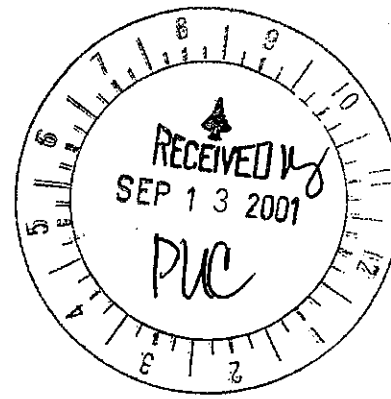


BEFORE THE PUBLIC UTILITIES COMMISSION  
OF GUAM



GUAM INTERNATIONAL  
COUNTRY CLUB, INC.

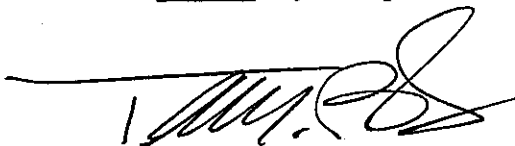
DOCKET 93-09


**ORDER**

The Guam Public Utilities Commission [Commission], having received a letter petition from Guam International Country Club [GICC] dated August 8, 2001 to amend and extend the protocol for establishing GICC's green and cart fees for resident players, as established by Commission Order dated June 18, 1999; and the Commission having examined a stipulation between GICC and the Commission's regulatory consultant [Georgetown Consulting Group] dated August 8, 2001 and made an attachment to this Order, which proposes the terms of an amended protocol which would serve until September 30, 2005; and the Commission having conducted public hearings, after due and lawful notice regarding GICC's petition in accordance with 12 GCA 12016, on August 29, 2001 in Hagatna, on September 7, 2001 in Dededo and on September 10, 2001 in Agat and having carefully considered the petition and stipulation at a duly convened meeting of the Commission on September 12, 2001 and for good cause shown


**NOW, THEREFORE**, on motion duly made, seconded and carried by the affirmative vote of five Commissioners, the Commission **HEREBY ORDERS** that the stipulation be and is hereby approved. GICC is ordered to comply with its terms.

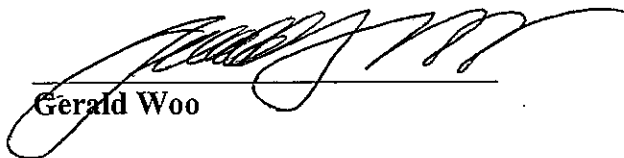
Dated this 13<sup>th</sup> day of September 2001.

  
\_\_\_\_\_  
Terrence Brooks

  
\_\_\_\_\_  
Joseph McDonald

  
\_\_\_\_\_  
Filomena Cantoria

  
\_\_\_\_\_  
Edward Crisostomo

  
\_\_\_\_\_  
Gerald Woo



# GUAM INTERNATIONAL COUNTRY CLUB

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August 08, 2001

RECEIVED  
AUG 08 2001

Mr. Harry Boertzel, Esq  
Administrative Law Judge  
Public Utilities Commission of Guam  
Suite 401, GCIC Building  
414 West Soledad Avenue  
Hagatna, Guam 96910

Hand Deliver

Re: Guam International Country Club - Docket 93-009

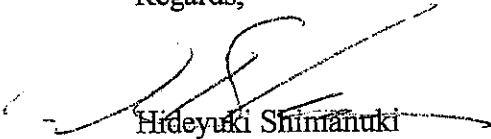
Dear Mr. Boertzel:

Guam International Country Club (GICC) and Georgetown Consulting Group (GCG) have agreed upon the extension of the index methodology to increase Green and Cart Fees for the FY 2002 -2005, unless GICC annual rounds reaches 60,000. The terms of the agreement are set forth in the attached stipulation, which have been signed by the parties.

Therefore, GICC petitions the Commission for an adoption of the attached stipulation, which will amend the protocol approved in the Commission Order dated June 18, 1999.

If you should have any questions or require additional information, please contact Mr. Greg Perez at 632-4446.

Regards,

  
Hideyuki Shimizu  
President

Enclosures

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF GUAM

RECEIVED  
AUG 08 2001

GUAM INTERNATIONAL COUNTRY CLUB )  
RATES AND ACCESS POLICY )  
\_\_\_\_\_ )

DOCKET 93-009

STIPULATION

Guam International Country Club (GICC) and Georgetown Consulting Group (GCG) hereby stipulate and jointly recommend that the Public Utilities Commission (PUC) modify the stipulation dated May 6, 1999, which was approved by PUC order dated June 18, 1999 as follows:

**Background**

1. The following is a brief summary of the rates approved for GICC:
  - A. In February 1994 the PUC established interim rates for Guam Municipal Golf (GMG), which later became incorporated as GICC. These rates were interim in nature until final resolution of the comparability of these rates to those for US mainland municipal golf courses could be determined.
  - B. In July 1995, GCG and GMG entered into a stipulation to accept the appropriateness of the interim rates set by the PUC, to set service rules and regulations and to establish a second phase of the proceeding to establish a fixed methodology to set the appropriate greens fees and cart rental rates for Guam residents in the future. The PUC adopted this stipulation in September 1995.
  - C. In November 1995, GCG and GMG entered into another stipulation, which established a method of determining future rate changes for the regulated rates for the residents of Guam. This methodology was established and approved in recognition of the responsibility to comply with the terms of PL 19-34, §23(b) which required that the Guam resident rates shall be comparable to rates charged in comparable facilities in the mainland US. This method required surveying several municipal golf courses (panel members) in the US to determine the average percentage increases in the equivalent fees for these courses. This percentage increase would then be applied to the fees at GMG (GICC).
  - D. In 1996, GMG requested an increase in the green fees based upon the PUC-approved panel methodology for 1996.

In 1997, GICC requested another increase in the rates established in 1996 and in the fee for cart rentals which were established in 1995<sup>1</sup>, based upon the results of the 1997 survey of the panel members.

In 1998, GICC did not request an increase in the fees that the PUC regulates, due in great part to the slowing economy of Guam. GICC, in fact, implemented discount rates in April for seniors and juniors and twilight play on weekday afternoons. Moreover, GICC informed the PUC that it had cut back the cost of operations wherever possible to reflect the island wide economic decline.

In May 1999, recognizing the continuing economic decline on Guam and to further reduce administrative costs GICC and GCG entered into a further stipulation to adjust greens fees and cart fees, which was adopted by the PUC on June 18, 1999. This stipulation established that the change in the "other goods and services" category of the US Consumer Price Index (CPI) would be used as a surrogate for the proposed change for greens fees and cart fees for fiscal years 2000 and 2001 and a complete greens fees and cart fees survey would be conducted for 2002, under modified terms.

- E. For fiscal years 2000 and 2001 GICC chose not to implement rate increases that would have resulted from using the indexing methodology. Pursuant to prior stipulation GICC could elect to defer the implementation of any annual rate increase for up to three years.
- F. For fiscal year 2002 the current protocol required GICC to conduct a complete greens fees and cart fees survey. GICC has indicated that given the persistent economic decline it does not wish to implement any price increases and has requested that the costs associated with the conduct of the survey be eliminated. It has also requested that a protocol based on the current indexing methodology be permitted to continue for the future.

### **Proposed Modifications to the Existing Stipulation**

GICC and GCG hereby recommend the following modifications to the existing protocols for setting rates for resident greens fees and cart fees:

1. GICC will not request or receive any rate increase for fiscal years 2002 and 2003 (the period ending September 30, 2003).
2. Annual increases for the years 2004 and 2005 would be permitted using the current annual indexing methodology contained in the May 1999 stipulation using the increase in the "other goods and services" category of the US CPI. The increase for 2004 would be permitted based on a one year increase in the index for the most recent 12 month data available, consistent with a filing to be made to the PUC by August 16, 2003. If GICC defers the increase in 2004 the increase in 2005 would be based on a two year increase in the index for the most recent 24

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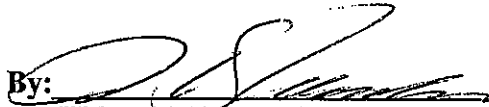
<sup>1</sup> The cart fee in 1996 was de minimus. The 1995 rate was unchanged.

months of data available consistent with a filing made to the PUC by August 16, 2004.

3. GICC would be permitted to defer implementing rate increases for 2004 and 2005. In any year in which GICC does not request a rate increase GCG recommends that the PUC establish GICC's regulatory costs for those years (including 2002 and 2003) to reflect that regulatory activity will be at a minimum.
4. This proposed protocol should be made effective through the period ending September 30, 2005 or the year in which total play reaches 60,000 rounds, whichever comes earlier. When this protocol expires, there will be a formal review of rates and access for Guam resident users of GICC's golf facilities and evaluation of proposals to set rates going forward.
5. Either party may petition the PUC for relief from this stipulation for good cause.

**Guam International Country Club**

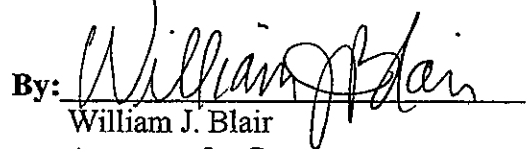
**By:**

  
Hideyuki Shimanuki  
President of Guam International  
Country Club

**Dated:** August 7, 2001

**Klemm Blair Sterling & Johnson PC**

**By:**

  
William J. Blair  
Attorneys for Georgetown  
Consulting Group, Inc.

**Dated:** August 8, 2001