

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:

ESTABLISHMENT OF HOST
COMMUNITY PREMIUM FEES
PURSUANT TO PUBLIC LAW 30-165

GSWA DOCKET 12-02

ORDER

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission [“PUC”] upon the Petition of the Guam Solid Waste Authority, through its Court Receiver GBB, to establish the “Host Community Premium Fees” in accordance with Public Law 30-165.¹
2. David Manning, GBB’s Representative, has recommended a methodology to the PUC for use in the assessment of the community benefit premium to Commercial and Residential Customers and specific amounts for such assessment.²

BACKGROUND

3. In Public Law 30-165, enacted into law on July 16, 2010, the Guam Legislature determined that a “Host Community Premium” must be awarded for the villages of Inarajan and Ordot in the annual amount of One Hundred Fifty Thousand Dollars (\$150,000.00) each. The Host Community Benefit is to compensate communities where solid waste management facilities, such as sanitary landfills, are located.³
4. The Legislature intended that the Host Community Premiums be funded and assessed in addition to solid waste tipping fees to cover the cost of the Host Community Benefits.⁴
5. The Legislature further mandated that “the Public Utilities Commission (PUC) *shall* equitably determine the *Host Community Premium* for each residential and commercial account.”⁵
6. In the Testimony filed by the Receiver for the Guam Solid Waste Authority on June 18, 2012, the recommendation was made that the PUC should assess the Host Community Benefit Premium in an amount required by law. The Receiver recommended that a fee of \$3.57 per ton be assessed upon Commercial Customers,

¹ GSWA Rate Request, GSWA Docket 12-02, filed June 22, 2012.

² Id., Testimony of David Manning at p. 5 of 15.

³ Public Law 30-165, enacted into law on July 16, 2010.

⁴ Id. at p. 2.

⁵ Id. at p. 3.

and the amount of \$0.38 per month upon Residential Customers to fund the Host Community Premium Benefit for the two villages.⁶

7. The PUC caused a Notice of Public Hearing to be issued and published in the Pacific Daily News, a newspaper of general circulation, on July 12 and July 19, 2012.⁷
8. On July 23, 2012, at 6:00 p.m., the Administrative Law Judge conducted a public hearing on the establishment of Host Community Premium Fees.
9. On July 27, 2012, the ALJ issued his Report herein.⁸

DETERMINATIONS

10. Public Law 30-165 requires PUC to determine a Host Community Premium Fee to benefit the villages of Inarajan and Chalan Pago in the total amount of \$300,000.00 per year. The PUC does not have discretion in this matter and must implement Host Community Premium fees to fund such amounts.
11. In addition, the law expressly requires that the PUC "equitably determine" the Host Community Premium for each residential and commercial account.
12. At the Public Hearing, Mr. David Manning, Representative of the Receiver for GSWA, presented testimony on the manner by which he calculated the proposed Host Community Premium Fees. Upon review the Receiver's calculations, as set forth in the ALJ Report, it appears that the Receiver's calculations are logical and reasonable, and fairly apportion solid waste fees to implement the Host Community Premium between the Commercial and Residential Customers.
13. The Receiver recommends that a fee of \$3.57 per ton be assessed upon Commercial Customers, and the amount of \$0.38 per month upon each Residential Customer to fund the Host Community Premium Benefit for the two villages.
14. The PUC should adopt the fees proposed by the Receiver for GSWA: \$3.57 per ton for Commercial Customers and \$0.38 per month for Residential Customers. Such

⁶ GSWA Rate Request, GSWA Docket 12-02, filed June 22, 2012, testimony of David L. Manning, p. 5 of 15.

⁷ Notice of Public Hearing, GSWA Docket 12-02.

⁸ ALJ Report, GSWA Docket 12-02, dated July 27, 2012.

allocation is fair and equitable and properly assigns responsibility to each class of customer based upon total tonnage generated.

15. Although rates for Commercial customers are based upon tonnage, and the fee for Residential customers is per month, each class bears responsibility for the Host Community Premium Fee based upon the tonnage generated by each class. Mr. Manning testified that such allocation was fair and equitable to the Commercial and Residential Customers.
16. GSWA, at the request of the Receiver, should have 60 days from the date of issuance of an Order herein by the PUC to implement the program for assessment of Host Community Premium fees.
17. The PUC should adopt a protocol to be followed by GSWA in the assessment of the Host Community Premium Fees which contains the following elements:
 - a. The fees established herein should appear on Commercial and Residential Customer Bills as the "Host Community Premium Surcharge".
 - b. GWSA should deposit all Host Community Premium Surcharge fees collected from Commercial and Residential Customers in an account separate and apart from all other accounts maintained by GSWA. Said fees should not be used for any purpose by GWSA; all such fees must be transferred to the Department of Administration (DOA).
 - c. On a quarterly basis, GSWA shall transfer all Host Community Premium Surcharge fees collected to the Department of Administration.
 - d. GSWA shall provide a quarterly report to the PUC concerning the Host Community Premium Surcharge, which shall include the total amount of funds transferred to DOA and a breakdown of the amounts collected from Commercial and Residential Customers, and the date(s) when such amounts were transferred.
 - e. In accordance with Public Law 30-165, DOA shall place all funds received from GSWA for the Host Community Premium fees in the "Host Community Fund"; the Host Community Fund shall be a fund of the Government of Guam that is separate and apart from all other funds of the Government of Guam and shall be used for the exclusive benefit of the Host Community.

18. The Public Utilities Commission should review the Host Community Premium at least once every five years, and may adjust said premium to account for factors such as inflation.
19. The PUC adopts the recommendations of the ALJ Report issued herein on July 27, 2012.
20. The ALJ should be authorized to undertake further proceedings, discussions, or coordination with GSWA to refine and implement the protocol in this matter.

ORDERING PROVISIONS

After careful consideration of the record herein, the Petition of GSWA for Establishment of the Host Community Premium, the ALJ Report dated July 27, 2012, and the testimony presented at the Public Hearing, for good cause shown, on motion duly made, seconded and carried by the undersigned Commissioners, the Public Utilities Commission hereby **ORDERS** that:

1. On all Bills/Invoices issued to Commercial and Residential Customers for trash/solid waste collection, issued after October 1, 2012, GSWA shall include on each such bill/invoice a charge or fee known as the "Host Community Premium Surcharge."
2. Such Surcharge shall be identified on each bill/invoice as a separate line item. The amount owed by each customer for such surcharge shall be clearly and separately identified on the bill/invoice.
3. On each Bill/Invoice issued after October 1, 2012, a Host Premium Surcharge in the amount of \$3.57 per ton shall be assessed upon Commercial Customers (including Governmental Customers) to fund the Host Community Premium Benefit for the Villages of Inarajan and Chalan Pago.
4. On each Bill/Invoice issued after October 1, 2012, a Host Premium Surcharge in the amount of \$0.38 per month shall be assessed upon each Residential Customer to fund the Host Community Premium Benefit for the Villages of Inarajan and Chalan Pago.
5. The Host Community Premium Surcharge provided for herein shall be utilized to provide a Host Community Benefit in the annual amount of \$150,000.00 to the Villages of Inarajan and Chalan Pago.

6. A Protocol is hereby adopted for the assessment, collection, and transfer of the Host Community Premium Surcharge. The Protocol set forth in Determination 17a through e above is approved and adopted. GSWA and DOA shall comply with their duties and responsibilities thereunder, as well as under Public Law 30-165.
7. GSWA shall publish the Protocol regarding the Host Community Premium Surcharge in its website on the world wide web and in the website of the Court appointed Receiver GBB.
8. The ALJ is authorized to undertake further proceedings, discussions, or coordination with GSWA to refine and implement the Protocol in this matter.

Dated this 30th day of July, 2012.

Jeffrey C. Johnson
Chairman

Joseph M. McDonald
Commissioner

Rowena E. Perez
Commissioner

Filomena M. Cantoria
Commissioner

Michael A. Pangelinan
Commissioner