

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF GUAM**

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PUBLIC UTILITIES  
COMMISSION

GUAM WATERWORKS AUTHORITY )  
APPLICATION FOR RATE RELIEF )  
\_\_\_\_\_ )

DOCKET 00-01:A

**ORDER**

**Background**

In furtherance of rate proceedings in this docket, which were conducted during the February, 2000 regulatory session, the Commission upon due and lawful notice conducted a public hearing on May 23, 2000 in Room 202, GCIC Building, Hagatna, Guam to consider whether to establish a residential wastewater lifeline rate [RLWR] and if so in what amount. In addition, the Commission considered recommendations regarding the interpretation and administration of Public Law 25-115 [general fund subsidy to off-set residential rate increases]. At the hearing, Guam Waterworks Authority [GWA] and the Commission's regulatory consultant, Georgetown Consulting Group [GCG] presented a joint stipulation regarding the RWLR. Public comments were received from Mr. Roger Crouthamel and Senator Brown.

On June 2, 2000, the Commission met at a duly noticed meeting to consider the record in this proceeding and the June 1, 2000 report of its administrative law judge. After such examination and review and in the exercise of its judgment and for good cause shown, the Commission has made, by an affirmative vote of at least five Commissioners, the following determinations:

**Determinations**

1. The substantial rights of the parties were carefully preserved in the process of permitting factual materials into the record as evidence and by allowing the arguments, reasoning, and statement of position of the parties to be brought before the Commission.
2. The rulings and orders of ALJ during the course of this proceeding should be ratified and confirmed. All motions not heretofore granted or denied should be denied.

3. An interim residential wastewater lifeline rate should be established at a flat rate of \$22.00 per month. This interim rate should be subject to true up after a cost of service is performed, which will enable the Commission to adjust the interim rate without regard to the 20% rule contained in 12 GCA section 12004.
4. The interim residential wastewater lifeline rate should be effective for services rendered on and after the date of this order; provided, however, that GWA is in compliance with the Commission's Administrative Order dated December 17, 1999.
5. The \$2.00 rate increase awarded by this order should be used exclusively for expenses associated with GWA's wastewater treatment facilities.
6. In the exercise of its regulatory authority, the following principles should be established to administer the impact of P.L. 25-115 upon GWA:
  - a. P.L. 25-115 should not be construed in a manner, which would deprive GWA of any portion of the rate relief awarded by the Commission in February or in this proceeding.
  - b. P.L. 25-115 does not impact the rate increases awarded by the Commission's February decision for customer classes other than residential.
  - c. The residential rate increases should not be abated unless and until GWA receives funds appropriated by P.L. 25-115.
  - d. In the event GWA receives the appropriation or any part thereof, then it should abate the residential rate increases made in this docket on a prospective basis until the appropriated funds are exhausted, whereupon the abatement should cease.
7. GWA should comply with the administrative provisions of its stipulation with GCG, which was filed with the Commission on May 23, 2000.

8. GWA should be ordered to pay for the Commission's expenses, including, without limitation, consulting and counsel fees and expenses and the expenses of conducting and transcribing the hearing process.

### **Order**

In furtherance of the above seven determinations, and in the exercise of our judgment, after considering the record, ALJ's report and recommendations and the positions of the parties and public comment, and for good cause shown, the Guam Public Utilities Commission, by an affirmative vote of at least five Commissioners, hereby **ORDERS THAT**:

- . All rulings and orders of the ALJ during the course of this proceeding are confirmed and ratified. All motions not heretofore granted or denied are denied. No other matters require discussion.
2. An interim residential wastewater lifeline rate of \$22.00 per month is established, under authority of 12 GCA section 12004, for services rendered after the date of this order. This interim rate shall be subject to true-up after a cost of service is performed.
3. The \$2.00 rate increase awarded by this order shall be used exclusively for expenses associated with GWA's wastewater treatment facilities.
4. GWA shall issue a press release, which explains the purpose of the rate increase, how it will be used and who will be obligated to pay for it.
5. The interim status of this rate shall exempt it from the 20% rule contained in section 12004 until it is made permanent by Commission order.
6. The following principles shall govern the impact of P.L. 25-115 upon the Commission's rate orders in this docket:
  - a. P.L. 25-115 shall not be construed in a manner, which would deprive GWA of any portion of the rate relief awarded by the Commission in February or in this proceeding.

- b. P.L. 25-115 does not impact the rate increases awarded by the Commission's February decision for customer classes other than residential.
  - c. The residential rate increases shall not be abated unless and until GWA receives funds appropriated by P.L. 25-115.
  - d. In the event GWA receives the appropriation or any part thereof, then it shall abate the residential rate increases made in this docket on a prospective basis until the appropriated funds are exhausted, whereupon the abatement shall cease.
7. The rate award established by order paragraph 2 above shall not be effective until GWA brings itself into compliance with the Commission's December 17, 2000 Administrative Order.
8. GWA shall comply with the provisions of the stipulation filed herein on May 23, 2000.
9. GWA shall pay for the Commission's expenses, including, without limitation, consulting and counsel fees and expenses and the expenses of conducting and transcribing the hearing process.

Dated this 2nd day of June, 2000.

  
Terrence M. Brooks

  
Joseph D. Torres

  
Vicente D. Gumataotao

  
Edward C. Crisostomo

  
Filomena M. Cantoria

  
Joseph M. McDonald

  
Paul E. R. Packbier