

BEFORE THE PUBLIC UTILITIES COMMISSION
OF GUAM



GUAM WATERWORKS AUTHORITY
EPA ORDER - INTERIM FINANCIAL PLAN

DOCKET 02-02

Resolution

The Guam Public Utilities Commission [PUC], after due consideration and for just cause shown, finds that:

1. PUC is charged by section 28 of the District Court of Guam's June 5, 2003 Stipulated Order For Preliminary Relief [*Civil Case No. 02-00035 - "EPA Order"*] to review and approve an Interim Financial Plan, including necessary rate relief, by which Guam Waterworks Authority [GWA] will be able to fund the activities, projects and duties required of it by the EPA Order until a Final Financial Plan is approved in early 2006;
2. On October 29, 2003, GWA, in accordance with the requirements of Public Law 26-23, published a 90 day notice of its intention to petition for PUC approval of rate relief necessary to fund an Interim Financial Plan, which petition should be filed with PUC in late January 2004;
3. Pursuant to the requirements of the EPA Order, GWA was required to submit its proposed Interim Financial Plan, with collateral petition for rate relief, with PUC not later than October 5, 2003. The consequent three month delay in making this filing has created a sense of urgency in both expediting regulatory action on the anticipated petition and on starting the revenue stream necessary to enable GWA to comply with the requirements of the EPA Order;
4. PUC's administrative law judge is responsible under PUC Rule 24 *et. sec.* with overseeing the prehearing process by which GWA's petition for approval of rate relief and its Interim Financial Plan will be brought before PUC for consideration during the March 2004 regulatory session.
5. GWA's petition may present a threshold regulatory issue of whether to entertain GWA's rate relief requirements for the entire Interim Financial Plan period in March 2004 or to consider these requirements in an incremental manner by fiscal year. A decision on this potential threshold

issue will require a careful examination of: a] GWA's ability to satisfy, in its January 2004 petition, the minimum filing requirements for each increment of rate relief it requires during the Interim Financial Plan; b] the reliability of financial projections for out-years; c] the importance of starting the Interim Financial Plan revenue stream at the earliest possible date given the timeline mandated by the EPA Order; d] the likelihood that subsequent events [*external financing requirements, private management contracts, accounts receivable, etc.*] may impact financial projections; and e] whether an incremental approach to regulatory review of the rate relief required by the Interim Financial Plan would best enable PUC to discharge the duties expected of it under EPA Order. PUC finds that under the circumstances regulation would be best served if this threshold issue, if it arises, is adjudged by PUC's administrative law judge pursuant to his authority under PUC Rule 24 *et. sec.*

NOW, THEREFORE, in due consideration of the above findings and on motion made, seconded and carried by the vote of the undersigned commissioners, the Guam Public Utilities Commission **HEREBY RESOLVES THAT:**

1. The authority of PUC's administrative law judge [ALJ] to adjudicate and rule on the threshold issue, as defined and described above, is hereby confirmed and approved.
2. PUC hereby reaffirms its commitment to discharge the duties conferred upon it by the EPA Order in a timely and independent manner.


Dated this 16th day of December 2003.



Terrence M. Brooks



Edward C. Crisostomo

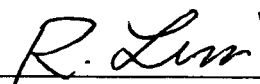


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