

GUAM PUBLIC UTILITIES COMMISSION
SPECIAL MEETING
FEBRUARY 6, 2012
SUITE 202, GCIC BUILDING, HAGATNA



MINUTES

The Guam Public Utilities Commission [PUC] conducted a special meeting commencing at 7:00 p.m. on February 6, 2012, pursuant to due and lawful notice. Commissioners Johnson, McDonald, Perez, and Pangelinan were in attendance. The following matters were considered at the meeting under the agenda made *Attachment "A"* hereto.

1. Approval of Minutes

The PUC reviewed the minutes of the meeting conducted on January 11, 2012. Upon motion duly made, seconded and unanimously carried, the minutes were approved subject to correction.

2. Ratification

The Chairman announced that the ratifications could not be addressed this evening as there was not an appropriate quorum for such ratifications.

3. Guam Power Authority

The Chairman announced that the next order of business was GPA Docket 11-16 LEAC Filing, GCG Report, and Proposed Order. Counsel indicated that there was a Georgetown Report on the LEAC factor. The proposed LEAC factor would be effective February 1 through July 31, 2012. GPA's filing proposes two steps: first, a decrease in the LEAC factor from the present rate of \$.19222 per kWh for civilian customers down to \$.18663 per kWh. Second, effective April 1, 2012, implementation of separate LEAC factors for "transmission" level customers. GCG, using updated fuel prices, recommended a lesser reduction of the LEAC factor effective February 1 based on the most recent fuel prices. In addition, GCG suggested that the transmission or primary voltage level LEAC factor should be effective February 1, not April 1 as suggested by GPA.

In the draft Order, Counsel recommends that the most recent fuel price should be used to determine the LEAC factor. However, on the transmission level or primary voltage level issue, there are already discounts for transmission level customers in the base rates. GPA has already proposed in the upcoming base rate case that the transmission level discounts should be taken out of base rates and transmission level LEAC factor should be implemented for these primary and transmission level customers. In terms of timing, Counsel suggests that the

Tariff Z for LEAC should be amended before the Commission changes the LEAC factors for transmission level customers. If the transmission level LEAC factors were changed now, there would be a double discount for transmission customers, both in base rates and the LEAC factor. Counsel recommends that the transmission level LEAC factors be made effective by the Commission in April.

The recommended LEAC factor starting on February 1 would be \$.1918 per kWh for all customers through March 31, 2012, a decrease of .92% in the total bill for a residential customer utilizing an average of 1,000 kWh per month (24¢ per month). Effective April 1, differentiated LEAC factors would be implemented for the transmission level customers. For residential customers the LEAC would increase to \$.19231 on April 1, 2012; for primary level customers differentiated LEAC factors would be implemented on April 1. Overall, on April 1, 2012, there would be a slight increase of 0.035% in the total bill for residential customers using an average of 1,000 kWh per month. For the overall six month period, there is a very slight decrease in the LEAC factor - - that's the net effect.

GPA would be ordered to file timely amendments to Tariff Z so that the transmission level LEAC factors could be implemented on April 1, 2012. It is estimated that the transmission level LEAC factors would represent percentage reductions for different transmission level classes in the approximate amount of 3%, 4%, and 5%. However, GPA should adjust these transmission level factors to reflect what those transmission level customers should actually be paying. In its next LEAC filing, by June 15, 2012, GPA would be asked to use the actual loss multipliers to determine the appropriate LEAC factor for each transmission level customer. If GPA cannot do so, it must provide a justification.

Commissioner Perez clarified that the transmission level system study had been received by the PUC and that the Commission had accepted that study previously as a benchmark. Counsel indicated that at some point, the Commission would need to look at the transmission level line loss and see if the benchmark should be adjusted. Counsel indicated that the actual losses were slightly lower than the Commission's benchmark. Commissioner Perez asked whether it would make a difference in the LEAC. GPA Legal Counsel Botha indicated that it would not make a difference unless the 7% level were exceeded. Commissioner Perez asked whether GPA used the 7% benchmark or the actual cost. Cora Montellano of GPA indicated that when the true-up was done, the actual loss factor is used. However, when GPA does the projection, it uses the 7%. Commissioner Perez clarified that when GPA has the actual loss, that can be used rather than a projection. Chairman Johnson indicated that the 7% loss factor had now been used for two or three years. Ms. Montellano indicated that GPA had been averaging around 6.7 or 6.8% on a 12 month average. Commissioner Perez asked whether the Smart Grid would have an impact. GPA

officials indicated that it would. Upon motion duly made, seconded and unanimously carried, the Commissioners approved the LEAC factors for the next six month period and adopted the order made *Attachment "B"* hereto.

The Chairman indicated that the next item for discussion was GPA Docket 11-17, Petition for Approval of the Procurement of Software Implementation Services, GCG Report, and Proposed Order. Counsel stated that there was a detailed report from GCG on the software implementation plan. The Proposed Order reflects that the Commission has already authorized GPA to expend \$2M for the enterprise resource planning software implementation project and the undertaking of further consulting studies. The Commission has previously recognized the Baker Tilly finding that it is of critical long-term importance that GPA upgrades its technological capabilities. GPA should be allowed to proceed with the procurements of the enterprise resource planning software. GPA's consultant SAIC recommended that GPA upgrade to the Oracle Enterprise 1, ERP system (E1); for the customer information system, SAIC recommended that GPA utilize Oracle CIS Software, which is fully integrated with the Oracle E1 system. It would be more cost effective for GPA to utilize the Oracle Software. The Consolidated Commission on Utilities has approved GPA's use of the proposed software, and GCG also recommends approval of GPA's procurement and acquisition of software implementation services. Such software is essential for implementation of the Smart Grid system. Such software should improve GPA's ability to align workflow processes, provide more options for billing and customer care, and support new initiatives for workforce management accounting/asset management.

Counsel indicated that the GCG Report recognizes that there will be challenges for GPA to implement the new software, including the allocation of sufficient resources and time of management of staff. Once GPA selects an offeror for the software, it will submit its final contract for review by the PUC. Upon motion duly made, seconded and unanimously carried, the Commissioners approved GPA's procurement of software and implementation services and adopted the Order made *Attachment "C"* hereto.

4. GTA TeleGuam Holdings LLC

The Chairman announced that the next item for consideration was GTA Docket 11-06, BIT Petition regarding Metro Ethernet Services and ALJ Order. Counsel indicated that the Order was for information purposes, because there has not been a final resolution of this dispute, the order addresses one issue involving the relief sought by Bureau of Information Technology. The Order prepared by the ALJ indicates that BIT is not entitled to a refund of certain Metro Ethernet services. The ALJ Report questions whether BIT is authorized to seek a refund on behalf of the entire government of Guam. BIT did not seek a refund until

after the government's contract with GPA had expired and certain statute of limitation issues also barred refund. At present, the case is moving forward on the issue of whether a tariff is required of GTA for provision of the Metro Ethernet services. There will be an additional hearing and more discovery.

5. Guam Waterworks Authority

The Chairman announced that the next item before the Commission was GWA Docket 12-01, Rate Request for Leachate Treatment of Leyon Landfill, ALJ Report, and Proposed Order. Counsel indicated that the ALJ Report is prepared by ALJ Mair. The District Court issued an order that the PUC establish a rate for the treatment of the Leachate from the Leyon Landfill. There are two issues: first, the cost that the receiver charges to GWA for collecting and removing the solid waste and second, the charge that GWA charges to its customers. The ALJ, in accordance with the District Court Order, requests that the PUC authorize him to undertake proceedings to set the appropriate leachate rates as ordered by the District Court. The proposed Order would authorize the ALJ to investigate and examine leachate rates. Upon motion duly made, seconded and unanimously carried, the Commissioners authorized the ALJ to commence proceeding on leachate rates and adopted the Order made *Attachment "D"* hereto.

The Chairman explained that there was an additional GWA matter for consideration. Counsel explained that GWA Docket 12-01, Contract Review for Property Insurance Invitation for Bid, was technically not on the Agenda. However, GWA is required under its bond indenture to maintain certain insurance, including property insurance, liability insurance, etc. Due to the emergency situation involving the expiration of the insurance, the Chairman has approved and authorized GWA to go out to bid for insurance, subject to ratification by the Commission. Commissioner Perez clarified that the Chairman's action would only authorize GWA to go out to bid.

6. Guam Telecom LLC

The Chairman announced that the next matter of business for the PUC was GT Docket 12-01, GT General Exchange Tariff No. 1, Tariff Transmission No. 4, PUC Counsel Report, and Proposed Order. Counsel indicated that there was not a quorum on this issue, as Commissioner Pangelinan could not address it. Commissioner Pangelinan concurred. Counsel indicated that Guam Telecom is asking for a \$2:00 increase in business telephone line and key line service charges, with a monthly recurring rate going up from \$27.99 to \$29.99. Counsel has prepared an Order for the Chairman's signature. This Order will be subject to PUC ratification.

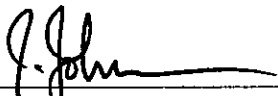
7. PUC Website

The Chairman recommended that the Commission recess from the regular meeting and go into executive session, Counsel indicated that he has made a written recommendation as Counsel to the Commission pursuant to 5 GCA recommending that the Commission hold a closed meeting or executive session to discuss Item 7 on the Agenda, Procurement of Small purchases for website services. He submits that the selection of the contractor should be discussed in executive session. However, when the Commission approves expenditure of funds for a contractor, that should be done in open session. The Commissioners approved moving into executive session.

8. Administrative Matters

The Commissioners returned to open session. The Chairman indicated that there is a Counsel Report on the status of RFP 11-01. Counsel indicated that there have been negotiations between the PUC and Shaw Consultants regarding the damage provisions in the contract. Now the parties have reached agreement and agree to a mutual waiver of consequential damages. Counsel has presented the final contract to Shaw and requested that it be returned to the PUC by February 17. Counsel indicated that this procurement matter has been pending since October 20, 2011. Counsel further reported on the telecommunications consultant procurement; that matter is pending the Commissioners' evaluations.

There being no further business, the Commissioners moved to adjourn the meeting.



Jeffrey C. Johnson
Chairman

**THE GUAM PUBLIC UTILITIES COMMISSION
SPECIAL MEETING
SUITE 202, GCIC BUILDING
414 W. SOLEDAD AVE. HAGATNA, GUAM
7:00 p.m. February 6, 2012**

Agenda

- 1. Approval of Minutes of January 11, 2012.**
- 2. Ratification**
 - Order, CP Docket 11-01, iConnect Request for Determination on Jurisdiction to Designate Eligible Telecommunications Carrier Status, PUC Counsel Report, and Proposed Order
 - Use Certification, GT Docket 11-03, Petition for Annual USAC Certification, PUC Legal Counsel Report, and Use Certification.
 - GTA Docket 11-13, Joint Petition of GTA Telecom LLC and PTI Pacifica Inc. for Approval of Interconnection Agreement pursuant to Section 252 of the Telecommunications Act of 1996, PUC Counsel Report and Proposed Order
- 3. Guam Power Authority**
 - GPA Docket 11-16, LEAC Filing, GCG Report, and Proposed Order
 - GPA Docket 11-17, Petition for Approval of the Procurement of Software Implementation Services, GCG Report and Proposed Order
- 4. GTA Teleguam Holdings LLC**
 - GTA Docket 11-06, BIT Petition Re: GTA Metro Ethernet Services, GCG Report, ALJ Order
- 5. Guam Waterworks Authority**
 - GWA Docket 12-01, Rate Request for Leachate Treatment of Layon Landfill, ALJ Report, and Proposed Order
- 6. Guam Telecom LLC**
 - GT Docket 12-01, GT General Exchange Tariff No. 1, Tariff Transmittal No. 4, PUC Counsel Report, and Proposed Order

- 7. PUC Website**
 - Procurement of Small Purchase for Website Services
- 8. Administrative Matters**

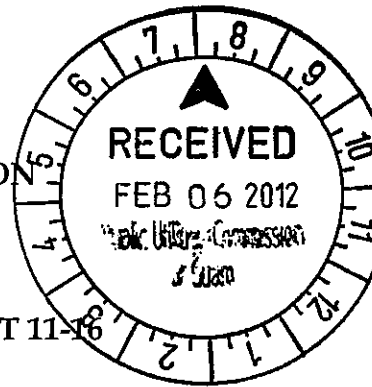
- **Counsel Report on Status of RFP 11-01 (PUC Consulting Services regarding GPA and GWA) and RFP 11-02 (PUC Consulting Services regarding Telecommunications); Commission Action**

9. Other Business

Further information about the meeting may be obtained from the PUC's Administrator Lou Palomo at 472-1907. Those persons who require special accommodations, auxiliary aids, or services to attend the meeting should also contact Ms. Palomo.

This Notice is paid for by the Guam Public Utilities Commission

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



GUAM POWER AUTHORITY
LEVELIZED ENERGY ADJUSTMENT
CLAUSE [LEAC]

GPA DOCKET 11-16

ORDER

In accordance with the protocol established by Guam Public Utilities Commission [PUC] Order dated January 29, 1996, as amended by Order dated March 14, 2002, Guam Power Authority [GPA], by Filing dated December 15, 2011, requested a two-step approach for the establishment of the Levelized Energy Adjustment Clause ["LEAC"] for the six-month period commencing February 1, 2012. The first step proposed by GPA is that the current LEAC factor [\$0.19222 per kWh] for its civilian customers be decreased to \$0.18663 per kWh for meters read on and after February 1, 2012.¹

As a second step, GPA proposes that, on April 1, 2012, the LEAC rate would be increased to \$.018715/kWh (and continuing in effect through the end of the LEAC period, July 31, 2012).² The April 1, 2012 increase would be due to an adjustment made for GPA's civilian customers receiving power at the transmission or primary voltage levels. There appear to be thirteen such customers (including other power providers, large hotels, large consumer government entities, etc.) There is recognition that these customers incur less line losses and should not be charged for the average system-wide line loss, but rather should receive an adjustment to their LEAC rates to more accurately reflect their responsibility for the cost of fuel related to line losses.³

Currently such customers have an adjustment (reduction) of 1% or 2% on the non-fuel portion of their energy charges (base rates as opposed to LEAC rates). Effective April 1, 2012, GPA proposes adjustments for these customers of 3% to 5% of the LEAC charges that are totally fuel-related. GPA proposes delaying implementation of the adjustments to the LEAC factor to coincide with the elimination of the base rate reductions for these customers after the pending base rate case is concluded, currently anticipated to be on or about April 1, 2012.⁴

¹ GPA LEAC Filing, GPA Docket 11-16, filed December 15, 2011.

² Letter from GPA General Manager to PUC Counsel, GPA Docket 11-16, dated December 15, 2011, at p. 1.

³ GCG Report, GPA Docket 11-16, Request for a LEAC Factor Effective February 1, 2012, filed January 23, 2012.

⁴ Id. at p. 1

After conducting a review of GPA's Filing, and engaging in communications with GPA, PUC Regulatory Consultant Georgetown Consulting Group, Inc. [GCG] filed its Report Re: GPA Request for a LEAC Factor Effective February 1, 2012.⁵ GCG recommends that the PUC should rely upon the most recent available information regarding fuel prices to determine the fuel factor for the LEAC.⁶ In its Report, GCG determined that, based upon updated Morgan Stanley fuel price forecasts for both No. 2 and No. 6 oil on January 12, 2012, fuel price projections for the next six month period are higher than the fuel prices originally projected by GPA in its Petition.⁷

GCG indicates that there is an increase in total oil costs for the LEAC period of over \$3.5 million.⁸ GCG also finds that, as a result of the updated fuel prices, fuel handling costs have increased to approximately \$2 million, more than the \$1.1 million net sum indicated in GPA's filing.⁹

GCG's primary difference with GPA is that GCG recommends that the adjustments to the LEAC factor for customers receiving power at the transmission or primary voltage levels should be made effective February 1, 2012, rather than on April 1, 2012 (as recommended by GPA).¹⁰ GCG's contention is based upon the argument that "the transmission and primary voltage customers have been subsidizing the remainder of customers for years." Such a LEAC adjustment would "provide a closer match to the costs of service for these large entities to reflect less line loss."¹¹

Based upon its review and updating of the LEAC calculations, GCG recommends that a LEAC factor charge of \$0.19231 for Secondary voltage customers at 13.8Kv be ordered effective February 1, 2012, with certain transmission level LEAC factors to be set for the transmission and primary voltage customers, also effective February 1, 2012.¹²

The PUC concurs with GCG that the latest, updated fuel information should be used to determine the appropriate LEAC factor for the upcoming LEAC period. However, PUC adopts GPA's position that the adjustment LEAC factors for transmission and primary voltage customers should not be effective until April 1,

⁵ Id.

⁶ Id. at p. 2.

⁷ Id. at pgs. 5-7.

⁸ Id. at p. 3

⁹ Id. at p. 7.

¹⁰ Id. at p. 2 and 10.

¹¹ Id. at p. 2.

¹² Id. at p. 10-11.

2012. While both parties agree that the establishment of transmission level LEAC Factors is desirable, there have not presently been any amendments to Tariff Z to implement such factors. Tariff Z should be formally amended and approved by the PUC before these adjustments are included in LEAC. In addition, it is appropriate to wait to implement these adjustments until the corresponding discounts for such customers are removed from base rates (which are anticipated to be on or about April 1, 2012 in the pending rate case, GPA Docket 11-09).

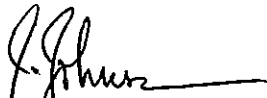
It is prudent for the PUC to implement such LEAC factors at the same time as other changes which may result in the base case. Piecemeal implementation of such changes is not desirable.

After carefully reviewing the record in this proceeding and the January 23, 2012, Report of GCG, and after discussion at a duly noticed public meeting held on February 6, 2012, for good cause shown and on motion duly made, seconded and carried by affirmative vote of the undersigned Commissioners, the Guam Public Utilities Commission hereby **ORDERS THAT:**


1. A LEAC factor of \$0.19198 per kWh shall be used by GPA for all civilian customer bills, for meters read on and after February 1, 2012, continuing until March 31, 2012, to recover its forecasted fuel and related expenses, in accordance with the GPA Summary of LEAC Calculation attached hereto as Exhibit "A" and the GCG Attachment 1, LEAC February 2012 through July 2012, Price Update As Filed, Corrected without Discount, attached hereto as Exhibit "B". This change reflects a 0.092% decrease in the total bill for a residential customer utilizing an average of 1,000 kilowatt hours per month (\$0.24 per month).
2. Effective April 1, 2012, the following LEAC Factors shall be used by GPA: \$0.19231 per kWh for Distribution level (Secondary-13.8 KV) customers; \$0.18654 for Primary-13.8 KV customers; \$0.18462 for 34.5 KV customers; and \$0.18270 for 115 KV customers. Such LEAC Factors shall continue in effect through July 31, 2012. This change reflects a 0.035% increase in the total bill for a residential customer utilizing an average of 1,000 kilowatt hours per month (\$0.09 per month).
3. GPA shall timely file appropriate amendments to Tariff Z so that the transmission level LEAC factors may be implemented on April 1, 2012.

4. GPA should file its next LEAC adjustment filing on or before June 15, 2012. With its next LEAC filing, GPA shall use actual loss multipliers to determine the appropriate LEAC Factor for each transmission level customer; if the use of actual loss multipliers is not appropriate, GPA shall explain why such use is not appropriate in its filing.
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 6th day of February, 2012.




Jeffrey C. Johnson
Chairman



Rowena E. Perez
Commissioner



Joseph M. McDonald
Commissioner



Michael A. Pangelinan
Commissioner

Filomena M. Cantoria
Commissioner

GPA
Summary of LEAC Calculation

	GCG			
	February 1- 7/31/12	February 1- 7/31/12	February 1- 7/31/12	April 1- 7/31/12
Cost of Number 6 Oil	\$ 152,467,859	\$ 152,467,859	\$ 102,996,161	
Cost of Number 2 Oil	\$ 2,947,217	\$ 2,947,217	\$ 1,880,429	
Total Oil Costs	\$ 155,415,076	\$ 155,415,076	\$ 104,876,590	
Fuel Handling Costs	\$ 2,006,683	\$ 2,006,683	\$ 1,419,631	
Total Fuel Costs	\$ 157,421,759	\$ 157,421,759	\$ 106,296,221	
Civilian Allocation	77.49%	77.49%	77.49%	
Total LEAC Costs	\$ 121,984,634	\$ 121,984,634	\$ 82,367,937	
Beg. Under/(Over) Recovery	\$ (152,632)	\$ (152,632)	\$ (249,129)	
Net LEAC Costs	\$ 121,832,002	\$ 121,832,002	\$ 82,118,808	
Cost Recovery From Trans. Customers	\$ (5,994,370)	\$ -	\$ (4,018,165)	
Total Distribution Costs	\$ 115,837,632	\$ 121,832,002	\$ 78,100,643	
Civilian Sales (mWh)	602,336	634,624	406,114	
Proposed LEAC Factor (\$/kWh)	\$ 0.19231	\$ 0.19198	\$ 0.19231	
Current LEAC Factor	\$ 0.19222	\$ 0.19222	\$ 0.19222	
Increase (Decrease) in Factor	\$ 0.00009	\$ (0.00024)	\$ 0.00009	
Average Use-Residential (kWh)	1,000.00	1,000.00	1,000.00	
Monthly Increase	\$ 0.09	\$ (0.24)	\$ 0.09	
Bill At Current Rates	\$ 266.59	\$ 266.59	\$ 266.59	
Percent Increase in Total Bill	0.035%	-0.092%	0.035%	
Distribution LEAC Factor	\$ 0.19231	\$ 0.19198	\$ 0.19231	
Primary - 13.8 KV	\$ 0.18654	\$ 0.19198	\$ 0.18654	
34.5 KV	\$ 0.18452	\$ 0.19198	\$ 0.18452	
115 KV	\$ 0.18270	\$ 0.19198	\$ 0.18270	

GUAM POWER AUTHORITY
Fuel Clause Reconciliation

Schedule 1

1 Start Date	Total FY 12	FY 12	FY 12
2 Total Sales	1,656,070	Civilian	Civilian
3 Daily Sales	4,524.78	1,263,273	372,797.00
4 Plant Use	6.18%	3,506.21	1,018.57
5 Transmission Loss	3.40%	216.82	62.99
6 Distribution Loss	4.14%	119.29	34.65
7 Company Use	0.18%	145.27	42.20
8 Total Daily Demand		6.35	1.84
		3,993.93	1,160.26
		% To	% To
		TOTALS	TOTALS
		Feb-12	Mar-12
		28	31
		Forecast	Forecast
		111,830	123,812
		32,487	34,808
		144,317	159,780
		722,901	210,006
		77.489%	22.511%

9 Month	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	TOTALS
10 Days	28	31	30	31	30	31	Total
11 Required Generation-Civilian	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
12 Required Generation-Navy	111,830	123,812	119,818	123,812	119,818	123,812	722,901
13 TOTAL REQUIRED GENERATION	32,487	35,968	34,808	35,968	34,808	35,968	210,006
	144,317	159,780	154,626	159,780	154,626	159,780	932,907

14 Number 6 (HSFOLLSFO)	23,564,297	25,907,401	25,979,819	26,605,519	24,992,419	25,418,404	152,467,859	Schedule 2
15 Number 2 (GPA)	1,020,227	46,561	57,729	278,688	234,299	1,309,713	2,947,217	Schedule 3
16 Number 2 (USN)	0	0	0	0	0	0	0	Schedule 4
17 TOTAL COST	\$ 24,584,524	\$ 25,953,962	\$ 26,037,548	\$ 26,884,207	\$ 25,226,718	\$ 26,728,116	\$ 155,415,077	Schedule 5
18 Handling Costs	225,664	361,388	333,186	361,938	361,817	382,690	2,006,683	
19 TOTAL EXPENSE	\$ 24,810,188	\$ 26,315,350	\$ 26,370,734	\$ 27,246,145	\$ 25,588,535	\$ 27,090,806	\$ 157,421,760	

Calculation of Civilian Factor

20 Sales-Civilian	98,174	108,693	105,186	108,693	105,186	108,693	634,624
20a Sales-At Transmission Level	0	0	0	0	0	0	0
20b Sales @ 13.8 KV	98,174	108,693	105,186	108,693	105,186	108,693	634,624

21a Fuel Cost Recovery @ 13.8 KV	\$191,975	18,846,940	20,866,255	20,193,150	20,866,255	20,193,150	121,832,002
21b Fuel Cost Recovery @ "Transmission"	0	0	0	0	0	0	0
21c Total Recovery	18,846,940	20,866,255	20,193,150	20,866,255	20,193,150	20,866,255	121,832,002

22 Civilian Costs (Total Expense x %)	77.489%	19,225,181	20,391,516	20,434,433	21,112,781	19,828,314	121,984,634
22a Deferred Fuel Amort.		378,241	(474,739)	241,283	246,526	(364,835)	152,682

23 Under/(Over)		(152,692)	225,609	(249,129)	(7,846)	238,680	(126,155)
24 Estimated Under/(Over)		378,241	(474,739)	241,283	246,526	(364,835)	128,155
25 Net Recovery Under/(Over)		225,609	(249,129)	(7,846)	(7,846)	238,680	(126,155)

26 Proposed Fuel Cost Recovery \$ 191,975 Proposed Rate

Half of Navy Adjustment

Civilian Clause Reconciliation:	0						
27 Opening Recovery Balance-Jan 31, 2012		(152,692)	225,609	(249,129)	(7,846)	238,680	(126,155)
Under/(Over)		378,241	(474,739)	241,283	246,526	(364,835)	128,155
29 Closing Recovery Balance		225,609	(249,129)	(7,846)	(7,846)	238,680	(126,155)

Bills Computed at 1000 kWh/month	Current Rates	Current Bill	Rate to fully recover	Increase (Decrease)
Customer Charge \$/month	\$ 6.01	\$ 6.01	\$ 6.01	\$ -
Non Fuel Energy Charges (\$/kWh)	0.03644	\$ 18.22	\$ 18.22	\$ -
Lifeline Usage (500 kWh)	0.09168	\$ 45.84	\$ 45.84	\$ -
Non Lifeline Usage				
WaterWell Charge	0.00000	\$ -	\$ -	\$ -
Lifeline Usage (500 kWh)	0.00279	\$ 1.40	\$ 1.40	\$ -
Non Lifeline Usage	0.00229	\$ 2.90	\$ 2.90	\$ -
Insurance Charge				
Fuel Recovery Charge		\$192,223	\$191,975	(248)
TOTAL BILL		\$ 266.59	\$ 266.34	(25)
Increase (Decrease) From Current Bill				(25)
Percent Increase (Decrease)				-0.09%
Increase (Decrease) From Current Lease Factor				(0.25)
Percent Increase (Decrease)				-0.13%

Adjusted LEAC Rate at Different Sales Customer	Effective Feb-12
Secondary - 13.8 KV	\$ 0.19198
Primary - 13.8 KV	\$ 0.19198
34.5 KV	\$ 0.19198
115 KV	\$ 0.19198

BEFORE THE GUAM CIVIL SERVICE COMMISSION



IN THE MATTER OF:)
) GPA DOCKET 11-17
)
THE APPLICATION OF THE GUAM)
POWER AUTHORITY REQUESTING) ORDER
APPROVAL OF THE PROCUREMENT)
OF SOFTWARE IMPLEMENTATION)
SERVICES)
_____)

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Application of the Guam Power Authority ["GPA"] requesting approval of the Procurement of Software Implementation Services.¹

BACKGROUND

2. In its Order dated April 18, 2011, the Commission authorized GPA to expend \$2,000,000 for the Enterprise Resource Planning Software Implementation Project, as well as \$500,000 for Enterprise Resource Planning Consulting and Technology Assessment Implementation Study.²
3. In its Order, the PUC referenced a finding in the Baker Tilly Report that GPA has lagged in the application of technology to business practices: "It is of critical long term importance that GPA upgrade its technological capabilities. GPA should be allowed to proceed with procurement of its Enterprise Resource Planning Software Implementation Project."³
4. In addition, the PUC determined that the Enterprise Resource Planning Consulting Contract and the Technology Gap Assessment will enhance GPA's ability "to make proper decisions concerning the implementation of the new technology and to provide services to customers in as efficient and effective a manner as possible."⁴

¹ GPA Application Requesting Approval of the Procurement of Software Implementation Services, GPA Docket 11-17, filed December 21, 2011.

² PUC Order GPA Docket 10-01, dated April 18, 2011 at p. 1.

³ Id. at p. 2.

⁴ Id.

5. The Commission, in its Ordering provisions, indicated that GPA was required to seek final contract review approval for the Enterprise Resource Planning Software Implementation Project.⁵
6. GPA has now completed its assessment of the current Enterprise Resource Planning (ERP) system as well as its Customer Information System (CIS). The ERP Report, was prepared by SAIC (“Science Applications International Corporation”), and recommends that GPA upgrade to Oracle’s Enterprise One ERP System (E1). The CIS Report, also prepared by SAIC, recommends that GPA utilize Oracle CIS software, which is fully integrated with the Oracle E1 system.⁶
7. GPA has submitted a draft of its Request for Proposals for Software Implementation Services, and now requests that the PUC authorize it to proceed with the procurement of such Software Implementation Services.⁷
8. The Guam Consolidated Commission on Utilities, in Resolution No. 2011-57, approved GPA’s request to petition the PUC for authorization to issue an RFP for Software Implementation Services and to negotiate for the purchase of Customer Information System Software.⁸
9. On January 24, 2012, the PUC’s Consultant, the Georgetown Consulting Group, Inc. [“GCG”] submitted its “review of GPA Information Systems Implementation Plan” to the PUC.⁹

DETERMINATIONS

10. The PUC adopts GCG’s recommendation that PUC approve GPA’s procurement and acquisition of software implementation services necessary for the integration of its various software initiatives, including its ERP and CIS; the products will necessarily be integrated with GPA’s Smart Grid initiative.

⁵ Id. at p. 3.

⁶ Letter from General Manager of GPA to ALJ, GPA Docket 11-17, dated December 9, 2011, at p. 1.

⁷ GPA Application requesting Approval of the Procurement of Software Implementation Services, filed December 21, 2011, p. 2; see Request for Proposal, Software Implementation Services, attached to the Application.

⁸ CCU Resolution No. 2011-57, adopted November 29, 2011, at p. 1.

⁹ GCG Report Re: Review of GPA Information Systems Implementation Plan, GPA Docket 11-17, dated January 24, 2012.

11. As indicated by GCG, GPA's proposed Software Implementation Services plan is consistent with Best Practice Utilities in the United States, and should improve GPA's ability to align workflow of processes, provide more options for billing and customer care, and support new initiatives such as those being adopted by GPA for work management, project accounting, and asset management.¹⁰
12. GPA has provided sufficient justification for the proposed upgrade/replacement; the age of GPA's current software and the issues identified in the gap analyses provide justification that GPA should move on to "better tools to meet their current and future needs."¹¹
13. GPA has performed sufficient due diligence in making its software selection; based upon the processes followed and the alternatives available, GPA has selected an appropriate ERP and CIS.¹²
14. GPA, as stated in GCG's findings, will face significant challenges to the implementation of its new ERP and CIS software, and the Smart Grid program. GPA will be required to commit personnel, resources, adequate external resources to the implementation project. Change processes for GPA managers and employees will have to be undertaken in order to successfully implement the plans; the managers and employees will need to gain a complete understanding of the functionality of the new systems.¹³

ORDERING PROVISIONS

After careful review and consideration of the above determinations, the Application of GPA requesting Approval of the Procurement Software Implementation Services, the Report of GCG, and the record herein, for good cause shown, on motion duly made, seconded, and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

1. GPA's Application to procure Software Implementation Services is approved.

¹⁰ Id. at p. 5.

¹¹ Id.

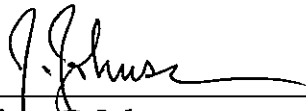
¹² Id.

¹³ Id. at p. 6.

ORDER
Application of GPA Requesting Approval of
Procurement of Software Implementation Services
GPA Docket 11-17
February 6, 2012

2. GPA has already been authorized to expend \$2 Million for implementation of the E1 and CIS, and will also utilize \$200,000 from the Smart Grid project for such implementation. Should GPA utilize additional bond funds for such services, or should GPA's total expenditure exceed \$1.5 Million in revenue funds, GPA must obtain prior approval from the PUC for such additional expenditures.
3. Once GPA selects an Offeror for the Software Implementation Services RFP, it shall seek final contract review approval from the PUC.
4. GPA shall provide periodic updates (at least bi-annually) to PUC of its budgets, timelines, and work plans for the ERP and CIS implementation
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 6th day of February, 2012.



Jeffrey C. Johnson
Chairman

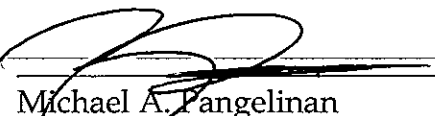


Joseph M. McDonald
Commissioner

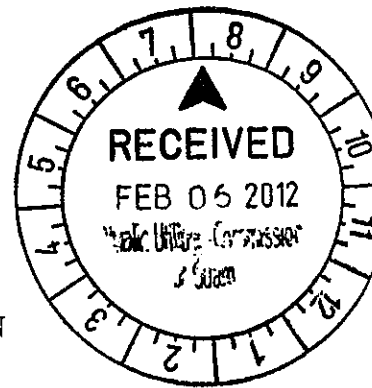


Rowena E. Perez
Commissioner

Filomena M. Cantoria
Commissioner



Michael A. Pangelinan
Commissioner



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN RE: RATE REQUEST FOR LEACHATE) GWA DOCKET 12-01
TREATMENT OF LAYON) ORDER
LANDFILL)
_____)

BACKGROUND

This matter comes before the Guam Public Utilities Commission (the “PUC”) pursuant to the December 8, 2011 Order issued by Chief Judge Frances M. Tydingco-Gatewood of the District Court of Guam in U.S. v. Government of Guam, Civil Case No. 02-00022.

DETERMINATIONS

In his January 20, 2012 ALJ Report, the ALJ noted that on December 7, 2011, the Court held a quarterly status hearing regarding an update on the progress of the Consent Decree project by the federal receiver, Gershman, Brickner & Bratton, Inc. (hereinafter referred to as the “Receiver”), as well as the operations of the Guam Solid Waste Authority, all of which concern the closure of Guam’s Ordot Dump and the preparation for the use of the Layon Landfill. The ALJ further noted that after the status hearing, the Court issued an Order on December 8, 2011 highlighting the following: recent accomplishments of the Receiver during the last quarter of 2011, issues raised at the December 7, 2011 status hearing, and issues raised in the Receiver’s Quarterly Report filed in the case.

Based on the Court’s Order, the ALJ learned that the Receiver agreed to dispose of GWA’s biosolids insofar as the charges for such disposal would be offset by GWA’s treatment of leachate from the Layon Landfill. However, GWA has been incurring debt as a

result of this agreement since GWA has not yet established a particular rate for the treatment of leachate from the Layon Landfill; and that GWA must establish a rate for the treatment of leachate from the Layon Landfill in order to apply such fees against the Receiver's charges for the disposal of GWA's biosolids.

The ALJ thereafter determined that pursuant to the express provisions of the Court's Order, the PUC has been ordered "to set the rate for the treatment of leachate from the Layon Landfill and address any rate issues that need to be addressed to enable GWA to pay its obligations for waste disposal." Order, at 4. The ALJ therefore recommended that the PUC authorize the ALJ to conduct a rate investigation to determine an appropriate rate for the treatment of leachate relative to the Layon Landfill.

Based on the foregoing, the Commission hereby issues the following.

ORDERING PROVISIONS

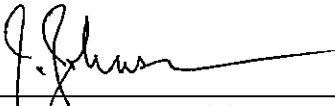
Upon consideration of the record herein, the January 20, 2012 ALJ Report, and for good cause shown, on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS the following:

1. The PUC hereby authorizes the ALJ to investigate and examine the rate request ordered by the Chief Judge Frances M. Tydingco-Gatewood of the District Court of Guam in U.S. v. Government of Guam, Civil Case No. 02-00022, on December 8, 2011, related to the treatment of leachate from the Layon Landfill.

//

2. GWA 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 conducting the rate investigation and hearing process. Assessment of the PUC's regulatory fees and expenses is authorized pursuant to 12 G.C.A. §§ 12002(b) and 12024(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the PUC.


SO ORDERED this 6th day of February, 2012.



JEFFREY C. JOHNSON
Chairman




JOSEPH M. MCDONALD
Commissioner



ROWENA E. PEREZ
Commissioner

FILOMENA CANTORIA
Commissioner



MICHAEL A. FANGELINAN
Commissioner



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:)
) GT DOCKET 12-01
)
GUAM TELECOM, LLC, GENERAL) ORDER
EXCHANGE TARIFF NO. 1, TARIFF)
TRANSMITTAL NO. 4)

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission [PUC] upon the filing by Guam Telecom LLC [GT] of Tariff Transmittal No. 4. Such tariff would amend GT General Exchange Tariff No. 1.¹
2. GT Tariff Transmittal No. 4 would increase the Business Telephone Line and Key Line Service recurring monthly rates by \$2.00 each. The revisions would be as follows:
 - (a) Business Line Service, Primary (per line), Secondary (per line) Monthly Recurring from \$27.99 to \$29.99;
 - (b) Key Line Service, Flat Rate Service, Per Line Monthly Recurring from \$27.99 to \$29.99

DETERMINATIONS

3. The increases of \$2.00 each for monthly recurring rates for Business Line Service and Key Line Service appear to be reasonable and in accordance with the rates charged by other carriers.
4. Schedules and rates on file with the Commission for other carriers indicate that such carriers charge a higher rate for Business Line and Key Line Services than GT, even after taking GT's proposed increases into account.²

¹ GT Tariff Transmittal No. 4, GT Docket 12-01, filed January 11, 2012.

² GT Filing re: Business Telephone Line Rates for Other Carriers, GT Docket 12-01, filed January 18, 2012.

5. In accordance with the provisions of 12 GCA §12106(b) the PUC should approve Tariff Transmittal No. 4 effective February 11, 2012.
6. The charges/rates proposed by GT for Business Line Service and Key Line Service are "just and reasonable" in accordance with 12 GCA §§12102(d), 12104(c) (2) and 12105(c). Such rates do not "unreasonably discriminate between similarly situated customers."

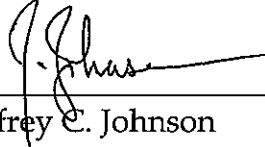
ORDERING PROVISIONS

Upon consideration of the record herein, Tariff Transmittal No. 4 filed by GT on January 11, 2012, and the Report of PUC Legal Counsel, for good cause shown, the Chairman of the Commission, pursuant to authority under 12 GCA §12004, hereby ORDERS that:

1. GT's Tariff Transmittal No. 4 was properly filed pursuant to 12 GCA §12106(a), which requires telecommunications companies such as GT to file tariffs indicating the rates, classifications, and terms and conditions of its telecommunications services.
 2. Tariff Transmittal No. 4, including all changes, revisions, and additions therein to GT's General Exchange Tariff No. 1, is hereby approved and adopted, effective February 11, 2012.
 3. GT shall also provide notice of Tariff Transmittal No. 4 to its Customers on its website.
 4. GT is ordered to pay for the PUC's regulatory fees and expenses incurred in this Docket, including, without limitations, consulting and counsel fees and expenses. Assessments of the PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §12002(b) and 12024(b), 12104, 12103, the Rules Governing Regulatory fees for Telecommunications Companies, and Rule 40 of the Rules of Practice and Procedure before the PUC.
-

PUC Order
In the Matter of GT General Exchange
Tariff No. 1, Tariff Transmittal No. 4
GT Docket 12-01
February 6, 2012

Dated this 6th day of February, 2012.



Jeffrey C. Johnson
Chairman

Rowena E. Perez
Commissioner

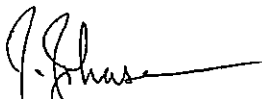
Michael A. Pangelinan
Commissioner

Joseph M. McDonald
Commissioner

Filomena M. Cantoria
Commissioner

PUC Order
In the Matter of GT General Exchange
Tariff No. 1, Tariff Transmittal No. 4
GT Docket 12-01
February 6, 2012

Dated this 6th day of February, 2012.



Jeffrey C. Johnson
Chairman