

## BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN RE:	PETITION TO (1) APPROVE	)	<b>GWA DOCKET 14-04</b>
	PROJECTS FUNDED BY THE	)	
	2013 BONDS; AND (2) TO	)	
	APPROVE AN EXEMPTION	)	
	UNDER THE CONTRACT	)	ALJ REPORT
	REVIEW PROTOCOL FOR	)	
	PROJECTS INVOLVING THE	)	
	PROGRAM MANAGEMENT	)	
	OFFICE FUNDED BY BOND	)	
	PROCEEDS	)	
		)	

## **INTRODUCTION**

This matter comes before the Guam Public Utilities Commission (the "PUC" or the "Commission") pursuant to the Petition to (1) Approve Projects Funded by the 2013 Bonds; and (2) To Approve an Exemption Under the Contract Review Protocol for Projects Involving the Program Management Office Funded by Bond Proceeds ("Petition"), filed by the Guam Waterworks Authority ("GWA") on February 6, 2014.

#### **BACKGROUND**

In its Petition, GWA sought PUC approval for projects to be funded by the 2013 Bond proceeds. In addition, GWA further requests authorization from the PUC for flexibility to transfer funds between approved bond-funded projects in an amount equal to twenty percent (20%) of the total value of each project. According to GWA, this twenty percent (20%) value would relate "solely to increases while GWA is also requesting the ability to reduce Bond projects in whatever amounts GWA finds reasonable."<sup>2</sup>

The PUC approved the 2013 Bond projects at its February 25, 2014 meeting.

Petition, p. 2.

Further, GWA requests that the PUC exempt all bond-funded projects from the review and approval process of GWA's Contract Review Protocol.<sup>3</sup> Such exemption is also requested with respect to projects involving GWA's Program Management Office.<sup>4</sup> These issues will be discussed in turn.

#### DISCUSSION

## A. Review of Bond Projects and Contracts Impacting Rates

Pursuant to 12 G.C.A. §12005, the PUC is tasked with reviewing and approving all uses of bond proceeds. Pursuant to 12 G.C.A. §12004, the PUC is further tasked with approving contracts or obligations that may impact rates.<sup>5</sup>

In addition, GWA's Contract Review Protocol requires GWA to seek PUC approval for "[a]ll capital improvement projects (CIP) in excess of \$1,000,000 whether or not a project extends over a period of one year or several years"; "[a]ll professional service procurements in excess of \$1,000,000"; as well as for "[a]ny contract or obligation not specifically referenced above which exceeds \$1,000,000, not including individual contracts within an approved CIP or contract . . . ." The Contract Review Protocol further provides that the "PUC's administrative law judge is authorized to interpret the meaning of any provision of this order, in furtherance of the contract review process."

Further still, pursuant to the November 18, 2013 Order, issued by this Commission in GWA Docket 14-01, GWA "must obtain prior approval of the Projects, as

Petition, p. 4.

<sup>&</sup>lt;sup>4</sup> Petition, p. 5.

<sup>&</sup>lt;sup>5</sup> "The utilities shall not . . . enter into any contractual agreements or obligations which could increase rates and charges prior to the written approval of the Commission." 12 G.C.A. §12004

<sup>&</sup>lt;sup>6</sup> GWA Administrative Docket 00-04, Contract Review Protocol, p. 1 (Oct. 27, 2005).

<sup>&</sup>lt;sup>7</sup> GWA Administrative Docket 00-04, Contract Review Protocol, p. 5.

scheduled on Exhibit A to the Debt Order, before either procurement can begin on the projects or before bond proceeds can be expended or committed on them. Any reprogramming of projects and the associated bond funds shall be subject to prior Commission approval."

# B. Request for Flexibility to Transfer Funds Between Approved Projects and to Reduce Bond Funding

In its Petition, GWA seeks PUC approval in order to be able to transfer funds between GWA projects funded by the 2010 and 2013 bonds. In particular, "GWA is requesting authorization from the PUC to move funds between approved bond funded projects in an amount equal to 20% of the total value of each project" relating "to increases . . . ."

In addition, GWA further seeks PUC authorization to "reduce Bond projects in whatever amounts GWA finds reasonable." GWA maintains that "[t]he request to not limit reductions is to simply allow GWA to automatically adjust bond funding for projects it cancels or to reduce funding for projects where the bid comes in lower than anticipated." GWA submits that in such an event, GWA should be required to provide the PUC with a "detailed reporting to the PUC that accurate[ly] detail[s] how and why GWA has moved the funds from one project to another."

GWA maintains that this request is reasonable, contending that "(1) the project list provided is GWA's estimate of what GWA believes is required to complete each project and in some cases the cost to complete the project may exceed the estimate due to higher than expected bids or conversely some projects may have components removed as the need for the

Petition, p. 2.

<sup>&</sup>lt;sup>9</sup> Petition, p. 2.

Petition, p. 2.

Petition, p. 2.

Petition, p. 2.

component is no longer required; (2) projects, and most especially construction projects, are susceptible to variations in price due to differing site conditions discovered at the construction site after contract award that were not readily identifiable at the time the bid specifications were created; and (3) circumstances change."

## 1. Request for Flexibility to Transfer Between Funds

With respect to GWA's request for authorization to transfer funds between approved bond-funded projects, the concept of providing the utilities with flexibility dealing with cost overruns is not an issue of first impression before the PUC. For instance, the Order approving the bonds issued in 2005 expressly authorized GWA to establish and utilize a "Contingency Reserve, without PUC approval, for expense overruns on any fund use authorized in Schedule A up to a limit of 20%." Specifically, the Order provided that:

GWA may utilize the Contingency Reserve, without PUC approval, for expense overruns on any fund use authorized in Schedule A up to a limit of 20%. Any use of the Contingency Reserve for a project expense overrun in excess of 20% of the authorized limit set in Attachment C, including SO projects, and any other use of the Contingency Reserve shall require prior PUC review and approval under the Protocol. The authority to grant such approval is delegated to PUC's chairman.<sup>15</sup>

The Order additionally provided that "[a]ny funds authorized in Attachment C which are not used for the purpose stated therein, shall revert to the Contingency Reserve . . . . "16 Similarly, GWA's Contract Review Protocol appears to also permit the agency to "incur

Petition, p. 3.

<sup>&</sup>lt;sup>14</sup> PUC Order, GWA Docket 05-10, p. 2 (Oct. 27, 2005).

<sup>&</sup>lt;sup>15</sup> PUC Order, GWA Docket 05-10, p. 2.

PUC Order, GWA Docket 05-10, p. 2.

expenses for PUC approved contracts and obligations" of up to twenty percent (20%) without prior PUC approval.<sup>17</sup>

Therefore, the PUC has long recognized the need to provide agencies with flexibility related to expenses or costs that exceed, or come under, amounts originally estimated. And while GWA is not seeking a contingency reserve, it is seeking a similar mechanism which would provide it with flexibility to deal with cost overruns and projects that come under budget. Permitting GWA to transfer any available funds to projects in amounts not to exceed twenty percent (20%) of the approved budget for such projects would provide GWA with the funding flexibility it seeks.

Based on this historical practice, the ALJ finds that GWA should be permitted to transfer any available funds to projects in amounts not to exceed twenty percent (20%) of the approved budget. And in line with past practice, amounts over the twenty percent (20%) value should of course be subject to prior PUC approval as a reprogramming of bond funds.<sup>18</sup>

## 2. Request to Reduce Funds or Cancel Projects

With respect to GWA's request for authorization to reduce Bond funding for projects "in whatever amounts GWA finds reasonable," the ALJ finds this request reasonable. And in such circumstances, as GWA has recommended, GWA should be required to advise the PUC with a "detailed reporting to the PUC that accurately detail[s] how and why GWA has moved the funds from one project to another." This reporting should be made at least sixty (60) days prior to such project funding reduction.

GWA Administrative Docket 00-04, Contract Review Protocol, p. 4.

<sup>&</sup>lt;sup>18</sup> See, e.g., PUC Order, GWA Docket 14-01, p. 1 (Nov. 18, 2013) ("Any reprogramming of projects and the associated bond funds shall be subject to prior Commission approval.").

<sup>19</sup> Petition, p. 2.

Petition, p. 2.

## C. Request to Waive the Contract Review Protocol Requirements on Bond-Funded Projects

Moreover, GWA further requests that the PUC waive the requirements of GWA's Contract Review Protocol with respect to all bond-funded projects. GWA submits that as a result of the Contract Review Protocol, "GWA is required to petition the PUC for approval prior to issuing a bid" and then petition the PUC for approval "after the bids have been received and the contract is ready to be signed." GWA contends that "[t]he need to keep petitioning the PUC two times in each instance where GWA wants to begin a project that may cost in excess of \$1M is simply inefficient" and that the PUC "recognized" that "the current mechanism was a bit repetitive when it modified and approved the Contract Review Protocol for the Port Authority of Guam." GWA further contends that contracts issued by GWA funded by its bonds "will not increase or modify rates in any way because once the bonds have issued, the debt service on the bonds is what affects the rates, i.e., not the value of contracts issued using the proceeds from the bonds."

As discussed above, 12 G.C.A. §12005 requires the PUC to review and approve all uses of bond proceeds. In addition, 12 G.C.A. §12004 requires the PUC to approve contracts or obligations that may impact rates.

Indeed, GWA's Contract Review Protocol embodies these statutory mandates. The Contract Review Protocol requires GWA to seek PUC approval for "[a]ll capital improvement projects (CIP) in excess of \$1,000,000 whether or not a project extends over a period of one year or several years"; "[a]ll professional service procurements in excess of

Petition, p. 4.

Petition, p. 4.

Petition, p. 4.

Petition, p. 4.

\$1,000,000"; as well as for "[a]ny contract or obligation not specifically referenced above which exceeds \$1,000,000, not including individual contracts within an approved CIP or contract..."<sup>25</sup>

Moreover, pursuant to the November 18, 2013 Order, issued by this Commission in GWA Docket 14-01 (the docket concerning the approval of GWA's 2013 Bond), GWA "must obtain prior approval of the Projects, as scheduled on Exhibit A to the Debt Order, before either procurement can begin on the projects or before bond proceeds can be expended or committed on them. Any reprogramming of projects and the associated bond funds shall be subject to prior Commission approval."

When tracing the history of the PUC's utilization and implementation of Contract Review Protocols, PUC consultants have advised that "[t]he requirement of 12 G.C.A. §12004 that the PUC must first approve any contracts which 'could affect rates,' is a critical, indeed absolutely essential, element of the ratemaking process in the context of the Guam regulatory scheme." In an opinion to the Administrative Law Judge of the PUC, the consultants expressed that:

If the Utilities were free to enter into contracts, without prior review as to their reasonableness or prudence, the PUC's statutory mandate would require it to establish rates sufficient to pay for such contracts irregardless of how imprudent they may have been. In prior dockets, the PUC has rejected the suggestion that its authority in this area is limited for the simple reason that to hold otherwise would eviscerate the regulatory scheme contemplated by Guam law. That is to say, if the Utilities were free to enter into contracts without prior approval or if the PUC was bound to honor such contracts, its regulatory role would be rendered meaningless.<sup>27</sup>

<sup>&</sup>lt;sup>25</sup> GWA Administrative Docket 00-04, Contract Review Protocol, p. 1.

Administrative Law Judge Report, filed Feb. 12, 2008, GPA Administrative Docket, Exhibit B (Report by William J. Blair to Harry M. Boertzel, Re: Consequences of Failure to Comply with 12 G.C.A. §12004), p. 3 (Dec. 16, 1998).

<sup>&</sup>lt;sup>27</sup> Id.

At the same time, the PUC has recognized that, in a metaphysical sense, each and every contract entered into by a Utility "could" affect rates and, thus, implicate the possible need for prior PUC approval. It was recognized that such an interpretation would place unreasonable burdens on the Utilities with no offsetting benefits to the Utilities' ratepayers. For this reason, the PUC's staff consultants have worked with each of the Utilities to establish agreed upon contract approval procedures which would minimize the need for seeking prior PUC approval. <sup>28</sup>

In this instance, the PUC has already approved the projects to be funded under the 2010 and 2013 Bonds. To be clear, however, when the PUC reviews and approves bond-funded projects and their corresponding estimates, it is not approving contracts that may impact rates, but merely approving projects that the agency has identified as requiring bond funding. In short, at this juncture, the PUC has not engaged in the review of agreements or obligations that may impact rates. GWA's request to bypass the contract review process, if granted *in toto*, would extinguish a "critical, indeed absolutely essential, element of the ratemaking process in the context of the Guam regulatory scheme." As the PUC consultants have expressed, "should a utility freely enter into contracts, without prior review as to their reasonableness or prudence, the PUC's statutory mandate 'would eviscerate the regulatory scheme contemplated by Guam law'" and "its regulatory role would be rendered meaningless."

The ALJ, however, recognizes the need for efficient regulatory oversight. And on balance, finds that where the Commission has already reviewed and approved projects, along with any corresponding project cost estimates, GWA need not seek approval for solicitation for contracts related to such projects. Accordingly, the ALJ does not recommend any such total exemption of bond-funded projects from GWA's Contract Review Protocol at this time. Instead,

<sup>&</sup>lt;sup>28</sup> *Id*.

<sup>&</sup>lt;sup>29</sup> Id.

<sup>&</sup>lt;sup>30</sup> *Id*.

the ALJ finds it reasonable to allow GWA to procure any contracts associated with such bondfunded projects without PUC approval of such procurement since the PUC has already approved these projects, along with their corresponding budget estimates.

## D. Request for Exemption of PMO Office Projects

In the Petition, GWA further requests that the PUC approve an exemption from GWA's Contract Review Protocol "for projects involving the program management office for both the 2010 series bond funded projects and the 2013 series bond funded projects." GWA submits that "[t]his request is consistent with prior PUC approval of Stipulated Order Projects being exempt from Contract Review Protocol (Docket No. 05-10) the project[s] required under the '2011 Court Order' or Order for Preliminary Relief dated November 10, 2011 are considered exempt from Contract Review Protocol based on Docket No. 05-10." 32

For the reasons stated in Part C above, the ALJ does not recommend any exemption of PMO office projects at this time. In addition, pursuant to the PUC Order issued in GWA Docket 13-01, GWA is currently required to provide the PUC, and the PUC's consultants, with monthly reports generated by the PMO to track the PMO's progress in an effort to monitor the effectiveness of the PMO.<sup>33</sup> Moreover, GWA is also required to file a report with the PUC on May 15, 2014 indicating, among other things, allocated budgets to date, actual spending to date, along with an assessment of the project completion.<sup>34</sup>

Petition, p. 3.

Petition, p. 5.

<sup>&</sup>lt;sup>33</sup> PUC Order, GWA Docket 11-02, p. 4 (Dec. 30, 2013).

<sup>&</sup>lt;sup>34</sup> PUC Order, GWA Docket 11-02, pp. 3-4.

#### CONCLUSION AND RECOMMENDATION

Pursuant to 12 G.C.A. §12005, the PUC is tasked with reviewing and approving all uses of bond proceeds. Pursuant to 12 G.C.A. §12004, the PUC is further tasked with approving contracts or obligations that may impact rates.

Based on the administrative record related to GWA's bonds, the ALJ hereby finds that the PUC has long recognized the need to provide agencies with flexibility related to expenses or costs that exceed, or come under, amounts originally estimated. And while in this instance GWA is not seeking a contingency reserve, it does seek a mechanism which would provide it with flexibility to deal with cost overruns and projects that come under budget; and that permitting GWA to transfer any available funds to projects in amounts not to exceed twenty percent (20%) of the approved budget for such projects would provide GWA with the funding flexibility it seeks.

Accordingly, and based on historical practice, the ALJ finds that GWA should be permitted to transfer any available funds to projects in amounts not to exceed twenty percent (20%) of the approved budget. And in line with past practice, amounts over the twenty percent (20%) value should of course be subject to prior PUC approval as a reprogramming of bond funds

With respect to GWA's request for authorization to reduce Bond funding for projects "in whatever amounts GWA finds reasonable," the ALJ finds this request reasonable. In this regard, the ALJ recommends that GWA should be required to advise the PUC with a "detailed reporting to the PUC that accurately detail[s] how and why GWA has moved the funds

Petition, p. 2.

from one project to another."<sup>36</sup> This reporting should be made at least sixty (60) days prior to such project funding reduction.

With respect to GWA's request that the PUC waive the requirements of GWA's Contract Review Protocol with regard to all bond-funded projects, the ALJ finds that where the Commission has already reviewed and approved projects, along with any corresponding project cost estimates, it may be sufficient that GWA not seek approval for solicitation for contracts related to such projects. Accordingly, while the ALJ does not recommend any such total exemption of bond-funded projects from GWA's Contract Review Protocol at this time, the ALJ instead finds it reasonable to allow GWA to procure any contracts associated with such bond-funded projects without PUC approval of such procurement since the PUC has already approved these projects, along with their corresponding budget estimates.

Lastly, with respect to GWA's request that the PUC waive the requirements of GWA's Contract Review protocol with regard to PMO office projects, the ALJ does not recommend any exemption of PMO office projects at this time. A proposed Order is submitted herewith for the Commissioners' consideration.

Respectfully submitted this 27th day of March, 2014.

JOEPHET R. ALCANTARA Administrative Law Judge

P143030.JRA

Petition, p. 2.

## BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN RE:	PETITION TO (1) APPROVE	)	<b>GWA DOCKET 14-04</b>
	PROJECTS FUNDED BY THE	)	
	2013 BONDS; AND (2) TO	)	
	APPROVE AN EXEMPTION	)	
	UNDER THE CONTRACT	)	ORDER
	REVIEW PROTOCOL FOR	)	
	PROJECTS INVOLVING THE	)	
	PROGRAM MANAGEMENT	)	
	OFFICE FUNDED BY BOND	)	
	PROCEEDS	)	
		í	

This matter comes before the Guam Public Utilities Commission (the "PUC") pursuant to the Petition to (1) Approve Projects Funded by the 2013 Bonds; and (2) To Approve an Exemption Under the Contract Review Protocol for Projects Involving the Program Management Office Funded by Bond Proceeds ("Petition"), filed by the Guam Waterworks Authority ("GWA") on February 6, 2014.

#### **DETERMINATIONS**

In its Petition, GWA sought PUC approval of the projects to be funded by the 2013 Bond proceeds. The PUC approved the 2013 Bond projects at its February 25, 2014 meeting.

GWA's Petition, however, also sought authorization from the PUC for flexibility to transfer funds between approved bond-funded projects in an amount equal to twenty percent (20%) of the total value of each project. Accordingly to GWA, this twenty percent (20%) value would relate "solely to increases while GWA is also requesting the ability to reduce Bond projects in whatever amounts GWA finds reasonable."

Petition, p. 2.

Further, GWA requested that the PUC exempt all bond-funded projects from the review and approval process of GWA's Contract Review Protocol.<sup>2</sup> Such exemption was also requested with respect to projects involving GWA's Program Management Office.<sup>3</sup> On March 27, 2014, the Administrative Law Judge of the PUC issued an ALJ Report addressing these issues. In the ALJ Report, the ALJ determined the following.

Pursuant to 12 G.C.A. §12005, the PUC is tasked with reviewing and approving all uses of bond proceeds. Pursuant to 12 G.C.A. §12004, the PUC is further tasked with approving contracts or obligations that may impact rates.<sup>4</sup>

In addition, GWA's Contract Review Protocol requires GWA to seek PUC approval for "[a]ll capital improvement projects (CIP) in excess of \$1,000,000 whether or not a project extends over a period of one year or several years"; "[a]ll professional service procurements in excess of \$1,000,000"; as well as for "[a]ny contract or obligation not specifically referenced above which exceeds \$1,000,000, not including individual contracts within an approved CIP or contract . . . ." The Contract Review Protocol further provides that the "PUC's administrative law judge is authorized to interpret the meaning of any provision of this order, in furtherance of the contract review process."

Petition, p. 4.

Petition, p. 5.

<sup>&</sup>lt;sup>4</sup> "The utilities shall not . . . enter into any contractual agreements or obligations which could increase rates and charges prior to the written approval of the Commission." 12 G.C.A. §12004

<sup>&</sup>lt;sup>5</sup> GWA Administrative Docket 00-04, Contract Review Protocol, p. 1 (Oct. 27, 2005).

<sup>&</sup>lt;sup>6</sup> GWA Administrative Docket 00-04, Contract Review Protocol, p. 5.

Furthermore, pursuant to the November 18, 2013 Order, issued by this Commission in GWA Docket 14-01, GWA "must obtain prior approval of the Projects, as scheduled on Exhibit A to the Debt Order, before either procurement can begin on the projects or before bond proceeds can be expended or committed on them. Any reprogramming of projects and the associated bond funds shall be subject to prior Commission approval."

Consequently, the ALJ found that the PUC has long recognized the need to provide agencies with flexibility related to expenses or costs that exceed, or come under, amounts originally estimated. The ALJ further found that while GWA was not seeking a contingency reserve, it was seeking a similar mechanism which would provide it with flexibility to deal with cost overruns and projects that come under budget. The ALJ, therefore, determined that permitting GWA to transfer any available funds to projects in amounts not to exceed twenty percent (20%) of the approved budget for such projects would provide GWA with the funding flexibility it seeks.

As a result, and based on this historical practice, the ALJ found that GWA should be permitted to transfer any available funds to projects in amounts not to exceed twenty percent (20%) of the approved budget. The ALJ noted that, as with past practice, any amounts over the twenty percent (20%) value should be subject to prior PUC approval as a reprogramming of bond funds.<sup>7</sup>

With respect to GWA's request for authorization to reduce Bond funding for projects "in whatever amounts GWA finds reasonable," the ALJ found the request to

<sup>&</sup>lt;sup>7</sup> See, e.g., PUC Order, GWA Docket 14-01, p. 1 (Nov. 18, 2013) ("Any reprogramming of projects and the associated bond funds shall be subject to prior Commission approval.").

<sup>&</sup>lt;sup>8</sup> Petition, p. 2.

be reasonable. In such circumstances, the ALJ agreed with GWA's recommendation that GWA should be required to advise the PUC with a "detailed reporting to the PUC that accurately detail how and why GWA has moved the funds from one project to another." The ALJ recommended that this reporting should be made at least sixty (60) days prior to such project funding reduction.

With respect to GWA's request that the PUC exempt all bond-funded projects from the review and approval process of GWA's Contract Review Protocol, the ALJ recognized the need for efficient regulatory oversight. And on balance, found that where the Commission has already reviewed and approved projects, along with any corresponding project cost estimates, it may be sufficient that GWA not be required to seek approval for solicitation for contracts related to such projects. The ALJ, however, did not recommend a total exemption of bond-funded projects from GWA's Contract Review Protocol, but instead, recommended that the PUC allow GWA to procure any contracts associated with such bond-funded projects without PUC approval of such procurement since the PUC has already approved these projects, along with their corresponding budget estimates.

With respect to GWA's request that the PUC exempt all projects involving GWA's Program Management Office from the review and approval process of GWA's Contract Review Protocol, the ALJ did not recommend any exemption of PMO office projects at this time. The ALJ noted that pursuant to the PUC Order issued in GWA Docket 13-01, GWA is currently required to provide the PUC, and the PUC's consultants, with monthly reports generated by the PMO to track the PMO's progress in an effort to

Petition, p. 2.

monitor the effectiveness of the PMO.<sup>10</sup> Moreover, GWA is also required to file a report with the PUC on May 15, 2014 indicating, among other things, allocated budgets to date, actual spending to date, along with an assessment of the project completion.<sup>11</sup>

The Commission hereby adopts the findings contained in the March 27, 2014 ALJ Report and, therefore, issues the following:

## **ORDERING PROVISIONS**

Upon careful consideration of the record herein, and for good cause shown, on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS the following:

- 1. That GWA may transfer any available funds to Bond projects in amounts not to exceed twenty percent (20%) of the approved budget for such projects. Any amounts over the twenty percent (20%) of this authorized limit shall require prior PUC approval as a reprogramming of bond funds.
- 2. That GWA may reduce Bond funding for projects; however, GWA shall be required to advise the PUC with a report to the PUC that accurately details how and why GWA has moved the funds from one project to another. This reporting shall be made at least sixty (60) days prior to such project funding reduction.
- 3. That GWA may solicit and issue procurements where the Commission has already reviewed and approved Bond projects, along with any corresponding project cost estimates. GWA shall continue to seek prior PUC approval,

<sup>&</sup>lt;sup>10</sup> PUC Order, GWA Docket 11-02, p. 4 (Dec. 30, 2013).

PUC Order, GWA Docket 11-02, pp. 3-4.

under GWA's Contract Review Protocol, for contracts resulting from such procurements prior to the execution of such contracts.

4. GWA is ordered to pay the PUC's regulatory fees and expenses, including and without limitation, consulting and counsel fees, and the fees and expenses associated with this docket. Assessment of the PUC's regulatory fees and expenses is authorized pursuant to 12 G.C.A. §§ 12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the PUC.

SO ORDERED this 31st day of March, 2014.

JEFFREY C. JOHNSON Chairman	ROWENA E. PEREZ Commissioner
JOSEPH M. MCDONALD Commissioner	FILOMENA M CANTORIA Commissioner
MICHAEL A. PANGELINAN Commissioner	PETER MONTINOLA Commissioner
ANDREW L. NIVEN	P143031 IRA