price premium for a five year period, rather than a three year period, would place at least a portion of the risk of fuel oil price fluctuation upon the contractor.<sup>6</sup>

Upon consideration of the record herein, the Petition of GPA, the PUC Legal Counsel Report, and for good cause shown, upon motion duly made, seconded and carried by

<sup>1</sup> GPA Petition for Contract Review, Docket No. 94-04 [The Application of the Guam Power Authority to Approve the Procurement of Residual Fuel Oil No. 6 for the Baseload Power Generating Plants], filed October 1, 2009.

<sup>2</sup> PUC Legal Counsel Report, Docket No. 94-04, filed on October 15, 2009.

<sup>3</sup> GPA Petition for Contract Review, Id. at p. 1.

<sup>4</sup> Consolidated Commission on Utilities Resolution No. 2009-33, adopted June 23, 2009.

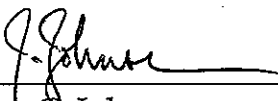
<sup>5</sup> Id.

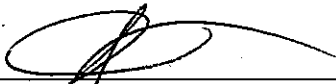
<sup>6</sup> GPA Petition for Contract Review, Id. at p. 23.

the affirmative vote of the undersigned Commissioners, the Commission hereby  
ORDERS that:

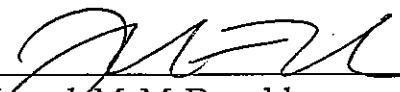
1. The October 1, 2009, Petition of GPA for Approval of the Procurement of Residual Fuel Oil No. 6 for the Baseload Generating Plants is hereby approved.
2. GPA has demonstrated a clear need for Residual Fuel Oil No. 6 for the Baseload Power Plants, as such fuel is essential to the operation of the plants. It is reasonable, prudent and necessary for GPA to proceed with the procurement for the supply of such residual fuel oil.
3. Once a final contract for supply of residual fuel oil has been negotiated, GPA should submit such contract to the PUC for final review and approval.
4. GPA should remove the PUC Chairman as a signatory to the proposed contract; this Order satisfies the requirements of law for PUC Approval.
5. GPA is ordered to pay the Commission's regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses of conducting the hearing proceedings. Assessment of PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.


Dated this 13th day of November, 2009.

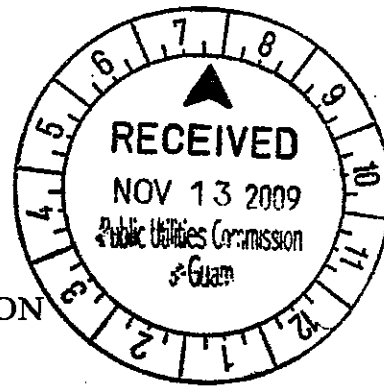
  
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Jeffrey C. Johnson  
Chairman

  
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Rowena E. Perez  
Commissioner

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Michael A. Pangelinan  
Commissioner

  
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Joseph M. McDonald  
Commissioner

  
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Filomena M. Cantoria  
Commissioner



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

GUAM POWER AUTHORITY )  
REGULATORY REVIEW )  
(Re: GPA Focused Management )  
Audit of Operations) )

DOCKET 02-04

DECISION AND ORDER

This matter comes before the Commission upon Guam Power Authority's [GPA] filing of the Virchow Krause/Baker Tilly ["VK"] Comprehensive Management and Organizational Assessment.<sup>1</sup> The VK Management and Organizational Assessment has been the subject of numerous prior proceedings before the Commission. Most recently, on March 30, 2009, the Commission issued its Decision, which approved the scope of work contained in the VK Phase 2 Proposed Work Plan and authorized VK to proceed ahead with a study comparing the staffing pattern and manpower levels of the Guam Power Authority to the staffing patterns and manpower levels of *at least* four (4) other utilities in the United States Mainland which provide similar services to a comparable number of customers.<sup>2</sup>

In accordance with the Commission's Order, VK proceeded to prepare and submit its final reports related to the management and operational assessment of GPA. On October 1, 2009, VK made an oral presentation to the PUC Chairman and Legal Counsel on the Phase 2 findings at the Guam Power Authority Conference Room.

Although the Comprehensive Management and Organizational Assessment covered many areas other than Staffing and Productivity with regard to GPA's operations, the Commission's primary concern is the Phase 2 Staffing & Productivity Study Report.<sup>3</sup> The PUC is required, in determining whether to approve any proposed rate increase by GPA, to take into account the results of such annual study.<sup>4</sup> The statute places the responsibility upon the PUC to conduct such staffing patterns and manpower level comparison. Here, since GPA had already contracted with VK to undertake a

<sup>1</sup> GPA's Filing of Virchow Krause/Baker Tilly Comprehensive Management and Organizational Assessment, filed October 23, 2009.

<sup>2</sup> PUC Decision and Order issued in Docket 02-04 on March 30, 2009.

<sup>3</sup> 12 GCA §12001.2(d) requires that the PUC conduct an annual staffing study which compares the staffing pattern and manpower levels of GPA to the staffing patterns and manpower levels of at least four utilities in the U.S. Mainland, which utilities provide similar services to a comparable number of customers.

<sup>4</sup> Id. at 12 GCA §12001.2(d).

comprehensive management audit, PUC agreed to allow VK, under close PUC supervision, to carry out the statutorily mandated staffing level and manpower comparison of GPA with mainland utilities. PUC must be assured that VK has strictly complied with the statutory requirements. Such compliance is a prerequisite to GPA obtaining any rate relief in Phase 2 of the rate proceedings in Docket 07-10.<sup>5</sup>

After consideration of the record herein, prior orders of the ALJ and the Commission in this Docket and in Docket 07-10, the March 30, 2009 Order and the October 23, 2009 Filing of the VK Comprehensive Management and Organizational Assessment, for good cause shown and on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS:

1. The VK Phase 2 Staffing and Productivity Study Report is hereby adopted by the PUC for use as the required staffing study pursuant to 12 GCA §12001.2(d). The Report shall be deemed to satisfy the requirement in 12 GCA §12001.2(d) that the PUC conduct an annual study of the staffing patterns and manpower levels of GPA.
2. The Commission finds that the VK Staffing & Productivity Study Report satisfies the requirement that the staffing pattern and manpower levels of GPA be compared to those of at least 4 other utilities in the United States Mainland. Here VK has, for the purposes of its study, obtained staffing and relevant operational data from 14 mainland public power utilities. For each functional area within GPA, Generation, Transmission & Distribution, Customer Service, Meter Reading, and Administrative & General, VK has used comparative ratios and regression analyses to compare staffing levels at GPA to other mainland utilities.
3. In accordance with the findings of VK, GPA's staffing level is close to what would be expected. GPA's employee count of 597 (including apprentices and contractors) has changed little since 2001. GPA has had a measurable reduction of *full time* employees in most areas since the prior study of 2001 staffing levels.<sup>6</sup> The PUC will adopt the VK findings for the purpose of evaluating any rate case filed by GPA.

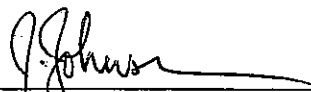
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<sup>5</sup> The March 30, 2009 Commission Order indicated to GPA that the staffing study must strictly comply with the requirements of 12 GCA §12001.2 (d). GPA has indicated that it soon intends to file Phase 2 rate relief proceedings in Docket 07-10.


<sup>6</sup> VK Comprehensive Management & Organizational Assessment, Executive Summary, pg. 1-8; Staffing and Productivity, pgs. 2-4 and 2-5.


4. In the event that GPA files Phase 2 rate case in Docket 07-10, PUC will take into account the results of the VK Staffing & Productivity Study Report in determining whether any such request for a rate increase should be approved.
5. Issues related to GPA's compensation program under Public Law 28-159 and 29-133, including the implementation of the Certified Technical & Professional Personnel Compensation, have not been fully addressed by VK. Such issues will continue to be examined and considered by PUC in future proceedings involving GPA.
6. GPA is ordered to pay the Commission's regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses of conducting the hearing proceedings. Assessment of PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §§12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

Dated this 13<sup>th</sup> day of November, 2009.

  
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Jeffrey C. Johnson  
Chairman

  
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Joseph M. McDonald  
Commissioner

  
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Rowena E. Perez  
Commissioner

  
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Filomena M. Cantoria  
Commissioner

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Michael A. Pangelinan  
Commissioner

**PUBLIC UTILITIES COMMISSION  
OF GUAM**

Jeffrey C. Johnson

Suite 207, GCIC Building  
Post Office Box 862  
Hagatna, Guam 96932

David A Mair  
Administrative Law Judge

Joseph M. McDonald  
Filomena M. Cantoria  
Rowena E. Perez

Telephone: (671) 472-1907  
Fax: (671) 472-1917  
Email: info@guampuc.com

Lourdes R. Palomo  
Administrator

**RESOLUTION**

Whereas, the Guam Public Utilities Commission ("PUC") is an autonomous instrumentality within the Government of Guam;

Whereas, the PUC has the authority to retain consultants;

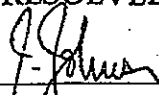
Whereas, the PUC has concluded that it is in the public interest to retain an independent consultant for the purpose of advising it with regard to regulatory oversight supervision of the Port Authority of Guam; and

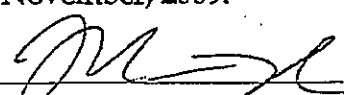
Whereas, the PUC has undertaken a thorough procurement process, through its Selection Committee, to retain a consultant to advise it on Port Authority Matters;


NOW THEREFORE, in due consideration of the above recitals and for good cause shown, the PUC hereby resolves that:

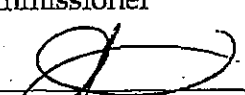
1. Pursuant to the recommendation of the Selection Committee, Slater, Nakamura & Co, LLC, dba Grant Thornton Guam and Micronesia, has been selected as the PUC's Consultant for Port Authority of Guam matters and notice of award shall issue for RFP No. 01-09.
2. The Professional Services Agreement retaining Slater, Nakamura & Co, LLC, dba Grant Thornton Guam and Micronesia is hereby approved.

RESOLVED and ADOPTED this 13<sup>th</sup> day of November, 2009.

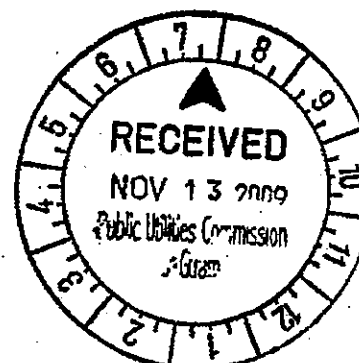
  
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JEFFREY C. JOHNSON  
Chairman

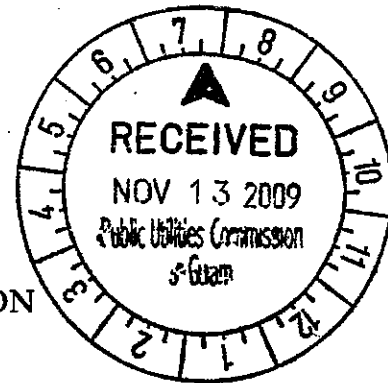
  
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JOSEPH M. MCDONALD  
Commissioner

  
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FILOMENA M. CANTORIA  
Commissioner

  
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ROWENA E. PEREZ  
Commissioner

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MICHAEL A. PANGELINAN  
Commissioner





BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

COMMISSION ADMINISTRATIVE  
DOCKET

) ORDER REQUIRING PAYMENT  
) OF ADMINISTRATIVE ASSESSMENTS  
) AND REGULATORY FEES  
) BY UTILITIES AND  
) TELECOMMUNICATIONS  
) COMPANIES, AND ESTABLISHING A  
) FEE DISPUTE PROCEDURE

This matter comes before the Commission upon General Order No. 2, issued by Administrative Law Judge David A. Mair on November 10, 2009. Therein, the ALJ has ordered all regulated utilities and telecommunications companies to pay outstanding administrative assessments and regulatory fees. General Order No. 2 of the Administrative Law Judge is consistent with prior order of the Commission.<sup>1</sup>

After consideration of General Order No. 2 of the Administrative Law Judge, the prior ASSESSMENT ORDER of the Commission and for good cause shown, on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS:

1. General Order No. 2 issued by the Administrative Law Judge on November 10, 2009, is hereby approved.
2. All regulated utilities and telecom companies shall pay their administrative assessments and outstanding regulatory fees immediately, in accordance with General Order No. 2.
3. In its meeting on February 27, 2009, the Commission previously recognized that utilities are not current in payment of their regulatory fees for services rendered by the PUC, and a policy was adopted that utilities will not be provided assistance on new matters if they are not current in their administrative and regulatory fees.<sup>2</sup> Such policy is now formally adopted in this Order. Henceforth, the Commission will not provide assistance to utilities or telecom companies on any new matters if such utilities or companies are not fully current in the payment of their administrative and regulatory fees. When a utility or telecom company seeks to bring any new matter before the Commission, it must first obtain a certificate from the PUC Administrator that such utility or telecom company is current in the payment of its administrative and regulatory fees owed to the Commission. No relief will be accorded by the PUC on such matters unless such utility or telecom company is current in the payment of its administrative and regulatory fees.

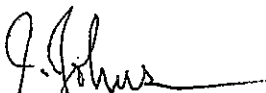
<sup>1</sup> 1. On September 30, 2009, the Commission issued its ASSESSMENT ORDER, which ordered all utilities and telecom companies to pay their administrative assessments no later than October 31, 2009.


<sup>2</sup> Minutes of Regular Meeting, February 27, 2009, p. 4.




- will be accorded by the PUC on such matters unless such utility or telecom company is current in the payment of its administrative and regulatory fees.
4. A copy of this Order shall be served on each regulated utility and telecom company.


Dated this 13<sup>th</sup> day of November, 2009.

  
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Jeffrey C. Johnson  
Chairman

  
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Filomena M. Cantoria  
Commissioner

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Michael A. Pangelinan  
Commissioner

  
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Joseph M. McDonald  
Commissioner

  
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Rowena E. Perez  
Commissioner



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:  
ADMINISTRATIVE ASSESSMENTS,  
REGULATORY FEES, AND  
FEE DISPUTES

GENERAL ORDER NO. 09-02

The Administrative Law Judge ("ALJ") of the Guam Public Utilities Commission ("PUC") has been advised by the PUC Administrator and Legal Counsel that most of the regulated utilities are delinquent in the payment of administrative assessments and regulatory fees. All utilities and telecommunication companies within the regulatory oversight supervision of the Guam Public Utilities Commission are hereby reminded of their duty to timely pay Administrative Assessment Fees and Regulatory Fees for professional services rendered, in accordance with 12 GCA §12002 and 12024.

Since the Commission does not receive legislative appropriation, it is dependent upon administrative assessments to fund its operations.

The regulated utilities and telecommunications companies have a duty to pay their annual administrative assessments in the amounts set forth in the ASSESSMENT ORDER adopted by the Commission on September 30, 2009. In addition, such regulated entities have the obligation to timely pay regulatory fees for professional fees assessed in dockets, certain of which fees are overdue.

It has further come to the attention of the Administrative Law Judge that there is a need to establish a mechanism whereby any disputes regarding PUC Regulatory Fees can be resolved. On occasion utilities and telecom companies before the PUC have disputed certain regulatory fees and expenses. Disputes have arisen when written objections have been made to full payment of PUC billings for regulatory fees. The following procedures shall be applicable to any dispute wherein a regulated utility or telecommunication company disputes a bill of the Public Utilities Commission for regulatory fees, or believes that it has a legitimate or *bona fide* reason for not paying a bill:

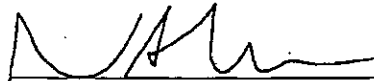
1. A regulated utility or telecommunications company disputing any billing of the PUC for regulatory fees or professional services must notify the Public Utilities Commission of such dispute in writing, within 30 days after receipt of such billing.

2. For any billing dispute which has previously been presented to the Commission in writing, the regulated utility or telecommunications company shall have 30 days from the date of this Order to bring this matter before the Commission pursuant to the procedures specified herein.
3. Fee dispute shall include the following information:
  - (a) Whether the disputed services were provided by the ALJ, Legal Counsel, or the Commission's Consultant;
  - (b) A copy of the bill or bills which are disputed, identified by date, PUC Invoice number, provider, and specific services which are being disputed.
  - (c) The precise dollar amount of the billing that is being disputed.
  - (d) An explanation of the basis of the grounds for the dispute.
4. Any dispute(s) not filed within the timelines established herein will not be considered and will be deemed to have been waived.
5. For any disputes concerning billings of PUC Legal Counsel and/or Consultants, the ALJ will resolve such disputes; for disputes involving ALJ billings, such will be resolved by Legal Counsel.

In accordance with the foregoing, it is hereby ORDERED as follows:

1. All regulated utilities and telecommunications companies are further ordered to pay the administrative assessments set forth in the Assessment Order, issued by the Commission on September 30, 2009, and due on October 31, 2009, within seven days from receipt of the Order;
2. All regulated utilities and telecommunication companies are hereby ordered to become current in the payment of all regulatory fees owed for PUC dockets.
3. All regulated utilities and telecommunications companies shall file any disputes concerning regulatory fees in accordance with the procedure specified herein.

SO ORDERED this 10<sup>th</sup> day of November, 2009.

  
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David A. Mair  
Administrative Law Judge  
Guam Public Utilities Commission