

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



**FOCUSED MANAGEMENT AUDIT  
OF DEPARTMENT OF PUBLIC  
WORKS' SOLID WASTE MANAGEMENT  
DIVISION**

**DOCKET 06-02**

*Administrative Order*

*Findings*

By Order dated October 27, 2005 in this docket, the Guam Public Utilities Commission [PUC] authorized and directed its administrative law judge to undertake a management audit of the Solid Waste Division of the Department of Public Works [DPW], as required by Public Law 28-56. By its December 20, 2005 Order in Docket 05-09, PUC authorized DPW to retain a procurement advisor to assist DPW in procurements related to privatizing the management and operations of the Ordot landfill, the new landfill and the collection of residential solid waste. ALJ has recommended that the management audit be postponed until there is a clearer vision of which DPW solid waste management operations will be performed by private companies.

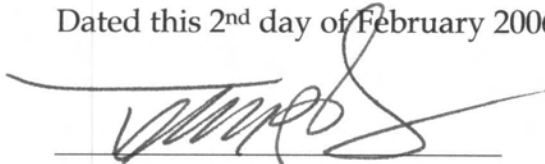
ALJ has also brought to PUC's attention that DPW has failed to pay regulatory fees, which have accrued since June 2005 and the FY06 Administrative Assessment, as required PUC order. PUC finds no excuse for this failure given that the DPW rate award, which it approved by its October 27, 2005 Order in Docket 05-9, has been restricted and cannot be expended without prior PUC approval. PUC concurs with ALJ's assessment that it would be imprudent for PUC to incur significant additional regulatory expenses until DPW brings its regulatory account with PUC current. Given the substantial agenda of important regulatory matters on the horizon [bond issue, bond related rate relief, Ordot and new landfill private management procurements] it is important for DPW to resolve whatever administrative problems with Department of Administration, which have obstructed the timely payment of these regulatory fees.

*Order*

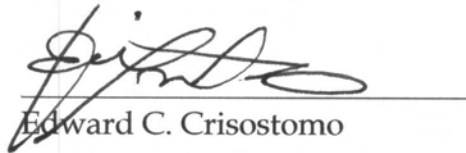
After due consideration of the above findings, for good cause shown and on motion duly made, seconded and carried by the affirmative vote of the undersigned commissioners, the Guam Public Utilities Commission **ORDERS THAT:**

1. ALJ is authorized to postpone the commencement of the DPW management audit pending further instructions from PUC.
2. Given the compressed timeline established by the *Federal Consent Decree* for DPW to procure private management for Ordot dump's operation and closure, PUC hereby delegates to ALJ the authority, upon the favorable recommendation of PUC's regulatory consultant, to authorize DPW to proceed with this procurement; provided, however, that the resulting contract shall require PUC review and approval before it is executed. In all other respects, the *DPW Contract Review Protocol*, as established by PUC Order dated October 27, 2005 shall apply to DPW solid waste procurements and obligations.
3. DPW is authorized to utilize the restricted rate revenues created by PUC's October 27, 2005 Rate Order in Docket 05-09 to pay for outstanding regulatory fees and assessments due PUC.

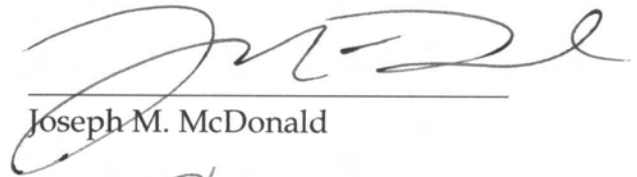
Dated this 2<sup>nd</sup> day of February 2006.



Terrence M. Brooks



Edward C. Crisostomo



Joseph M. McDonald



Rowena E. Perez