

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

REGULATORY MATTERS RELATING  
TO GWA RATES AND COMPLIANCE  
WITH PUC ORDERS

DOCKET 05-5



ORDER

This Order examines and takes action regarding four regulatory matters concerning Guam Waterworks Authority [GWA]:

a] GWA's May 3, 2006 petition, which requests PUC to establish an interim flat rate for water service as supported by the September 21, 2006 stipulation by GWA and Georgetown Consulting Group [GCG];

b] GCG's September 21, 2006 report, that GWA has violated PUC's October 14, 2004 and February 2, 2006 orders, which established and imposed restrictions and conditions on the use of the Rate Stabilization Fund [RSF]<sup>1</sup>;

c] GCG's August 18, 2006 report, which expresses concern that GWA is charging new customers for the cost of water meters and boxes in violation of its service rules; and

d] PUC's finding in its July 20, 2006 order that GWA commenced the procurement process for a wastewater performance management contract without first obtaining *prior* PUC approval of the procurement, as required by the contract review protocol [Protocol] established by PUC order dated October 27, 2005.

After review and discussion of the above documents, for good cause shown and on motion duly made, seconded and carried by the affirmative vote of the undersigned commissioners, the Guam Public Utilities Commission **HEREBY FINDS AND ORDERS THAT:**

1. The interim flat rate for water and wastewater service, as attached to the Stipulation, will not be suspended under 12 GCA 12015(a), pending a rate hearing, which shall be conducted on PUC's initiative during the January 2007 regulatory session. PUC reserves the authority and right to require an appropriate true up after meters are installed for the customers who are charged under the interim flat rate. GWA may use the interim rate for

---

<sup>1</sup> The GCG report asserts that GWA has violated the RSF orders by: a] failing to file adequate and timely quarterly reports; b] withdrawing RSF funds prior to filing the account reconciliation report for the period October 2004 through December 2005 [the report was filed with PUC on May 24, 2006]; c] failing to make required monthly deposits into the RSF; and d] failing to fully reimburse the RSF for all withdrawals on or before September 30, 2006.

Tiyan residents and, where appropriate, for other persons who move into and occupy buildings and homes located in other areas of returned military land where water meters are not installed. ALJ is authorized and directed to prepare this matter for regulatory consideration.

2. PUC expresses most serious concern over GCG's report that GWA has violated its October 14, 2004 and February 2, 2006 RSF orders. ALJ is authorized and directed to oversee a full investigation of these violations for presentation at a public hearing before PUC during the January 2007 regulatory session. GCG's report regarding this investigation shall include recommendations for appropriate remedial action by PUC. GWA's right to withdraw RSF funds under PUC's February 2, 2006 order is revoked until further notice. GWA is reminded of its duty to make monthly deposits into the Fund in accordance with the February 2, 2006 Order and to otherwise fully comply with the requirements of the February 2, 2006 Order. A copy of this order shall be transmitted to CCU. PUC cautions GWA that any further violation of the RSF orders pending the January 2007 hearing will have grave consequences.
3. ALJ is authorized and directed to prepare for hearing during the January 2007 regulatory session, the issue of whether GWA is charging new customers for water meters and boxes in violation of its service rules. GCG should be directed to conduct such additional discovery as may be necessary to supplement its August 18, 2006 report and to make recommendations for appropriate remedial action.
4. ALJ is ordered and directed to reject any GWA petition under the Protocol, which does not contain a certification that procurement activities regarding the subject matter of the petition have not commenced and will not commence until PUC review and approval of this petition.
5. PUC hereby ratifies and confirms the July 20, 2006 order, by which Chairman Brooks, under delegated authority, approved GWA's procurement of a wastewater performance manager.

Dated this 28<sup>th</sup> day of September 2006.

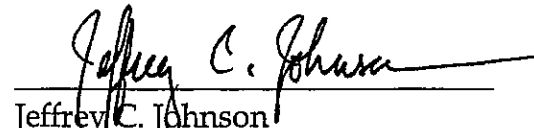
  
\_\_\_\_\_  
Terrence M. Brooks

  
\_\_\_\_\_  
Edward C. Crisostomo

\_\_\_\_\_  
Rowena E. Perez

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

  
\_\_\_\_\_  
Filomena M. Cantoria

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