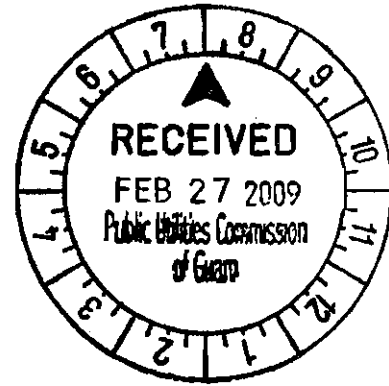


GUAM PUBLIC UTILITIES COMMISSION
SPECIAL MEETING
JANUARY 26, 2009
SUITE 207 GCIC BUILDING, HAGATNA



MINUTES

The Guam Public Utilities Commission [PUC] conducted a special business meeting commencing at 6:00 p.m. on January 26, 2009, pursuant to due and lawful notice. Commissioners Johnson, Perez, McDonald, Cantoria 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 special meeting conducted on December 29, 2008. Commissioner Pangelinan requested that Section 4 of the Minutes regarding the Guam Waterworks Authority and establishment of a system development charge be amended to include the recommendation of the Administrative Law Judge in his Order that GWA be authorized by the PUC to use the "Equity Buy In Method" [EBM] to compute the SDC. Subject to this correction, upon motion duly made, seconded and unanimously carried, the Commission approved the minutes of said meeting. The Amended Minutes are made *Attachment B* hereto.

2. Guam Power Authority

The Commission proceeded to consider the LEVELIZED ENERGY ADJUSTMENT CLAUSE [LEAC] Filing by the Guam Power Authority [GPA] brought to reduce the current LEAC factor for it's civilian customers on meters read on and after February 01, 2009 and continuing until July 31, 2009. PUC Counsel presented the Stipulation of GPA and the Commission's Regulatory Consultant, Georgetown Consulting Group ["GCG"], and the schedules attached thereto, which approved a decrease in the LEAC factor from the current \$0.17105 per kWh to \$0.15763 per kWh effective on all meters read on or after February 01, 2009. Upon consideration of the Stipulation, discussions with representatives of GPA , and for good cause shown and on motion duly made, seconded and unanimously carried, the Commission;

- (1) approved the decrease in the LEAC factor to \$0.15763 per kWh for use by GPA for all civilian bills for meters read on and after February 01,

2009, in accordance with the schedules appended to the Stipulation. The decrease reflects a 5.67% decrease in the total bill;

- (2) held that, should GPA propose an alternate to the Morgan Stanley fuel price forecast for calculation of the LEAC, it shall present such methodology for the next LEAC filing in accordance with the time frames and requirements set forth in the Stipulation;
- (3) determined that any accepted changes in the calculation of the LEAC factor relative to valuation of GPA's fuel inventory and calculation of volatility factors will only be applicable for the upcoming LEAC period on a one time basis. Future liquidity issues will be addressed by GPA in the next base rate case, which is anticipated to be filed in mid 2009, and will not be considered as a factor in the determination of future LEACs;
- (3) adopted an interim line loss factor of 7% as an "interim standard." The new line loss standard shall be proposed by GPA for PUC determination no later than February 01, 2010; PUC recommends that GPA continue to use its oil hedging program. The Commission's Order is made *Attachment C* hereto.

For informational purposes, PUC counsel reported to the Commissioners concerning the Virchow Krause Management Audit being conducted of GPA in Docket 02-04. VR will submit it's Scope of Work for Phase 2 of the audit to the PUC's consultant, GCG; GCG will then make a recommendation. Phase 2 will then come before the Commission for review.

Counsel indicated that, in Docket 08-10, there is currently an Interim Net Metering Rider in effect under which customers can enter into alternative energy projects with GPA. The GPA General Manager stated that GPA has submitted a draft of the Interconnection Agreement to GCG for review. Previously the Commission had indicated that there should be a Public hearing provided by the Commission on the Net-Metering Program; the scheduling of such public hearing had not previously been determined. The Chairman, in accordance with the suggestion of GCG, indicated his view that the Commission should wait to schedule a public hearing, perhaps for six months, in order to allow customers and GPA an opportunity to work out the details of the program under the interim tariff. Upon motion duly made, seconded and unanimously carried, the Commission moved to delay the public hearing on the net metering program for approximately six months.

3. GTA TeleGuam LLC

For informational purposes, PUC counsel presented status reports to the Commissioners on Docket 08-09, GTA V. PDS and Docket 08-11, Arbitration Interconnection Disputes (PDS/GTA); in the later proceeding, the District Court of Guam has remanded the matter to the PUC for consideration by the ALJ of the GTA exceptions to the Arbitration Order.

4. Guam Waterworks Authority

The Commission next proceeded to consider the request by GWA for approval of its Leak Detection Contract under the Contract Review Protocol. GWA proposes to enter into a contract for up to 45 months, at a cost of approximately \$4.5 million, with GRH Technology Construction Co. LTD. ["GRH"], a Taiwan company. Under the Scope of Work, GRH will assist GWA in identifying and repairing leaks and other factors which have led to a current unaccounted for water loss by GWA of approximately 50%. In Its Proposal, GRH guarantees to reduce GWA's current 50% water loss to 35% water loss at the end of the 45 month contract period. PUC regulatory consultant, Georgetown Consulting Group, recommended approval of the Leak Detection Contract, subject to certain exceptions and based upon an ongoing review by GCG and the PUC of the progress of the Leak Detection Program. GCG indicated that this water loss issue is a serious concern for GWA customers, because it increases the cost of water to customers and imposes burdens upon the resources of GWA. In consideration of GWA's Petition, the Report of GCG, representations of GWA officials, and for good cause shown, on motion duly made, seconded and unanimously carried, the Commission approved the Leak Detection Contract in accordance with the Order made *Attachment D*.

PUC counsel next reported to the Commissioners on Docket GWA 09-02, GWA Request for PUC Investigation of Costs. Therein, GWA indicated that higher fuel costs and increases in water charges by the U.S. Navy have seriously impacted the cash flow of GWA. Counsel indicated that this matter has been referred to the Georgetown Consulting Group for review and recommendation.

5. Request for Proposals 004-08, Accountant Consultant Services

This matter had been tabled from the previous meeting. Counsel indicated that, in accordance with the Administrator's prior report, no bids were received by the PUC in response to RFP 004-08. The Commission proceeded to consider what further action, if any, it wished to take concerning this matter. Upon motion duly made, seconded and unanimously carried, the Commission tabled the RFP process until such time as specific accounting firms could be identified that had

an interest in providing the services solicited; in the mean time, if services are required by the PUC, interest can be solicited from individual accounting firms.

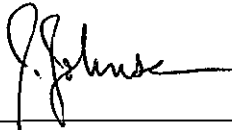
6. Administrative Matters

Commissioner Pangelinan indicated that he could not vote on this matter due to prior representation of one of the potential assesseees under the FY09 Amended Annual Assessment Order. PUC counsel presented a concern raised by GTA TeleGuam concerning prior year assessments, which matter was considered by the PUC Commissioners. Upon motion duly made, seconded and unanimously carried, Commission approved the FY09 Amended Annual Assessment Order, which is made *Attachment E* hereto.

7. PUC Website

The Commissioners indicated that the Administrator should schedule a meeting between the Commissioners, staff, and PUC website consultant, A. J. Rosario/ICON Corporation.

There being no further business, the meeting was adjourned.



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. January 26, 2009**

Agenda

- 1. Approval of Minutes of December 29, 2008.**
- 2. Guam Power Authority**
 - Docket 02-04, GPA's December 15, 2008 LEAC Filing; consideration of GWA/GCG Stipulation, and Proposed Order;
 - Docket 02-04, Management Audit; scheduling of review process by the PUC and anticipated action;
 - Docket 08-10, Net Metering; Further Scheduling.
- 3. GTA Teleguam LLC**
 - Docket 08-09, GTA v. PDS; further scheduling
 - Docket 08-11; District Court Remand and further proceedings before the PUC
- 4. Guam Waterworks Authority**
 - Docket 09-01, Leak Detection Contract; Contract Review and Proposed Order;
 - Docket GWA 09-02, GWA Request for PUC Investigation of Costs
- 5. Request for Proposals 004-08, Accountant Consulting Services**
 - Further Action
- 6. Administrative Matters**
 - FY 09 Administrative Budget - Amended Annual Assessment Order
- 7. PUC Website**
- 8. Other Business**

**GUAM PUBLIC UTILITIES COMMISSION
SPECIAL MEETING
DECEMBER 29, 2008
SUITE 207 GCIC BUILDING, HAGATNA**

MINUTES

The Guam Public Utilities Commission [PUC] conducted a special business meeting commencing at 6:00 p.m. on December 29, 2008 pursuant to due and lawful notice. Commissioners 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 special meetings conducted on October 22, 2008 and November 11, 2008, respectively. Upon motion duly made, seconded, and unanimously carried, the Commission approved the minutes of said meetings.

2. Guam International Country Club

The Commission proceeded to consider the Petition of the Guam International Country Club, Inc. [GICC], in Docket 08-004, to increase golf rates and fees for Guam residents. PUC Counsel presented his report concerning the rate proceedings. Upon consideration of Counsel's Report, public comment, and the Stipulation of GICC and the Commission's Regulatory Consultant [the Georgetown Consulting Group], for good cause shown and on motion duly made, seconded and unanimously carried, the Commission approved an increase in the golf rates and fees of GICC for Guam residents in accordance with the Order attached hereto, with Exhibit "A", made *Attachment B* hereto.

3. Guam Power Authority

The Commission next addressed three Petitions of GPA in Docket 94-04 submitted under the Contract Review Protocol:

- (1) a request by GPA to exercise financing options under its Performance Management Contract (PMC) agreements with Taiwan Electrical and Mechanical Engineering Services ("TEMES") and Doosan Engine Company ("Doosan") for

Attachment B

Cabras 1 & 2 and Cabras 3 & 4. The purpose of these financing agreements is to allow GPA to undertake various Performance Improvement Projects (PIPs) and Capital Improvement Projects (CIPs) for the plants;

- (2) a request for approval of GPA's FY2009 Construction Budget; and
- (3) GPA's request for the extension of the existing Performance Management Contract for Cabras 1 & 2 with TEMES for a period of an additional six months, to expire upon June 30, 2009.

Upon separate consideration of each request, PUC Counsel's oral presentation on such requests, and good cause appearing, and upon motions duly made, seconded, and unanimously carried, the Commission approved, respectively, the three requests for contract review approval and the Orders made *Attachments C, D, and E* respectively hereto.

The Commission next considered GPA's Petition for Review and Approval of GPA's Integrated Resource Plan (IRP) in Docket 08-06. PUC Counsel presented a Memorandum of Understanding with regard to IRP Implementation Protocols for the Guam Power Authority, which was entered into by GPA and the Georgetown Consulting Group on December 15, 2008. The IRP identifies timing, size and technology of future power generating units, the use of a full range of energy resource alternatives available to GPA, and implementation of the IRP pursuant to certain protocols. On motion duly made, seconded and unanimously carried, the Commission approved GPA's Integrated Resource Plan, as amended and modified, and approved the Memorandum of Understanding entered into between GPA and GCG. Based upon such approvals, the Commission issued an Order made *Attachment F* hereto.

In Docket 08-10, the Commission reviewed the subject of Net-Metering and the Proposed Interim Tariff. PUC Counsel presented the "Interim Net-Metering Rider for Customer Generator Energy Facilities", which had been jointly agreed to by GPA and GCG. After consideration of the record, the Interim Net-Metering Rider, and for good cause shown, on motion duly made, seconded and unanimously carried, the Commission approved the Order made *Attachment G* hereto. Said Order approves the Interim Net-Metering Rider, the requirements therefore, and the implementation protocols. The Order also establishes that a future Public Hearing will be conducted on this subject.

4. Guam Waterworks Authority

PUC Counsel provided a Report on the Petition of Guam Waterworks Authority ["GWA"] for the establishment of a system development charge in Docket 08-08 and the history of efforts to implement such a charge. There was a difference of opinion between GWA and Georgetown Consulting Group as to whether GWA should use the "equity buy-in methodology" (EBM) or the "incremental cost approach" (ICA) in implementing the system development charge. The Administrative Law Judge had issued an Order stating that GWA is authorized to use either approach, as applicable statutes do not expressly require GWA to use either such approach. The ALJ recommended that GWA be authorized by the PUC to use the EBM to compute the SDC. Upon consideration of the PUC Counsel Report, the Order of the ALJ, and for good cause shown, on motion duly made, seconded and unanimously carried, the Commission adopted and approved the Order issued by the ALJ and authorized GWA to determine which method it wishes to use, EBM or ICA, in adopting a system development charge. The Commission issued its Order, a true and correct copy of which is made *Attachment H* hereto.

PUC Counsel also informed the Commissioners that the Guam Waterworks Authority had issued a "90 day notice" of intent to file a rate case pursuant to the Rate Payer's Bill of Rights. In addition, GWA, through its Counsel, had indicated to PUC Counsel its intent to request that the PUC investigate price hikes that GWA has been subject to with regard to fuel charges and purchase of water from the United States Navy.

5. GTA Teleguam LLC

PUC Counsel indicated that in Docket 05-01, the Administrative Law Judge had issued an Order regarding the GTA Ethics Complaint against the Georgetown Consulting Group and its retention of the services of Walter Schweikert. The Order issued by the ALJ found that TeleGuam had not established that either GCG or Schweikert committed any ethical violation through Schweikert's retention, nor had Schweikert improperly disclosed any confidential information. Upon review and consideration of said Order issued by the ALJ, upon motion duly made, seconded and unanimously carried, the Commission approved the Order and adopted it in its entirety. A true and correct copy of the Commission's Order is made *Attachment I* hereto.

6. Request for Proposal 004-08, Accountant Consulting Services

The Administrator certified that, as of the December 22, 2008, deadline, there were no submittals of any proposals for the RFP. The Commission approved the tabling of this subject until the next scheduled meeting.

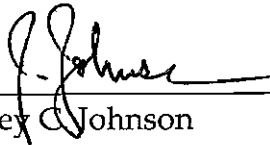
7. Administrative Matters (FY09 Administrative Budget - Amended Annual Assessment Order)

The Commissioners first reviewed the Amended Administrative Budget for FY09. Upon Motion duly made, seconded and unanimously carried, the Commission approved and adopted the Amended Administrative Budget for FY09, a true and correct of which is made *Attachment J* hereto. The Commission tabled further discussion of the Amended Annual Assessment Order until the next scheduled meeting.

8. PUC Website

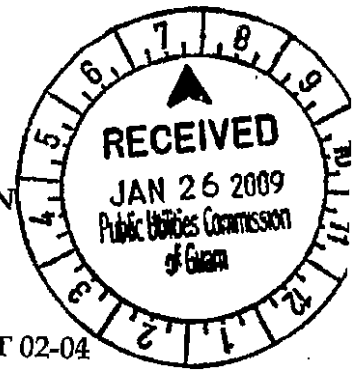
The Administrator reported that ICON Corporation, the Commission's website consultant, has submitted a proposal for upgrade of such site. She further indicated that additional discussions with the consultant were required in order to determine the scope and cost of upgrading the Commission's website.

There being no further business, the meeting was adjourned.



Jeffrey C. Johnson
Chairman

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



GUAM POWER AUTHORITY
LEVELIZED ENERGY ADJUSTMENT
CLAUSE [LEAC]

DOCKET 02-04

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, 2008, requested that the current LEAC factor [\$0.17105 per kWh] for its civilian customers be decreased to \$0.157309 per kWh for meters read on and after February 1, 2009 and continuing until July 31, 2009. ¹ This change reflects a 5.8% decrease in the total bill, or \$13.74, for a residential customer utilizing an average of 1,000 kilowatt hours per month.

After conducting a review of GPA's Filing, PUC Regulatory Consultant Georgetown [GCG] initially recommended that GPA adopt a lower LEAC factor for meters read on or before February 1, 2009.² GPA and GCG met for a Regulatory Conference on January 14, 2009. At that time GPA presented evidence of its current difficult cash liquidity situation. GPA has been required to make weekly cash payments to cover margin calls on its fuel hedging contracts. In addition, GPA may be obligated to deposit increased amounts of capital into its Working Capital Fund. After discussions and negotiations between the parties, on January 21, 2009, GPA and GCG entered into a STIPULATION RE ADJUSTMENT OF LEAC FACTOR COMMENCING FEBRUARY 1, 2009, a true and correct copy of which is made *Attachment A* hereto. ³

Based upon the volatility of fuel prices, the parties agree that a volatility factor of 7% should be added to the projected fuel prices in the determination of the new LEAC factor. Since an unforeseen precipitous drop in world oil prices would

¹ The basis for GPA's LEAC filing is that fuel costs have decreased substantially in the last several months, and GPA desires to pass on the benefit of reduced fuel costs to its customers.

² Letter dated January 10, 2009, from GCG to Chairman Jeffrey Johnson, re: GPA Request for Adjustment of LEAC Factor Effective February 1, 2009; GCG initially recommended that GPA's current LEAC factor be reduced to \$0.14603 per kWh effective on all meters read on or after February 1, 2009.

³ The parties recognize that during the term of this new LEAC factor (February 2, 2009 through July 2009) fuel prices are expected to remain very volatile. Such continuing volatility has had a significant negative impact on the cash requirements and liquidity of GPA. Such volatility makes accurate projections of fuel cost expenses difficult to make.

result in a significant decrease of the LEAC level, and given the concerns with GPA's liquidity, the parties have agreed that changes in the working capital related to the value of GPA's fuel inventory from the beginning of the LEAC period to the end of the 6 month projected period will be limited based upon an assumed oil inventory evaluation of \$64.46 per barrel. ⁴

In accordance with the STIPULATION, the parties jointly recommend that the PUC approve a decrease in the LEAC factor from the current \$0.17105 per kWh to \$0.15763 per kWh effective on all meters read on or after February 1, 2009.

After carefully reviewing the record in this proceeding and after discussion at a duly noticed public meeting held on January 26, 2009, 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:**

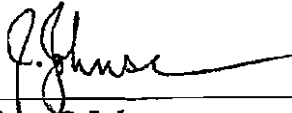
1. A LEAC factor of \$0.15763 per kWh shall be used by GPA for all civilian bills, for meters read on and after February 1, 2009 to recover its forecasted fuel and related expenses, in accordance with the Schedules appended to *Attachment A* hereto. This change reflects a 5.67% decrease in the total bill, or \$13.42, for a residential customer utilizing an average of 1,000 kilowatt hours per month.
2. Should GPA propose an alternate to the Morgan Stanley fuel price forecast for the calculation of the LEAC, it shall present any such different forecast methodology to GCG for the next LEAC filing in accordance with the timeframes and requirements set forth in the STIPULATION.
3. Any accepted changes in the calculation of the LEAC factor relative to valuation of GPA's fuel inventory and calculation of volatility factors will only be applicable for the upcoming LEAC period on a one time basis. Future liquidity issues will be addressed by GPA in the next base rate case, which is anticipated to be filed in mid 2009, and will not be considered as a factor in the determination of future LEACs.

⁴ This evaluation of GPA's fuel inventory is calculated on a one time basis; in all future LEAC proceedings all changes in working capital levels related to its fuel inventory will be passed through the LEAC in the manner previously approved by the PUC. Any and all future liquidity issues will be addressed by GPA in its next base rate case, anticipated to be filed in mid 2009, and will not be considered as a factor in the determination of future LEAC calculations.

4. In accordance with the STIPULATION of GPA and GCG, a 7% line loss factor is hereby adopted by the Commission as an "interim standard" until the GPA Transmission Study is completed. GPA shall file the Transmission Study no later than December 31, 2009. A new line loss standard shall be proposed by GPA for determination by the PUC no later than February 1, 2010, for implementation in the LEAC factor.

5. Pursuant to the STIPULATION of the parties, the PUC recommends that GPA continue its oil hedging program. GPA shall report to the PUC no later than May 1, 2009 on actions taken by it in response to the volatility of oil prices and the impact of the hedging program on the financial liquidity of GPA. GPA should continue to pursue a SBLC to cover possible margin calls from third parties when the cost of oil falls below the floors of GPA's hedge contracts. Additional costs incurred by GPA in establishing its SBLC will be allowed to pass through the LEAC, as such costs are fuel related.

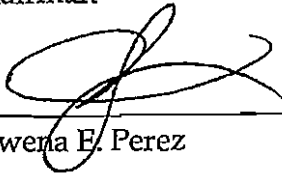
Dated this 26th day of January 2009.



Jeffrey C. Johnson
Chairman



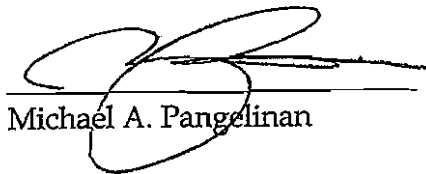
Filomena M. Cantoria



Rowena E. Perez



Joseph M. McDonald



Michael A. Pangelinan

with authority provided by the sole source provisions of the Procurement Law, GWA now seeks approval from the Commission to enter into a contract with GRH. ⁴

Pursuant to the Contract Review Protocol for Guam Waterworks Authority, all externally funded loan obligations in excess of \$1,000,000.00, and the use of such funds, require prior PUC approval under 12 GCA §12004. ⁵ The anticipated cost of GWA's Leak Detection Contract is \$4.5 million over a period of up to 45 months. ⁶ In support of its request for approval of a Leak Detection Contract, GWA relies in part upon the recognition by the regulatory consultant of the PUC, Georgetown Consulting Group, that "an ongoing leak detection program is essential to bringing water losses in line with industry standards." ⁷ GWA also contends that its proposed contractor, GRH, guaranteed in its proposal to reduce GWA's current 50% water loss to 35% water loss at the end of a 45 month maximum contract period (a 15% reduction), which would translate into approximately 6,000,000 gallons less per day that GWA would have to produce. ⁸

GCG submitted various information requests to GWA on October 7, 2008; subsequent to the provision of responses by GWA, and a follow up meeting in Guam between GCG and GWA representatives on January 14, 2008, GCG has submitted its

⁴ GWA Petition at pgs. 1 - 2.

⁵ Administrative Docket (docket 00-04), Contract Review Protocol for Guam Waterworks Authority, filed October 27, 2005.

⁶ GWA Petition at pg. 2.

⁷ GCG Report on GWA's Request for Bond Programming, August 29, 2008, at p. 4.

⁸ GWA Petition at p. 2. In such event GWA could take wells off-line thereby reducing its operational and maintenance expenses while improving service to its customers. Potential net savings would approach a total of \$3,579,473 for the maximum 45 month contract period if all phases of the contract are implemented.

evaluation of the GWA Leak Detection Contract to the Chairman of the PUC in a letter dated January 23, 2009.⁹ GCG recommends that the PUC approve the leak detection contract with certain modifications.¹⁰

After careful consideration of the record herein, the Petition of GWA, and the Report of GCG, for good cause shown and on motion duly made, seconded and carried by the affirmative vote of the undersigned commissioners, the Commission hereby ORDERS THAT:

1. Pursuant to the Contract Review Protocol, GWA's September 8, 2008 Petition seeking to enter into a Leak Detection Contract is hereby approved, subject to the conditions set forth herein.
2. As a condition of PUC Approval, the present payment term associated with Phase 3 (months 30-45) of the proposed contract, which currently provides GRH with a 50/50 shared performance premium for losses reduced in excess of 17.5%, be deleted from the contract. Alternatively, if GRH and GWA desire to include a true performance provision in the contract for Phase 3 activities (wherein GRH would assume actual risk) the actual sharing arrangement should be defined following completion of Phase 2.

⁹ GCG letter to PUC Chairman dated January 23, 2009, GWA Leak Detection Contract - Docket No. GWA 09-01.

¹⁰ GCG raises the legitimate concern that GWA's current water losses, in excess of 50%, are considerably above the 12 to 16 percent that would be deemed prudent for a reasonably efficient water utility; such losses impose a burden upon customers and waste water, money and resources.

3. Following GWA providing its first semi-annual report summarizing the results of the first six-months of "leak detection" activities, GCG and GWA shall collaboratively initiate review of the results and determine whether specific water loss performance benchmarks can be developed for the next five-years taking into account the costs being borne by GWA ratepayers and the investments required to meet these performance benchmarks. A similar collaborative review shall take place following GWA providing its second semi-annual report on phase I "leak detection" activities. These two reviews would allow GWA and GCG to collaboratively determine whether preliminary results from GWA's "leak detection" activities indicate that continued "leak detection" activities over a five-year period would be expected to lead to bringing GWA's unaccounted for water into line with industry norms or whether further study of other potential root causes is required. The results of GWA and GCG collaborative efforts should be presented to the PUC no later than December 1, 2010.
4. GWA, to the extent that it does not presently have such a program, shall establish a monitoring system to keep track of water loss mitigation activities and water loss savings (performance). GWA shall provide PUC, on a semi-annual basis, with a report that summarizes leak detection activities and water loss levels vs. water loss savings (performance). The format of this semi-annual report shall be developed collaboratively with GCG.
5. Through the Contract Review Protocol, the PUC is hereby approved for all 3 phases of the proposed Leak Detection Project; however, any future funding for the Leak Detection Contract will require PUC approval unless

the funds come from any remaining balance in the Leak Detection/Line Replacement approved funding limits as set forth in schedule B of Attachment C as contained in the PUC's Order relative to Approving the use of bond proceeds, dated October 27, 2005 (subject to the 20% variance limitation).

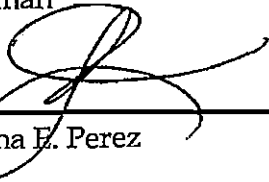
Dated this 26th day of January, 2009.



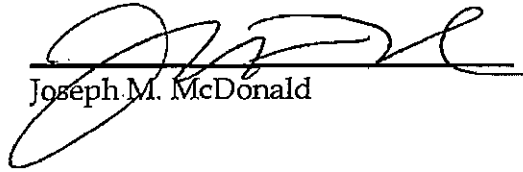
Jeffrey C. Johnson
Chairman



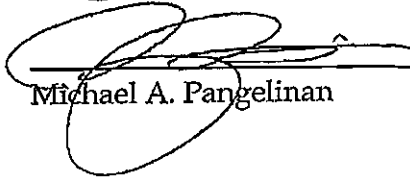
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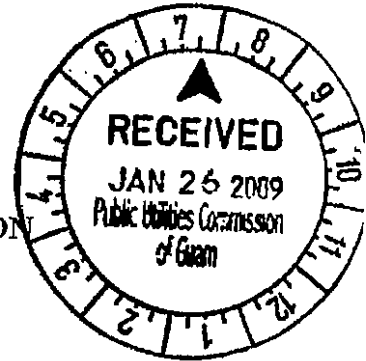
Rowena E. Perez



Joseph M. McDonald



Michael A. Pangelinan



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

COMMISSION ADMINISTRATIVE
DOCKET

AMENDED 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 FY09 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 December 29, 2008, the Commission considered and adopted its amended FY09 administrative budget in the amount of \$260,000.00;

WHEREAS, the Commissioners agreed that there was a need to increase its budget for FY09, based upon the following expenses: upgrading of the Commission's website; the hiring of legal counsel and an Administrative Law Judge; potential litigation expenses; amounts owed in back rent; the acquiring of regulatory accounting services; the implementation of a teleconferencing system; and the need for increased training for Commissioners and staff.

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 and Department of Public Works [DPW];

WHEREAS, the assessment of the Department of Public Works – solid waste management division [SWM] for a share of PUC Administrative expenses was deferred by PUC Assessment Order filed November 16, 2007, pending the Government’s enactment of legislation to bring SWM activities into compliance with the Stipulated Order in Federal District Court Civil Case 02-00035; and

WHEREAS, on March 17, 2008, the District Court of Guam, in United States of America v. Government of Guam (Civil Case No. 02-00022) , appointed Gershman, Brickner & Bratton, Inc. (“GBB”) to enforce the terms of the Consent Decree and to assume all responsibilities, functions, duties, powers and authority of the Solid Waste Management Division of the Department of Public Works; and

WHEREAS, GBB, through its principal David Manning, has indicated to the PUC its intent to initiate a rate proceeding in Spring 2009 for rate increases for residential waste collection services and/or tipping fees; and

WHEREAS, after due consideration, the Commission has resolved that its’ FY09 administrative budget of \$260,000.00 should be allocated among the regulated utilities, and telecommunication companies as follows:

GTA/Other Telecom Companies	\$75,000.00
GPA	\$75,000.00
GWA	\$75,000.00
<u>DPW/GBB</u>	<u>\$35,000.00</u>
Total	\$260,000.00

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

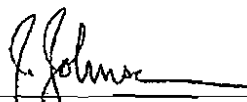
1. GTA/Other Telecom Companies, GPA, and GWA shall pay the assessments allocated to them, as stated above, to the Commission no later than January 15, 2009, if such fees have not already been paid. The regulated utilities and telecom companies are reminded that these assessed revenues are necessary to 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 apportioned¹ as follows:

¹ 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-

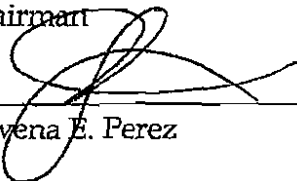
GTA: \$58,771.03;
FTI/IT&E: \$7,219.04;
PDS: \$4,254.01-
Guamcell/: \$4,755.91
DoComo

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

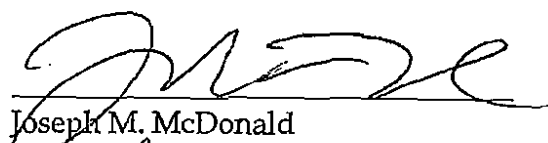
Dated this 26th day of January, 2009.



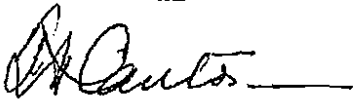
Jeffrey C. Johnson
Chairman



Rowena E. Perez



Joseph M. McDonald



Filomena M. Cantoria