

GUAM PUBLIC UTILITIES COMMISSION  
SPECIAL MEETING  
September 30, 2009  
SUITE 207 GCIC BUILDING, HAGATNA



MINUTES

The Guam Public Utilities Commission [PUC] conducted a special business meeting commencing at 6:00 p.m. on September 30, 2009 pursuant to due and lawful notice. Commissioners Cantoria, Johnson, Perez, McDonald, 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 Commission reviewed the minutes of the meeting conducted on July 27, 2009. Subject to minor technical corrections, upon motion duly made, seconded and unanimously carried, the Commission approved the minutes of the July 27, 2009 meeting.

**2. Ratification of USAC Use Certifications for Telecom Companies.**

PUC Legal Counsel filed Reports in GTA Docket 09-02, GTA Telecom LLC Petition for Annual USAC Certification, GTA Docket 09-03, Pulse Mobile LLC Petition for Annual USAC Certification; and PTI Docket 09-01, PTI Pacifica Inc. 2009 Annual Compliance Filing. In each case, prior to the September 30 meeting, the Chairman had signed the Annual Use Certifications on behalf of each of the three aforementioned companies.

The certification by the Chairman was necessary to meet compliance deadlines. These three matters were before the Commission for ratification. Counsel explained that each of the telecom companies receives federal funds from the Federal Communications Commission and the Universal Services Administration Corp. for building certain telecommunications facilities and providing "core services" which are a prerequisite for the receipt of universal service funds. To be eligible for such universal service funds, telecom companies must provide the following services: single party service; local usage; voice grade access to the public switched telephone network; dual tone multifrequency signaling; access to emergency services; access to operator services; access to interexchange services, access to directory assistance; and toll limitation service for qualifying low-income consumers.

The role of the PUC is to certify that Universal Support Funds are only used by the companies for core services designated in the law. The companies provide a certification to the PUC that they only use the funds for the purposes specified in the law. Each company must comply with certain additional requirements including the following: progress report on the ETC's five-year service quality improvement plan; detailed information on any outage lasting at least 30 minutes; the number of requests for service from potential customers that were unfulfilled for the past year; the number of complaints per 1,000 handsets or lines; certification that the ETC is complying with applicable service quality standards; certification that ETC is able to function in emergency situations; certification that the ETC is offering a local usage plan that is comparable to the incumbent LEC.

Each company has submitted a five year plan demonstrating that it meets the aforementioned requirements. Based upon the PUC Legal Counsel Reports, the Chairman signed the certifications and they have been forwarded to USAC and FCC. As the Chair pointed out, receipt of funds by local companies is desirable because it enables them to expand their services and to provide better services to Guam at the expense of the federal government. Commissioners Pangelinan and Perez asked questions concerning the investigation of compliance and accounting requirements. Counsel indicated that there was no contrary evidence to question the company certifications, and that the federal government requires strict accounting for the universal support funds. Upon motion duly made, seconded and unanimously carried, the Commission ratified the Chairman's Use Certifications for each of the companies in the three dockets.

### **3. Guam Waterworks Authority**

GWA filed a Petition for approval to extend the term of GWA's Wastewater Performance Management Contract in Docket No. 06-6.

PUC Legal Counsel's Report indicated that, in 2006, GWA procured a Performance Management Contractor for the wastewater system. The selected contractor is Veolia. In 2006 the PUC's Consultants had reviewed the procurement and found that a PMC would be beneficial to GWA operations. PUC approved the procurement of a PMC by GWA. In 2006, the PUC's Consultant and the PUC were aware that the contract would contain a provision providing for a three year extension, which extension would be at the election of GWA.

In accordance with the original contract, GWA now seeks to extend the term of its performance management contract with Veolia for three additional years. Counsel; recommends that the Commission approve the extension, based on the CCU Resolution indicating that Veolia has performed well, and has provided substantial procurement resources and discounts to GWA. In addition, Veolia

was instrumental in assisting GWA with the Moratorium Projects and the bids necessary for undertaking the Moratorium Projects. Although a performance management contractor does involve additional cost factors such as a fixed management fee, there are also offsetting savings from the PMC.

The Commissioners asked a number of questions concerning the training and certification of GWA employees by the PMC. The Veolia Manager indicated that there were significant training programs and that the percentage of certified GWA operators had increased from 30% to 60%. The PMC has also instituted a computerized maintenance management system and equipment maintenance. After Legal Counsel indicated that approval of this contract extension would not lock the PMC in for any additional future term, beyond such three years, the Commissioners, upon motion duly made, seconded and unanimously carried, approved the extension of the PMC contract for a term of three years. The Order adopted by the Commission is made *Attachment "B"* hereto.

#### **4. Guam Power Authority**

In Docket No. 94-04, the Guam Power Authority has filed Petitions for approval of its FY2010 Construction Budget and for approval of its FY2010 CIP ceiling cap. The Legal Counsel Report indicated that under the Contract Review Protocol, the PUC must set the CIP Expenditure Ceiling Cap for GPA on or before September 15 of each year for the upcoming fiscal year. The CIP cap proposed by GPA for FY2010 is \$16,390,707, which consists of engineering projects, general plant and projects related to Cabras Plants 1 through 4, etc.

GPA requests approval of such cap and all expenditures indicated therein. The projects included within the cap have been approved by the Consolidated Commission on Utilities. Georgetown Consulting Group recommended approval of the cap requested by GPA, but requests reconciliation of the 2009 CIP expenditures. Commissioner Cantoria asked whether the projects would be internally funded or through borrowing? GPA General Manager Joaquin Flores stated that the cash situation shows a deficit and GPA will be seeking a phase 2 rate case. Short term financing is possible. The discussion then ensued between the Commissioners and GPA officials concerning the availability of federal stimulus and military buildup funds, GPA's financial situation, the preparedness of GPA for a typhoon, LEAC, fuel volatility, and the hedging program. Commissioners suggested that should GPA file a phase 2 rate proceeding, notice should be given to the public. Counsel indicated his view that various forms of notice would be required, such as the 30 day billing notice, website notice, public newspaper notice, etc. Upon motion duly made, seconded, and unanimously carried, the Commission approved the CIP cap requested by GPA, and adopted the ORDER made *Attachment "C"* hereto.

**5. Status Report on Guam Telephone Authority/Pacific Data Systems, Docket No. 08-11, In the Matter of Arbitration Dispute.**

PUC Legal Counsel provided a report to the Commissioners on the status of these proceedings. Since the last order of the Commission there were ongoing settlement negotiations between the parties. There was an effort by the ALJ to negotiate a settlement between the parties. Hopefully some or all of the issues could be resolved. The main issues are: (1) what steps would GTA need to take to bring the dark fibers into good working condition; and (2) what damages or monetary amounts would be available to PDS. Originally there was some thought that the fibers would have to be dug up, but now GTA and PDS discussed an alternative whereby PDS would be provided with other fiber routes. PDS indicated that GTA was offering it some facilities, and showing some flexibility on these issues. There will be a Settlement Conference with the ALJ on October 7, but if no settlement was reached, the matter would be placed back on an arbitration/litigation tract.

**6. Request of Pacific Data Systems for an Amendment of the GPUC Rules Governing Regulatory Fees for Telecommunications Companies, to provide for discretionary fee awards by the arbitrator.**

Counsel reported that PDS has requested a rule change whereby the ALJ would be able, in his discretion, to decide which party should bear the regulatory costs in a proceeding. The present rules provide that regulatory fees, which are those expenses for ALJ, Legal Counsel and Consultants, must be apportioned equally between the parties. Previously Georgetown Consulting Group and ALJ Boertzel recommended that a rule should be adopted that gives the ALJ discretion to determine which party or parties should bear regulatory costs.

Legal Counsel requested that the PUC authorize the ALJ, with the assistance of Legal Counsel, to undertake a proceeding to consider such a rule change. Notice will be provided to telecom companies and an opportunity to participate in the proceedings. A discussion ensued between Commissioners and legal counsel concerning various issues. Counsel indicated that the rule would apply only in telecom proceedings. Apparently, when the rules were adopted, no issue concerning discretion on the part of the ALJ to determine which party should pay regulatory fees was raised. Under the rule suggested by PDS, the ALJ would have the discretion to decide which party should bear regulatory fees and costs. An ALJ award is also subject to review and approval by the PUC. Upon motion duly made, seconded and unanimously carried, the Commission authorized the ALJ, with the assistance of Legal Counsel, to institute a docket to investigate the propriety of this rule change.

**7. PUC Request for Proposals for Consultant Services (relative to the Port Authority of Guam).**

Legal Counsel proceeded to give a status report on RFP No. 01-09. Originally, proposals to the RFP had been due on today's date; however, one of the potential offerors requested a short extension of the submission deadline until October 2, 2009. Because the delay was short, and to encourage more offerors, Counsel, in consultation with the Chairman, approved such extension. Counsel had previously also responded to a number of questions raised by potential offerors. As many as seven companies had indicated some interest in the RFP. At this time, no action is required by the Commission until after submission of offers.

**8. Administrative Matters**

Counsel indicated that the Commission should adopt its budget for FY2010. The budget has been prepared by Administrator Palomo and submitted to the Commissioners. There was a Committee meeting comprised of the Administrator, Legal Counsel, Chairman Johnson and accountant George Kim. A budget proposal for \$250,000 for FY2010 was prepared. In line with such budget, in the assessment order it is proposed that the annual assessment for each utility be \$50,000, a decrease from the assessment of \$75,000 in the prior fiscal year. The Chairman indicated that last years' budget was more than adequate to cover expenses. The amounts in the Assessment Order for FY2010 match the amount of the FY2010 Administrative Budget. Upon motion duly made, seconded and unanimously carried, the Commission approved the Annual Budget for FY2010 in the amount of \$250,000.

Commissioner Cantoria requested that actual administrative and regulatory expenses for the PUC for FY2009 be provided. Upon motion duly made, seconded and unanimously carried, the Commission instructed the Administrator to provide the actual administrative and regulatory expenses for FY2009 at the next meeting.

With regard to the Assessment Order, Counsel explained that amount for each utility/telecoms has been reduced to \$50,000. For the telecom companies, their \$50,000 is apportioned based upon regulatory fees incurred by each company in the prior year. After some discussion as to the appropriate amount of the assessment, upon motion duly made, seconded and unanimously carried, the Commission approved the assessment of \$50,000 per utility, and for the telecom companies. The Commission adopted the 2010 Administrative Budget and Annual Assessment Order, which are made *Attachments "D" and "E"* hereto.

**9. Office Space for PUC**

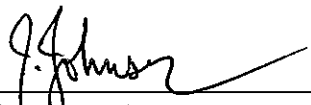
The Chairman indicated that under the proposed plan, the PUC would be conducting its meetings in its current office space. The GCIC management will build out the current office space into a conference room. PUC would then have a rental space of about 500 feet next door. The PUC will pay for the build out of its own office space. At present there is too much space, due to Harry's and Georgetown's old offices. Over time, the PUC will save money on rental.

**10. PUC Web Site**

Notice has been sent to AJ Rosario that the website should be operational and completed by January 1, 2010.

**11. Other Business**

The Commission next considered extension of PUC Contracts; Legal Counsel, Administrative Law Judge, Consultant, and Administrator. Upon motion duly made, seconded and unanimously carried, the Commission approved the extension of the contracts for Legal Counsel, Administrative Law Judge, Consultant and Administrator for an additional year. Upon motion duly made, seconded and unanimously carried, the meeting was adjourned.

  
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Jeffrey C. Johnson,  
Chairman

**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

**SPECIAL MEETING  
SUITE 206 GCIC BUILDING  
414 W. SOLEDAD AVE. HAGATNA, GUAM  
6:00 p.m. September 30, 2009**

**Agenda**

- 1. Approval of Minutes of July 27, 2009.**
- 2. Ratification of USAC Use Certifications for Telecom Companies**
  - **GTA Docket 09-02, GTA Telecom LLC Petition for Annual USAC Certification, PUC Legal Counsel Report, and Use Certification**
  - **GTA Docket 09-03, Pulse Mobile LLC Petition for Annual USAC Certification, PUC Legal Counsel Report, and Use Certification**
  - **PTI Docket 09-01, PTI Pacifica Inc. 2009 Annual Compliance Filing, PUC Legal Counsel Report, and Use Certification**
- 3. Guam Waterworks Authority**
  - **Docket No. 06-6, Petition for Approval to Extend the Term of GWA's Waste Water Performance Management Contract, PUC Legal Counsel Report, and Proposed Order**
- 4. Guam Power Authority**
  - **Docket No. 94-04, Petition of the Guam Power Authority to approve the FY 2010 GPA Construction Budget, GCG Report, and Proposed PUC Order**
  - **Docket No. 94-04, Petition of the Guam Power Authority to approve the FY 2010 GPA CIP Ceiling Cap**
- 5. Status Report on Guam Telephone Authority/Pacific Data Systems, Docket No. 08-11, in the matter of Arbitration Dispute**
- 6. Request of Pacific Data Systems for an Amendment of the GPUC Rules Governing Regulatory Fees for Telecommunications Companies, to provide for discretionary fee awards by the Arbitrator [ALJ] in Rule 4 dispute resolution proceedings**
- 7. PUC Request for Proposals for Consultant Services (relative to the Port Authority of Guam)**
  - **Status Report on RFP No. 01-09**
- 8. Administrative Matters**
  - **FY 2010 Administrative Budget/Annual Assessment Order**

*Attachment "A"*

- **Deliberation concerning Extension of PUC Contracts:**
- **Legal Counsel**
- **Administrative Law Judge**
- **Consultant**
- **Administrator**
- **Draft Resolution and Proposed Letters**

**8. Office Space for PUC**

**9. PUC Website**

- **Update**

**10. Other Business**



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN RE: REQUEST BY THE GUAM  
WATERWORKS AUTHORITY FOR  
APPROVAL TO EXTEND THE  
TERM OF GWA'S WASTEWATER  
PERFORMANCE MANAGEMENT  
CONTRACT

DOCKET NO. 06-6

ORDER

This matter comes before the Guam Public Utilities Commission [PUC] upon Guam Waterworks Authority's [GWA] Petition for Approval to Extend the Term of GWA's Wastewater Performance Management Contract.<sup>1</sup> Veolia Water Guam LLC is GWA's current Performance Management Contractor for wastewater treatment plants, wastewater lift stations, and the wastewater collection system. On December 5, 2006, GWA and Veolia entered into a Performance Management Contract for operation of the wastewater system.<sup>2</sup> The current contract term between GWA and Veolia expires on or about December 31, 2009.<sup>3</sup>

On July 20, 2006, the Commission issued its Order in this Docket approving GWA's procurement of a PMC for its wastewater system.<sup>4</sup> In its Order, the Commission recognized its long held policy of supporting the retention of private management expertise to manage and operate key public utility systems and resources.<sup>5</sup>

The contract entered into between GWA and Veolia provides that GWA may, at its election, extend the contract for a new three year term.<sup>6</sup> At the time it approved GWA's request to procure a PMC for its wastewater system, the PUC understood that GWA's contract with Veolia was for a three year term with an option to extend for an additional three years.<sup>7</sup>

<sup>1</sup> GWA Petition for Approval to Extend the Term of GWA's Wastewater Performance Management Contract, Docket No. 06-6, filed September 2, 2009.

<sup>2</sup> Performance Management Contract for the Guam Waterworks Authority treatment plants, wastewater collection systems, and wastewater lift stations by and between the Guam Waterworks Authority and Veolia Water Company, filed with the PUC on December 20, 2006.

<sup>3</sup> Guam Consolidated Commission on Utilities Resolution No. 21-FY2009, Resolution Approving a Contract Extension with Veolia Water Guam LLC for the Management and Operation of Guam Waterworks Authority's Wastewater System, adopted August 18, 2009, p. 1.

<sup>4</sup> PUC Order dated July 20, 2006, Docket 06-6.

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

<sup>6</sup> Performance Management Contract filed with the PUC on December 20, 2006, at p. 14.

<sup>7</sup> See Exhibit B to GWA Petition for Contract Review filed May 12, 2006, "Performance Management Contract for Wastewater Treatment Plants, Wastewater Collection System, and Wastewater Lift Stations" at p. 1. In its report to the Commission dated July 11, 2006, the PUC's Consultant, Georgetown Consulting

PUC ORDER  
GWA Request to Extend Wastewater PMC,  
Docket No. 06-6  
September 23, 2009

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On September 23, 2009, PUC Legal Counsel filed his Report.<sup>8</sup> The Report recommends that the PUC approve GWA's Petition to extend its performance management contract with Veolia for an additional three year term for the management and operation of GWA's wastewater system.<sup>9</sup> In support of its Petition, GWA provided information to demonstrate that the extension of the PMC with Veolia is in the interest of the ratepayers of Guam. On August 18, 2009 the Consolidated Commission on Utilities concluded that GWA and its customers have reaped significant benefits in operations and maintenance, health and safety, training, project management and procurement as a result of the PMC with Veolia.<sup>10</sup>

A Report submitted by GWA Management to the CCU indicated that Veolia has substantially assisted GWA with the procurement process. As a result of Veolia's access to global companies, GWA's procurement costs have been reduced. There has also been sustained improvement from 2006 through 2008 with regard to GWA's compliance with the Clean Water Act (NPDES Compliance). Veolia has been instrumental in assisting GWA to develop solutions to the issues raised by the Moratorium. Veolia worked with GWA to prepare the bid documents issued for the Moratorium Project.<sup>11</sup> It is anticipated that Veolia will continue to work with GWA to implement the capital projects specified in the Master Plan.

The cost/benefit analysis provided by GWA as an exhibit to its Petition also suggests that the PMC will result in savings to GWA. The fixed management fee for the PMC is approximately \$1 Million per year. Savings from the PMC are estimated to increase in each year of the contract extension in a range between \$350,000 and \$750,000 per year.<sup>12</sup>

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

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Group, also indicated its understanding that GWA would be entering into a three year contract with its PMC with a three year extension.

<sup>8</sup> PUC Legal Counsel Report, Docket 06-6, filed herein on September 23, 2009.

<sup>9</sup> Id at p.3.

<sup>10</sup> Consolidated Commission on Utilities Resolution No. 21-FY2009, Resolution Approving a Contract Extension with Veolia Water Guam LLC for the Management and Operation of Guam Waterworks Authority's Wastewater System, adopted August 18, 2009, p. 1.

<sup>11</sup> GWA Wastewater PMC and Review (Management Report to the Consolidated Commission on Utilities), presented to the CCU on August 18, 2009, at pgs. 15-22.

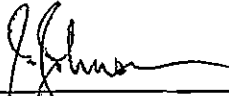
<sup>12</sup> Id at p. 26.

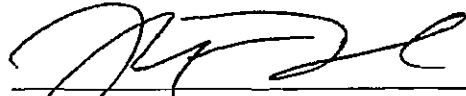
PUC ORDER  
GWA Request to Extend Wastewater PMC,  
Docket No. 06-6  
September 23, 2009

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


1. The Guam Waterworks Authority's Petition for Approval to Extend the Term of GWA's Wastewater Performance Management Contract with Veolia Water Guam LLC is hereby approved. GWA is authorized to extend its existing Wastewater Performance Management Contract with Veolia for a term of up to three years.
2. GWA is authorized to expend those sums indicated in the exhibits to the Petition as the "fixed management fee" for each year of the PMC extension.
3. Upon the execution of any contract extension between GWA and Veolia, GWA shall file such extension with the PUC.
4. GWA 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 30<sup>th</sup> day of September, 2009.

  
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Jeffrey C. Johnson  
Chairman

  
\_\_\_\_\_  
Joseph M. McDonald

  
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Rowena E. Perez

  
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Filomena M. Cantoria

  
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Michael A. Pangelinan



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:

) Docket No. 94-04  
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The Application of the Guam Power Authority  
to Approve the FY2010 GPA CIP Ceiling Cap

DECISION AND ORDER

On September 15, 2009, the Guam Power Authority [GPA] submitted its Petition for Contract Review, requesting that the Guam Public Utilities Commission [PUC] review and approve GPA's FY2010 Construction Budget.<sup>1</sup> Also, on September 15, 2009, GPA filed its Petition for Contract Review, requesting that the PUC review and approve GPA's FY2010 CIP Ceiling Cap.<sup>2</sup> The Contract Review Protocol requires that the PUC establish a CIP Expenditure Ceiling for GPA on or before November 15 of each fiscal year.<sup>3</sup> The Protocol also requires that, on or before September 15 of each year, GPA will use its best efforts to file with PUC its construction budget for the coming fiscal year plus estimates for the subsequent two fiscal years.<sup>4</sup>

GPA requests approval of a total internal FY2010 CIP Ceiling Cap of \$16,390,707, which consists of projects relating to: Engineering Projects (\$5,743,000); General Plant (\$4,790,297); Cabras 1 & 2 (\$3,416,943); and Cabras 3 & 4 (\$2,440,467).<sup>5</sup> GPA also requests that the PUC review and approve its total FY2010 Construction Budget of \$10,431,000 which consists of: internally funded Capital Improvement Projects (CIPs) in the amount of \$5,743,000, bond funded projects in the amount of \$4,398,000, and externally funded CIPs in the amount of \$290,000.<sup>6</sup>

<sup>1</sup> GPA Application to Approve the FY2010 GPA Construction Budget, filed in Docket 94-04 on September 15, 2009.

<sup>2</sup> GPA Application to Approve the FY2010 GPA CIP Ceiling Cap, filed in Docket 94-04 on September 15, 2009.

<sup>3</sup> Contract Review Protocol for Guam Power Authority, filed in Administrative Docket on May 26, 2007, par. 1(f).

<sup>4</sup> Id at par. 6, p. 3.

<sup>5</sup> GPA Application to Approve the FY2010 GPA CIP Ceiling Cap, p. 1.

<sup>6</sup> GPA Application to Approve the FY2010 GPA Budget, p. 1.

Attachment "C"

On August 18, 2009, the Consolidated Commission on Utilities approved a budget for revenue funded Capital Improvement Projects in the amount of \$19,890,000. The Contract Review Protocol does not require the approval of internally funded line extensions and blanket job orders.<sup>7</sup> Blanket job orders and line extensions for the upcoming fiscal year are \$3.5 Million; when such amounts are subtracted from the Revenue Funded Capital Improvement Projects budget of \$19,890,000, the remainder is the total Internal CIP Cap for which GPA seeks approval (i.e., \$16,390,707).

On September 25, 2009, the Georgetown Consulting Group, Inc., the Commission's Regulatory Consultant, issued its Report Re: Contract Review FY2010 CIP cap - Docket 94-04.<sup>8</sup> GCG recommends that: (1) the PUC approve the Fiscal 2010 CIP ceiling at the \$16.39 Million level until such time as the GPA requests and the PUC approves any changes; and (2) GPA file a complete reconciliation of the Fiscal 2009 expenditures on or before December 1, 2009.<sup>9</sup> Because of the relatively low amount of the CIP budget in this Fiscal Year, compared to the next two years, GCG feels that GPA has been restrained in its spending on the CIP until the management audit is complete and a clearer focus on the priorities of spending can be established.<sup>10</sup> The CIP cap for this fiscal year is somewhat higher than the level approved by the PUC for FY2009, which was \$15.35 Million.<sup>11</sup> According to GCG, based upon the actual expenditures of GPA for CIPs in FY2009 for ten months, GPA has only spent \$4,948,213 of its total internal CIP budget for FY2009. GCG has not thoroughly reviewed the cause or causes for this reduction, but it believes that GPA has had unforeseen impacts on its cash flow related to the under-recovery of fuel expense and the requirement for payments to Cathay Bank and the escrow for BP Singapore.<sup>12</sup>

There is one project in the FY2010 Engineering Projects Budget, the Hagatna Refurbishment and Upgrade Project, which exceeds the \$1.5 Million contract review threshold; however, that project was previously approved by the PUC.<sup>13</sup> The PMC costs related to the Cabras Plants do not exceed the contract review threshold. Such costs relate to PMC contracts for which the PUC has approved extensions.

After consideration of the record herein, the Petitions of GPA, and the Report of GCG, for good cause shown and on motion duly made, seconded and carried by the

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<sup>7</sup> Contract Review Protocol, par. 1(a).

<sup>8</sup> GCG Report Re: Contract Review FY2010 CIP cap - Docket 94-04.

<sup>9</sup> Id at p. 4.

<sup>10</sup> Id at p. 2.

<sup>11</sup> PUC Decision and Order Re: GPA Application to Approve the FY2009 GPA Construction Budget, Docket No. 94-04, filed December 29, 2008, Ordering Provision par. 2.

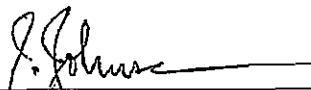
<sup>12</sup> Id at p. 3.

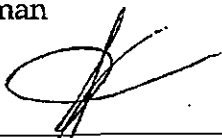
<sup>13</sup> PUC Decision and Order Docket No. 94-04, Ordering Provision par. 4.

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

1. In accordance with GPA's request, GPA's FY2010 internally funded Capital Improvement Project [CIP] cap is set at \$16,390,707. This represents an internally funded capital improvement project budget of \$19,890,000, which includes blanket job orders and line extensions. Blanket job orders and line extensions do not require PUC approval under the contract review protocol.
2. Any additional internally funded procurement by GPA in excess of the approved CIP Cap for FY2010 of \$16,390,707 must be approved by the PUC before the procurement process is begun.<sup>14</sup>
3. GPA should file a complete reconciliation of the Fiscal 2009 expenditures for its FY2009 total CIP Budget on or before December 1, 2009.
4. 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 30<sup>th</sup> day of September, 2009.

  
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Jeffrey C. Johnson  
Chairman

  
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Rowena E. Perez

  
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Michael A. Pangelinan

  
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Joseph M. McDonald

  
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Filomena M. Cantoria

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<sup>14</sup> Contract Review Protocol for Guam Power Authority, Administrative Docket, filed May 26, 2007, par. 1(f).

**PUBLIC UTILITIES COMMISSION OF GUAM  
FY2010 BUDGET REPORT**

CATEGORY	FY09 AMENDED BUDGET	FY10 PROPOSED BUDGET
ADMINISTRATOR	36,000.00	36,000.00
OFFICE RENTAL	22,000.00	25,000.00
COMMISSIONER STIPENDS	5,000.00	5,000.00
NARUC MEMBERSHIP	1,700.00	1,700.00
COMMISSIONER TRAINING	40,000.00	38,100.00
OFFICE SUPPLIES	1,500.00	3,000.00
UTILITIES (power/phone/fax)	5,000.00	5,000.00
POSTAGE	200.00	200.00
XEROX	3,000.00	3,000.00
PROFESSIONALS FEES	62,800.00	75,000.00
MISCELLANEOUS	2,300.00	2,500.00
EQUIPMENT	500.00	500.00
IT SERVICES	25,000.00	25,000.00
Build out for Office	20,000.00	10,000.00
LITIGATION EXPENSES	35,000.00	20,000.00
SUB-TOTAL	260,000.00	250,000.00
FY09 AMENDED ANNUAL BUDGET	260,000.00	250,000.00



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

COMMISSION ADMINISTRATIVE  
DOCKET

ASSESSMENT ORDER

**WHEREAS**, the Commission's operational expenses can be divided into two categories and are budgeted and collected under the following protocols: i] general administrative expenses, which are budgeted each fiscal year by the Commission and divided and assessed among the regulated utilities; and ii] regulatory expenses, which are incurred pursuant to Commission resolution dated August 13, 2007. Regulatory expenses include professional and out-of-pocket expenses, which are billed to specific utilities under regulatory dockets assigned to them to cover the expense of handling specific regulatory proceedings related to them. This order addresses the Commission's FY2010 budget of administrative expenses.

**WHEREAS**, the administrative budget covers the Commission's administrative expenses, including staff, office facilities, Commissioner stipends and training, professional fees and other operational expenses;

**WHEREAS**, at a duly noticed and convened Commission meeting held on September 30, 2009, the Commission considered and adopted its FY2010 administrative budget in the amount of \$250,000.00;

**WHEREAS**, the Commissioners agreed that the amount of the administrative assessment for this fiscal year may be reduced, based upon reduction of Commission administrative expenses related to the hiring of the administrative law judge and legal counsel in FY2009;

**WHEREAS**, the utilities and telecommunication companies subject to Commission regulation include Guam Power Authority [GPA], Guam Waterworks Authority [GWA], GTA TeleGuam LLC [GTA]/ Other Telecom Companies, Department of Public Works, Solid Waste Division [DPW], and the Port Authority of Guam [PAG];

*Attachment "E"*



WHEREAS, on July 14, 2009, the Port Authority of Guam [PAG] was placed under the regulatory oversight supervision of the Public Utilities Commission by virtue of the enactment of Public Law 30-52;

WHEREAS, after due consideration, the Commission has resolved that its' FY2010 administrative budget of \$250,000.00 should be allocated among the regulated utilities, and telecommunication companies as follows:

GTA/Other Telecom Companies	\$50,000.00
GPA	\$50,000.00
GWA	\$50,000.00
PAG	\$50,000.00
DPW/GBB	\$50,000.00
<b>Total</b>	<b>\$250,000.00</b>

NOW, THEREFORE, in consideration of the above recitals and under authority invested by 12 GCA Section 12024, the Commission hereby **ORDERS THAT:**

1. GPA, GWA, GTA/Other Telecom Companies, PAG and DPW shall pay the assessments allocated to them, as stated above, to the Commission no later than October 31, 2009. The regulated utilities and telecom companies are reminded that these assessed revenues are necessary to enable the Commission to have the staff and office facilities to entertain their requests for regulatory services. It is therefore, essential that these assessments be paid in a timely manner.
2. The assessments due for GTA, and the telecom companies are apportioned<sup>1</sup> as follows:

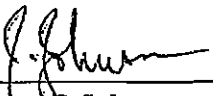
GTA:	\$36,200.34;
PDS:	\$10,745.76;
PTI/IT&E:	\$ 2,247.74;
Guam Telecom:	\$ 786.69;
DoComo:	\$ 19.47;

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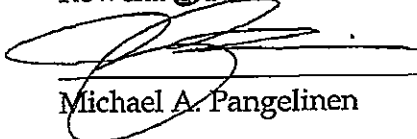
<sup>1</sup> This allocation of Regulatory Fees for Telecommunications Companies has been determined in accordance with the methodology set forth in the Rules Governing Regulatory Fees for Telecommunications Companies, Docket 05-01, filed July 7, 2005. See par. 1bii and 2a thereof. The assessments for prior year FY2009, utilized by PUC in apportioning PUC's administrative expenses to the telecommunication companies for FY2010, are set forth in Exhibit A attached hereto, but exclude the assessments for GTA911.

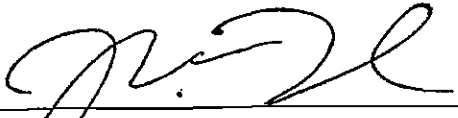
3. A copy of this assessment order shall be served on each regulated utility and telecom company.


Dated this 30<sup>th</sup> day of September, 2009.

  
\_\_\_\_\_  
Jeffrey C. Johnson  
Chairman

  
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Rowena E. Perez

  
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Michael A. Pangelinen

  
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Joseph M. McDonald

  
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Filomena M. Cantoria