

BEFORE THE PUBLIC UTILITIES COMMISSION
OF GUAM

RECEIVED
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PUBLIC UTILITIES
COMMISSION

REVISION OF PUBLIC UTILITIES
COMMISSION REGULATIONS

DOCKET 00-04

ORDER


In furtherance of its authority under 12 GCA section 12002.1 and 12013, the Commission has undertaken a review of its rules of practice and procedure and has developed amended rules, which shall make proceedings before the Commission more efficient and responsive to the needs of regulated utilities. In accordance with the requirement of the Administrative Adjudication Act, the Commission conducted a public hearing on the amended rules, after due and lawful notice [copy attached as **Exhibit A**]. Comments regarding the proposed amended rules were received from Guam Waterworks Authority (GWA) [copy attached as **Exhibit B**].

Having reviewed and considered the proposed amended rules at a duly noticed and convened Commission meeting held on February 23 and 24, 2000, and on motion duly made, seconded and carried by a vote of seven Commissioners, the Commission hereby **ORDERS THAT:**

1. The Commission amended rules, in form attached as **Exhibit C** to this Order are hereby approved by the Commission.
2. In accordance with the mandate of 5 GCA section 9303 [as amended by P.L. 24-27], an original approved copy and one duplicate of these rules, together with the taped transcript of the Commission's February 22, 2000 public hearing, GWA's February 22, 2000 letter comments and this Order shall be transmitted to the Legislative Secretary of the Guam Legislature.

Dated this 25th day of February, 2000.


Terrence M. Brooks


Joseph D. Torres


Vicente D. Gumataotao


Edward C. Crisostomo


Filomena M. Cantoria


Joseph M. McDonald


Paul E. R. Packbier

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF GUAM**

REVISION OF PUBLIC UTILITIES)	
COMMISSION REGULATIONS)	DOCKET 92-04
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PUBLIC NOTICE

The Guam Public Utilities Commission [Commission] provides notice of a public hearing, which shall be held at 6:00 p.m. on February 22, 2000 at Suite 202, GCIC Building, Hagatna, Guam to receive comments on proposed amendments to the Commission's rules of procedure. A copy of the amended rules of procedure is available for public inspection at the Commission's office at Suite 401, GCIC Building.

At the public hearing, interested parties shall be afforded the opportunity to present facts, argument, written data and views regarding the proposed rules. Further information about the hearing may be obtained from the Commission's executive director, Monessa Leon Guerrero at 472-1907. Persons with disabilities who need special accommodation to attend the hearing should also contact Ms. Leon Guerrero at the number listed above.

EXHIBIT A



GUAM WATERWORKS AUTHORITY

Government of Guam

Post Office Box 3010, Hagåtña, Guam 96932

Phone: (671)479-7823/7820 Fax: (671)649-0158

Harry M. Boertzel
Administrative Law Judge
Public Utilities Commission
Suite 401, GCIC Building
414 West Soledad Avenue
Hagåtña, Guam 96910
Facsimile No. 472-1917

FEB 22 2000

Re: Comments on Proposed PUC Rules & Regulations and
Contract Review Protocol for GWA, Docket 00-04



Dear Mr. Boertzel:

We have reviewed the subject proposals and would offer the following comments.

Rule 20: Standard Filing Requirements

(e) Written Testimony - If testimony "should" be in question and answer format, request that wording be inserted to indicate if narrative testimony is still permitted or not.

Rule 21: Filing Schedules Instruction

- (a) Schedule A- Revenue Requirement: The GWA is omitted from the description, and would suggest that either the omission be noted or that some comment be provided that allows GWA to define its own revenue requirements.
- (b) Schedule B - Revenues: Same comment as for Schedule A.

Concerning the contract review protocol (Docket 00-04), there should be some specific reference in paragraph 1 as whether federal grants, contribution in aid, or other externally funded projects are to be included. This may be implied in the "All Capital Improvements Projects" phrase, but would be better if these other externally funded CIP's were specifically referenced.

Paragraph 2 should be made clearer. It appears to reference any contracts which generate revenues outside of the normal rates and other charges set forth in the GWA tariff, but needs to be more specific.

Very truly yours,

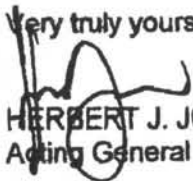

HERBERT J. JOHNSTON, JR.
Acting General Manager

EXHIBIT B

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF GUAM**

**ADMINISTRATIVE DOCKET -)
COMMISSION RULES OF PROCEDURE)**

DOCKET NO. 00-04

RULES FOR PRACTICE AND PROCEDURE BEFORE COMMISSION

PART 1. DEFINITIONS AND GENERAL PROVISIONS

Rule 1. Definitions.

- (a) "Applicant" or "Petitioner" means a party seeking approval, authority, permit or exemption or other relief.
- (b) "Complainant" means a party who files a complaint.
- (c) "Party" to a proceeding before the Commission means a person by or against whom a proceeding is commenced, or a person admitted by the Commission to intervene in a proceeding pursuant to these rules.
- (d) "Person" means an individual, partnership, corporation, association, body, politic, or territorial agency.
- (e) "Respondent" means a party who is complained against, a party investigated or ordered to show cause.
- (f) "Commission" means the Guam Public Utilities Commission.
- (g) "ALJ" means the Commission's administrative law judge.
- (h) "Application for rate change" means an application by a regulated utility to establish, abandon, modify, depart from, or change any rate, charge, tariff, or assessment which is assessed upon a utility customer.
- (i) "Utility" means any utility regulated by the Commission under law.

Rule 2. Applicability and Construction of Rules.

These rules govern practice and procedure in all matters before the Commission and shall be liberally construed by the Commission to secure just, economical, and expeditious determination of the issues presented.

EXHIBIT C

Rule 3. Information, Documents, and Communications.

(a) Information as to established practice or procedure under these rules will be furnished to any person upon application to the Commission's Executive Director.

(b) Applications and other documents shall be in writing and shall conform to all requirements of these rules. The Executive Director, upon reasonable request, will advise as to the form of petition, answer or other papers necessary to be filed in any docket and furnish such information from the files of the Commission as will aid in a full presentation of material facts.

(c) Documents filed with the Commission shall be printed, typewritten or otherwise mechanically reproduced, shall be upon paper 8 1/2 inches by 11 inches in size, or folded to such size, or on such forms as may be hereafter supplied by the Commission. Documents shall contain a heading with the name of the Commission, the docket number and a descriptive title of the information being filed.

(d) Communications and documents shall be addressed to the Commission, c/o Suite 401, GCIC Building, 414 West Soledad Ave., Hagatna, Guam 96910 or at such other location as the Commission may by public published notice, direct.

Rule 4. Service of Papers.

Notices, petitions, answers and other papers or copies thereof required to be served in a proceeding may be served either personally, by mail or by fax; and when a person has appeared by attorney, service upon such attorney is deemed proper service. When a paper is served, the person serving the paper shall file with the Commission proof of service, or admission of service, by the person served or his attorney, annexed to a copy of the paper served, so that the Commission may know that the paper in question has been properly served and the date of the service. Any document which is filed with the Commission in a docketed proceeding shall be served upon all parties of record and upon Commission staff. Eight copies of any document of record shall be filed with the Commission.

Rule 5. Proceedings; Participation by Commission Staff.

The Commission staff, including Commission employees and consultants, may appear in any proceeding before the Commission and through its witnesses present testimony as to the results of its accounting, engineering and economic investigations, field studies, inspections, other technical investigations and studies. The Commission staff in any proceeding may file briefs, make statements of positions, cross-examine witnesses, or otherwise upon the record make recommendations, as it believes proper and lawful, based upon the evidence presented.

Rule 6. Decisions and Transcripts.

A certified copy of the decision and order in a proceeding will be furnished free of charge to each party of record. Copies of transcripts and additional copies of decisions shall be furnished at such rates as are established from time to time by Commission order.

Rule 7. Computation of Time.

In computing a period of time prescribed or allowed by rules of the Commission in which an act is to be performed after a specific date, act or event, the day of the specific date, act or event is not included and the last day of the period is included except when it is a Saturday, Sunday or legal holiday, the period runs until the end of the next day which is neither a Saturday, Sunday or legal holiday.

PART 2. INTERVENTION AND HEARING PARTICIPATION**Rule 8. Petitions.**

(a) A person not defined herein as a complainant, respondent, protestant, applicant or petitioner, and who claims an interest in a pending proceeding, may petition in the proceeding for leave to intervene at least 5 days prior to the date set for the hearing, and the petition when filed shall show service of copies thereof upon all parties to the proceeding. A petition to intervene which is not timely filed with the Commission shall not be granted by the Commission unless the denial of the petition is shown to be detrimental to the public interest or to be likely to result in a miscarriage of justice, and unless all parties, excluding intervenors, have an adequate opportunity to file answers as hereinafter set forth and to be heard with respect thereto.

(b) A petition to intervene shall set out clearly and concisely the facts supporting the petitioner's alleged right or interest, the grounds of the proposed intervention, and the position of the petitioner in the proceedings, so as fully and completely to advise the parties and the Commission of the specific issues of fact or law to be raised or controverted.

Rule 9. Answers.

A party and Commission staff may file an answer to a timely petition to intervene on or before the date if any, set for hearing upon the petition or on and before the date set for hearing upon the merits, whichever is earlier. An adequate opportunity to file an answer to a petition to intervene, which is not timely filed, shall be afforded to any such party and to the Commission staff.

Rule 10. Ruling.

As soon as practicable after expiration of the time for filing answer to a petition for intervention, the ALJ will grant or deny the petition in whole or in part, or if found to be appropriate may authorize limited participation. A person granted leave to intervene in whole or in part is an intervenor and shall be a party to the proceeding. The granting of a petition to intervene in whole or in part is not recognition that the intervenor may have rights to appeal from any order of the Commission entered in that proceedings, except as otherwise provided by law.

Rule 11. Participation in Rate Proceeding without Intervention.

(a) In accordance with 12 GCA §12004, members of the general public [applicants] may participate in a rate proceeding pursuant to this rule without petition for intervention.

(b) An applicant shall file a petition with the Commission not less than 5 days prior to the hearing, declaring:

- (i) the testimony and evidence applicant intends to intended to introduce at the hearing.
- (ii) Whether the applicant intends to present witnesses, with offer of proof for each witness.

(c) Petitions under this rule shall be liberally construed by ALJ; provided that the proposed evidence is relevant and will not unduly impede the adjudicative process.

(d) Applicants and their witnesses shall be subject to cross-examination by the parties. Applicant shall not be regarded as a party and have no right to cross-examine the witnesses of any party. Applicant's appearance under this rule shall be subject to such conditions as may be reasonably imposed by ALJ.

Rule 11.1 Public Comment.

At any public hearing, the general public will be invited, under such conditions as may be established by the ALJ, to present comments regarding the hearing subject matter. Presenters shall have no right to question any witness, party or the Commission.

PART 3. COMPLAINTS

Rule 12. Contents and Kinds.

(a) A complaint shall be limited to allegations that a utility is violating or neglecting to comply with the terms of its loans and contracts, or with any territorial or federal law, or with any provision of its enabling legislation or any rule or order of the Commission or that any of its rates, assessments, costs or charges are unreasonable or unreasonably discriminatory (the “alleged misconduct”). A complaint may be either formal or informal and may be made by a person having good or sufficient reason or by the Commission on its own motion.

(b) An informal complaint shall be in writing and signed by complainant, and contain a concise statement of the facts involved and the name and address of the complainant and the party complained against. The Commission will attempt to settle problems arising under an informal complaint without formal action when possible.

Rule 13. Formal Complaints; Copies and Contents.

A formal complaint shall be in writing and shall be filed with the Commission and with as many additional copies as there are parties complained against, and shall contain:

- (a) The full name and post office address of the complainant.
- (b) The full name and post office address of each respondent.
- (c) A full, clear and reasonably certain statement of the alleged misconduct with reference where practicable to the sections of law, order or rules of which a violation is claimed.
- (d) The signature of the complainant and the name and post office address of the complainant and his attorney, if any.

Rule 14. Formal Complaints; Examination; Dismissal.

Upon the filing of a formal complaint, the ALJ shall immediately examine it to ascertain whether it states a prima facie case of an alleged misconduct and conforms to these rules. If the ALJ believes that the complaint does not state a prima facie case or does not conform to these rules, he shall so notify the complainant or his attorney, and opportunity may be given to amend the complaint within such time, or such extension thereof as the ALJ for good cause shown may grant, or if the complaint as amended does not state a prima facie case or conform to these rules, it shall be dismissed.

Rule 15. Formal Complaint; Service of Copies and Notices to Answer.

If the ALJ believes that the complaint, either as originally filed or as amended, does state a prima facie case and conforms to these rules, he shall serve upon each respondent a notice accompanied by a copy of the complaint requiring that the matter complained of be satisfied, or that the complaint be answered, within 20 days from the date of service thereof or within such further time as the ALJ may fix upon good cause shown. However, if a motion to dismiss a complaint is served as hereinafter permitted, no answer need be made unless the ALJ denies the motion or postpones its disposition until a hearing on the merits, and in either event the answer shall be made within 20 days after notice to the respondent of the ALJ's action.

Rule 16. Formal Complaint; Respondent's Offers of Relief.

If a respondent desires to satisfy the complaint, it may submit to the Commission within the time allowed for the satisfaction or answer, a statement of the relief which it is willing to offer. On the acceptance of this offer by the complainant and approval of the ALJ, no further proceeding need be taken. If the offer of satisfaction is refused by the complainant, an answer shall be filed by the respondent within 20 days from the receipt by respondent from the Commission of notice of the refusal.

Rule 17. Formal Complaints; Motions to Dismiss and Answers.

The defense that the complainant does not have a good or sufficient reason for making a formal complaint, that the complainant is without standing to make the complaint, or that a formal complaint fails to state a prima facie case or otherwise fails to conform to these rules, may be raised by motion to dismiss or answer at the option of the respondent. All other defenses to the complaint shall be raised by answer. The motion to dismiss or answer, accompanied by proof of service of a copy thereof on the complainant shall be filed with the Commission. The answer shall contain a specific denial of the material allegations of the complaint controverted by respondent and also a statement of new matters constituting an affirmative defense. If the answering party has no information or belief on the subject sufficient to enable it to answer an allegation of the complaint, it may so state in its answer and place its denial upon that ground.

Rule 18. Burden of Evidence and Proof.

In a complaint proceeding, the complainant has the burden of going forward with presentation of evidence unless otherwise ordered by the ALJ. The complainant has the burden of proof as to factual allegations relied upon as constituting the basis for the complaint and the respondent has the burden of proof with respect to affirmative defense.

PART 4. APPLICATION FOR RATE RELIEF

Rule 19. Application.

Part 4 applies to an application by a utility to establish, abandon, modify, depart from, or change any rate, charge, tariff, or assessment, which is assessed upon a utility customer. (hereinafter referred to as a "change in rates").

Rule 20. Standard Filing Requirements ("Requirements").

(a) Purpose - The Requirements are designed to assist the Commission in performing a thorough and expeditious review of an application for a change in rates.

(b) Applicability - The Requirements are applicable to all utilities under the Commission's jurisdiction. Certain unique aspects of a utility's business may require some schedules to be tailored or eliminated for a specific utility. The ALJ is authorized, from time to time, to establish, tailor, or eliminate schedule formats consistent with this purpose.

(c) Minimum Requirements - The Requirements contain the minimum information which a utility shall submit with its application for a change in rates. If the applicant utility believes that additional information is necessary to support its case or is proposing a position which requires a departure from the basic schedules (e.g., a special revenue adjustment proposal), the utility should supplement the requirements as required to support its position. In addition, the ALJ may require a utility to supply information to supplement these requirements during the course of the staff investigation of a specific case.

(d) Waiver of Information Requirements - All information required by these Requirements must be included with the application at the time of filing. The ALJ may reject any filing not complying with these requirements and require the utility to refile its application. If any information required by these Requirements cannot be provided or is not applicable to a utility, or is considered unnecessary, within the context of the application, a written request for waiver of the specific information requirements must be submitted to the ALJ. The request for waiver should set forth the specific reasons why relief from the requirements should be granted. The waiver must be obtained prior to filing an application for a change in rates.

(e) Written Testimony - Utilities shall file with the application, the prepared testimony of utility personnel or other expert witnesses in support of the utility's proposal with the application. Prepared testimony should be in question and answer format, should include the qualifications of the person providing the testimony and shall contain an averment of truth and accuracy.

(f) Working papers - Working papers and supporting exhibits in the Requirements shall be available to the Commission staff at the start of the staff investigation. Working papers must be keyed to the appropriate standard filing exhibits, must be indexed, and must contain the name of the person preparing the working paper and date prepared. Working papers should be cross-indexed wherever possible to minimize duplication of data. When assumptions are made of working paper schedule amounts, narrative or other support should be included so that the reasonableness of the work paper can be reviewed. If a schedule contains a "wording paper reference number" the work papers must be submitted with the application.

Rule 21. Filing Schedules Instruction.

(a) Schedule A - Revenue Requirement.

A rate filing implies that a utility is anticipating either that its current rate structure is insufficient to provide the cash for its operations or that the cash generated from operations will not provide sufficient cash to comply with its indenture requirements. Accordingly, a utility shall summarize on Schedule A, in form as established for each utility by the ALJ, the revenue deficiency, which it anticipates will occur unless additional revenues are provided by the Commission through an increase (or change) to its rate structure. Examples of Schedule A, as crafted for GPA's and GTA's use, are attached to these Rules as Exhibits 1 and 2 for information purposes.

Schedule A, and the supporting schedules hereinafter described, shall cover a three-year span, which is important as it will show the financial results under the current rate structure [historic year]; the financial results under the existing rate structure [current and forecast years]; and the financial results of operations under the proposed increase in (or redesign of) existing rates. The historic year shall be fully audited with a copy of the independent audit accompanying the filings. Schedule A shall contain a proforma income statement for each year, including the revenues, operating expenses, operating income, interest, depreciation, other revenues and expenses, and net income. These items shall be presented using the Uniform System of Accounts as required by FERC (GPA) or the FCC (GTA) to the extent possible and such other system of accounts for the other utilities as the Commission may order. For GPA, Navy customer service agreement costs may be shown separately. In addition to the proforma income statements on Schedule A, a derivation of the debt service requirements (Debt Service Coverage Ratio - GPA) (Times Interest Earned Ratio [TIER] - GTA) should be clearly shown and the minimum requirement for these ratios identified.

A cash flow statement shall be provided on Schedule A to show the sources and uses of cash for each scheduled year, including the forecasted periods both with and without the additional revenues sought. The cash flow statement shall begin with the cash derived from operations (net income plus depreciation and amortization) and clearly indicate any other sources or uses of cash. Note: If one of the uses of cash is directly related to a desired level of coverage [DSCR for GPA TIER for GTA], the total amount of this cash requirement should be shown on this schedule. Testimony should be filed in support of the requested level of coverage.

The fourth schedule column shall show the forecasted results of operations and the resultant cash flow items, should the Commission award the utility with its request in full. If the additional revenue shown in this column is not the deficit indicated in the forecast year (third column), a detailed explanation must be provided. Each of the revenue, expense, coverage and cash flow items on Schedule A shall, as discussed in subparagraphs (b) through (k) below, reference a separate schedule which provides further details on these items for the schedule years.

For GTA only, an additional jurisdictional summary schedule shall be filed which excludes revenues and expenses which it asserts are unregulated (e.g., cellular operations, CPE, etc.) and the revenues (contracts or access charges) and expenses related to operations under the FCC regulatory jurisdiction. This schedule should represent a locally regulated summary of the deficiency to be recovered through increased local rates and should be accompanied by any relevant cost study for the non-regulated services as well as the appropriate separation factors and the related separation study which derives these factors.

(b) Schedule B - Revenues.

A utility shall provide the details deriving each revenue item shown on Schedule A for the three schedule years with the forecast year shown both with and without the requested changes.

1 . GPA: For base revenues, GPA shall provide the relevant customer and sales data which was used to derive the base revenues shown on Schedule A. The derivation of any forecasted revenues should clearly show the method being used to forecast such revenues. Contained in the derivation of base revenues shall be a sub-schedule showing the sales (\$ and Kwh) by customer classification. No format for this information is established, since GPA may elect to forecast revenues by specifically identifying customer, demand and energy charges rather than an average yield per customer. If the sales forecast used in the projection of base revenues has changed from the previous forecasts provided to the Commission, a copy of the new study should accompany the filing. GPA shall provide the details underlying the assumptions contained in the fuel revenues shown on Schedule A, including the sales and per barrel cost of oil assumed within the filing. GPA shall also provide a three year summary of miscellaneous revenues clearly showing the components of such revenues in order to determine any underlying assumptions for the forecasted year. At GPA's discretion, other revenues may be identified separately [such as contract revenues from Navy, revenues received through authorized surcharges, revenues received under contract with PUAG, etc.] or as miscellaneous revenues.

2. GTA. The details of subscriber revenues, by customer class, shall be a component of Schedule B and shall clearly show how the forecasted revenue for each class was determined. For toll revenues, a summary sub-exhibit shall be prepared showing any forecasted toll revenues. Sufficient information should be contained in this exhibit to determine GTA's assumptions concerning customer growth, minutes of use, etc. For cellular access revenues, a sub-schedule shall be provided which contains the historic revenues and method by which such revenues were billed (e.g., minutes of use) and which shows the assumptions used by GTA for forecasting such revenues. For directory and cellular revenues, a sub-schedule shall be provided to clearly demonstrate how these revenues were forecasted.

3. ALJ may establish special Schedule B filing requirements for the other utilities.

(c) Schedule C - Operating Expenses.

A utility shall provide a schedule summary of operating expenses in its particular budget format. A complete operating expense budget for the forecast year should accompany the filing. A utility shall indicate whether such budgets have been approved by its board. If the current schedule year is being forecasted based on an existing operating budget, a variance report, by cost center and object code, shall also be provided.

A separate sub-schedule, showing internal labor costs for the three schedule years shall be filed, showing the components of labor costs: regular pay, overtime, pension (both funded and unfunded), etc. and the number of employees in each schedule year. For the historic year, a utility shall provide the average and year-end number of employees. For the current and forecast schedule year, it shall provide the number of employees assumed in the budgets for those years. A description of any new budgeted (current and forecasted) positions and the total costs associated with those positions should also be provided. A schedule of non-labor O&M costs shall also be provided for each schedule year with a computation of the capitalized portion of operating expenses.

(d) Schedule E - Navy CSA Costs [GPA only].

GPA shall schedule the costs associated with the Navy customer service agreement for each schedule year, including the expense incurred or forecasted in FERC format with operations and maintenance.

(e) Schedule F - Debt Service.

A utility shall provide for each schedule year a schedule of the complete details underlying the interest expense assumptions contained in Schedule A, including debt amounts (actual and forecasted) and interest rates. The payment schedules for each schedule year for embedded bonds in the capital structure should also be provided.

(f) Schedule G - Internally Funded Construction.

A utility shall provide for each schedule year a prioritized schedule of the capital improvement projects which were or will be internally funded. For the current year, an updated report showing amounts expended and revision in costs or completion dates should also be provided.

(g) Schedule H - Working Capital.

A utility shall provide for each schedule year a schedule containing a detailed calculation of working capital. For the forecast year, the computation should include a with and without rate relief scenario. Note: GPA has historically employed a balance sheet approach and, therefore, this schedule should contain the balance sheets from which the working capital accounts were derived.

(h) Schedule I - Other Cash Flow Items.

A utility shall provide for each schedule year a schedule of actual or forecasted additional sources or uses of cash which may affect cash flow, such as insurance, dispute settlements, etc.

(i) Schedule J - Proof of Revenues.

A utility shall file a proof of revenues, which demonstrates that the request rate change will result in the total revenue requirement of the utility, using its assumptions.

(j) Schedule 1 - Externally Funded Construction.

A utility shall provide for each schedule year, a schedule of externally funded projects, including cash flow [current and forecasted] completion dates, and expended and unexpended bond funds.

(k) Tariff Revisions.

A utility shall file proposed tariff revisions which show the requested tariff changes including any new tariffs requested for proposed new services.

PART 5. CONTRACT REVIEW PROCEDURES

Rule 22. The Commission shall by independent order after public hearing establish and amend a procedure to review utility contracts and obligations, pursuant to its duty under 12 GCA § 12004.

PART 6. INVESTIGATION AND INQUIRY

Rule 23. The Commission on its own motion and in furtherance of its oversight, regulatory and investigative authority under 12 GCA § 12004, § 12005 and § 12007, may initiate an inquiry or investigation concerning the business or operations of any utility. The provisions of these regulations applicable to hearings shall apply to any such investigation or inquiry.

PART 7. HEARINGS.

Rule 24. General Provisions.

(a) A public hearing will be granted when required by statute, or when the ALJ may determine in a specific case.

(b) Except as otherwise provided by statute, or waived by the utility, written notice of a hearing, at least two (2) weeks before the date set therefor, shall be served upon all parties and such other persons as the ALJ directs, unless the ALJ determines a longer period of notice for good cause. The notice shall state the time, place and nature of the hearing and a short and simple statement of the matters to be considered.

(c) ALJ shall conduct the hearings and shall oversee all prehearing activities.

(d) A hearing before the Commission shall be made a matter of record. It is not necessary that the record be transcribed in a proceeding unless a request for a transcript be made by a party or by the Commission. A transcript shall be indexed to show the location of the testimony of each witness and the introduction of all exhibits.

(e) The Commission shall act on a utility's application for rate change within one hundred twenty days after the final filing by the utility of all documentation, including responses to discovery, as may be necessary to support the application; provided, however, that the ALJ shall make the determination of when this "final filing" has occurred.

Rule 25. Prehearing Conference.

(a) On motion of a party or by order of the ALJ, the ALJ may conduct prehearing conferences. The ALJ shall set the time and place for prehearing conferences and give reasonable written notice to all parties.

(b) Prehearing conferences may deal with one or more of the following matters:

- i) Exploration of settlement possibilities.
- ii) Preparation of stipulations.
- iii) Clarification of issues.
- iv) Rulings on identity and limitation of the number of witnesses.
- v) Objections to proffers of evidence.
- vi) Order of presentation of evidence and cross-examination.
- vii) Rulings regarding issuance of subpoenas and protective orders.
- viii) Schedules for the submission of written briefs and schedules for the commencement and conduct of the hearing.
- ix) Any other matters as shall promote the orderly and prompt conduct of the hearing.

(c) The ALJ shall issue a prehearing order incorporating the matters determined at any prehearing conference.

(d) The Commission endorses a collaborative prehearing regulatory process, in which ALJ attempts to facilitate a consensus between the parties on hearing issues.

(e) ALJ may direct the parties to make such filings as may be necessary or appropriate in preparing applications and petitions for hearing.

Rule 26. Conduct of Hearing; Disqualification.

(a) Every hearing in a contested case shall be presided over by the ALJ who shall conduct the hearing, rule on the admission and exclusion of evidence and advise the Commission on matters of law.

(b) The ALJ or any Commissioner shall voluntarily disqualify himself or herself and withdraw from any proceeding in which he or she cannot accord a fair and impartial hearing or consideration. Any party may request the disqualification of the ALJ or a Commissioner by filing an affidavit, prior to the taking of evidence at a hearing, stating with particularity the grounds upon which it is claimed that a fair and impartial hearing cannot be accorded. The issue of whether a disqualification should be ordered shall be determined by the Commission. No Commissioner shall withdraw voluntarily or be subject to disqualification if his or her disqualification would prevent the existence of a quorum qualified to act in the particular docket.

Rule 27. Exhibits

(a) Direct testimony of a witness under oath may be offered in exhibit form if 8 copies of the exhibit are filed with the Commission and a copy served upon all parties to the proceeding or their attorney of record at least 5 days in advance of the hearing, unless otherwise scheduled by the ALJ.

(b) When in the circumstances of a particular proceeding it is deemed necessary or desirable, the ALJ may direct that testimony to be given upon direct examination shall be reduced to exhibit form and be served and offered in the manner hereinbefore described. A reasonable period of time shall be allowed for the preparation of such an exhibit.

(c) In any case and upon request therefor, a party shall have the right, notwithstanding any provision of this rule, to have any witness on his behalf present his direct testimony orally before the Commission. In any case, a witness whose testimony is submitted in exhibit form shall be made personally available for cross examination upon request by a party or the Commission staff. If the witness is not so made available, his testimony shall not be received in evidence.

(d) To the extent that it is received in evidence, testimony in exhibit form shall be fully copied into the record and shall be accorded the same weight and sufficiency as testimony adduced through oral examination.

Rule 28. Depositions, Interrogatories, and Discoveries.

The ALJ at his discretion, either upon his own motion or for good cause shown by Commission staff or by a party to a proceeding, may issue an order to take a deposition, interrogatory or discovery. The taking and use of such deposition, interrogatory or discovery shall be in the same manner as provided by the rules of the Superior Court of Guam, unless otherwise prescribed by the ALJ.

Rule 29. Initial Procedures.

(a) A hearing will be opened with a concise statement of its nature and purpose. Appearances then will be entered on the record. Parties and the Commission staff may make opening statements, or appropriate motions.

(b) Changes in the time and place of the first session of the hearing in any proceeding will be granted only for good cause shown. Notices of change in time and place, if granted, will be made only to parties to the proceeding and to persons who have appeared or who have petitions to intervene pending before the Commission in accordance with these rules. After a hearing has been convened, an adjournment shall be in the discretion of the ALJ. The ALJ upon his own motion may change the time and place of any session.

Rule 30. Evidence; General Provisions.

(a) The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions.

(b) Evidence, including records and documents in the possession of the Commission of which it desires to avail itself, shall be offered and made a part of the record in the proceeding and no other factual information or evidence shall be considered in the determination of the case, except as otherwise provided by law.

Documentary evidence may be received in the form of copies or excerpts, or by incorporation by reference.

(c) Each party shall have these rights: to call and examine witnesses, to introduce exhibits; to cross-examine opposing witnesses on any matter relevant to the issues even though that matter was not covered in the direct examination; to impeach any witness regardless of which party first called him to testify; and to rebut the evidence against it. If respondent does not testify in its own behalf it may be called and examined as if under cross-examination.

(d) Oral evidence shall be taken only on oath or affirmation.

Rule 31. Evidence; Judicial Notice.

The Commission may take notice of judicially cognizable facts and also of general, technical scientific facts within its specialized knowledge. Parties shall be notified, either before or during the hearing or by reference in preliminary reports or otherwise, of the material so noticed, and they shall be afforded an opportunity to contest the facts so noticed. The Commission may utilize its experience, technical competence and specialized knowledge in the evaluation of the evidence presented to it.

Rule 32. Evidence; Documents and Exhibits

(a) When evidence to be presented consists of technical matter or figures so numerous as to make oral presentation difficult to follow, it shall be presented in exhibit form, supplemented and explained, but not duplicated by oral testimony.

(b) Exhibits of documentary character shall be typed on 1 side only on sheets not exceeding 8 ½ inches by 11 inches or multiples thereof with a sufficient margin for binding, preferable 1 ½ inches to be left blank (on the left side of each sheet. If an exhibit is in excess of 8 inches wide, it shall be folded to be not more than 8 1/2 inches by 11 inches, if practicable. It is desirable that an exhibit of 2 or more sheets be stapled together and notation made at the top of the first sheet as to the number of sheets contained in the exhibit. An exhibit shall show

at the top the docket number and provide space for the name of the witness and the number and date of the exhibit. All exhibits offered at a hearing shall be identified in a manner prescribed by the ALJ.

(c) A party introducing documentary exhibits shall be prepared to furnish copies to all parties.

(d) Documentary evidence may be submitted subsequent to the closing of the hearing upon stipulation of the parties.

(e) Written or printed documents and maps received in evidence will not be returned to the parties, except with approval of the ALJ.

Rule 33. Arguments and Briefs.

(a) Oral argument may be given before the Commission at the ALJ's discretion, but shall be requested before or at the close of the hearing.

(b) Briefs may be filed at the discretion of the ALJ. Briefs which contain a statement of evidence or facts claimed to be established by evidence shall include a reference to the specific portion of the record in which such evidence may be found.

Rule 34. Subpoenas.

(a) At any time in any proceeding, the Commission may order a party or witness to attend and testify orally in open hearing. At the request of the Commission staff or a party, subpoenas for attendance at a hearing shall be issued by any Commissioner. A subpoena may also command the person to whom it is directed to produce the books, papers, documents or tangible things designated therein which shall be specified in sufficient detail.

(b) The Commission, upon motion made at or before the time specified in the subpoena for compliance therewith, may:

(i) Quash or modify a subpoena or subpoena duces tecum if it is unreasonable or oppressive or related to irrelevant or immaterial evidence, or

(ii) Condition denial of the motion, in the case a subpoena duces tecum, upon the advancement by the person in whose behalf the subpoena is issued, of the reasonable cost of producing the books, papers, documents or tangible things, unless otherwise provided by law.

(c) A subpoena shall be issued under the seal of the Commission, shall state the title of the proceeding and shall command each person to whom it is directed to attend and comply with the subpoena at a time and place therein specified.

(d) The fees and traveling expenses of witnesses shall be the same as allowed witnesses in the Superior Court.

Rule 35. Subpoenas; Service; Default in Compliance.

A subpoena shall be served in the manner prescribed by law for subpoenas in civil actions in the Superior Court. It may be served at any place within the territory. A subpoena duces tecum shall be served a least 4 days before the date specified for compliance. If a person fails to comply with a subpoena served upon him, or fails to attend or refuses to be sworn and testify, the Commission may stay further proceedings until the subpoena is obeyed. If a person who so fails to obey the subpoena is a party to the proceeding, or an officer, member or employee of a party, the Commission may strike all or any part off any pleading of such party, or refuse to allow such party to support or oppose designated claims and defenses, or delay the proceeding or any part thereof, or take such further action as the Commission deems appropriate under the circumstances. The Commission shall also have the enforcement remedies provided by 12 GCA § 12008.

PART 8. REOPENING AND REHEARING

Rule 36. Reopening of Hearing.

An application for reopening a hearing after final submission and prior to decision or order made by the Commission shall be by verified petition only; and an original and 8 copies shall be filed with the Commission. If the application for reopening is for the purpose of presenting further evidence, the nature and purpose of such evidence shall be briefly stated, the same shall not be merely cumulative, and good cause shall be shown for failure to produce such evidence at the original hearing. The application shall show service thereof on all other parties to the proceeding.

Rule 37. Rehearing.

An application for rehearing after a decision or order of the Commission shall be by verified petition only. An original and 8 copies of the application shall be filed with the Commission within 10 days from the issuance of the Commission decision or order and notice thereof. An application for rehearing based upon claim of error shall specify all findings of fact and conclusions of law claimed to be erroneous with a brief statement of the ground of error. An application for rehearing based upon newly discovered evidence, upon facts and circumstances arising subsequent to the hearing, or upon consequences resulting from compliance with the decision or order, shall set forth fully the matters relied upon. The application shall show service thereof on all the other parties to the proceeding.

Rule 38. Answers to Reopening and Rehearing Applications.

Within 20 days following service of an application for rehearing or for reopening a hearing, any party or Commission staff may file with the Commission an answer thereto, and in default thereof is deemed to have waived his objection to the granting of such application.

Rule 39. Proceedings Regarding Reopening and Rehearing Applications.

After due consideration of the application and answer, the Commission, in its discretion, shall determine whether good and sufficient cause has been shown by applicant for rehearing or reopening. Any hearing on such applications shall be conducted in accordance with Part 7 of these rules.

PART 10. OTHER PROVISIONS

Rule 40. Commission Expenses:

- a. A utility shall pay within 30 days of invoice:
 - ii] All expenses incurred by the Commission, including, without limitation consultant, counsel and recorder fees and expenses in any Commission docket or proceeding pertaining to the utility;
 - ii] An annual contribution, in amount determined by the Commission, to cover the Commission's administrative expenses.
- b. The Commission shall by order establish a schedule of fees and expenses for proceeding transcripts, document copies and other like charges.
- c. The Commission may, by order, establish such uniform penalties, as it may deem appropriate, for a utility's failure to comply with this Rule 40.

Rule 41. Arbitration Rules.

The Commission's procedural framework order, dated September 21, 1999 and attached hereto as Exhibit 3, as the same may be amended from time to time by Commission after hearing under Rule 24(b), shall govern the Commission's arbitration of disputes under section 252 of the Federal Communications Act of 1934 (as amended).

Rule 42. Declaratory Ruling.

On application of any interested person or upon its own initiative, the Commission may issue a declaratory ruling with respect to the applicability to any person, property, or state of facts of any rate or statute enforceable by it. A declaratory ruling, if issued after argument and stated to be binding, is binding on the state of facts alleged unless it is altered or set aside by the Superior Court of Guam under 5 GCA §9308. The provisions of these Rules applicable to hearings shall apply to any such declaratory rule application.

Rule 43. Regulatory Orders.

The Commission may, in the exercise of its regulatory authority, order the commencement of investigations, audits, rulemaking and other proceedings, which shall be overseen and directed by the ALJ in accordance with the Rules applicable to hearings.

GUAM POWER AUTHORITY
SUMMARY OF REVENUE REQUIREMENTS

	FY X Historic	FY X+1 Current	FY X+2 Projected	FY X+2 W. Request	Reference
Base Revenues					Schedule B, page
Fuel Revenues					Schedule B, page
Misc. Revenues					Schedule B, page
Requested Revenues				YYY	
TOTAL					
OPERATING EXPENSE					
Production (non-fuel)					Schedule C, page
Transmission/Distribution					Schedule C, page
Customer Accounting					Schedule C, page
Admin. & General					Schedule C, page
Fuel					Schedule D
Navy Contract					Schedule E D
Other					Schedule C, page
Operating Income as Defined by Covenant					
Depreciation/Amort.					
Interest					
Other					
Net Income					
DEBT SERVICE					
Principal					Schedule F E
Interest					Schedule F E
Total Debt Service					
Coverage					
Required Coverage					
Cash Generated From Operations					Schedule G F
Internally Funded Projects					Schedule F E
Principal Payments					Schedule H G
Working Capital					Schedule I, page
Other					Schedule I, page
Other					Schedule I, page
Other					Schedule I, page
Other					Schedule I, page
Surplus (Deficit)			\$(YYY)	\$0	H

EXHIBIT 1

GUAM TELEPHONE AUTHORITY - TOTAL COMPANY
SUMMARY OF REVENUE REQUIREMENTS

	FY X Historic	FY X+1 Current	FY X+2 Projected	FY X+2 W. Request	Reference
Subscriber Revenues					Schedule B, page
Toll Revenues					Schedule B, page
Cellular Access Revenues					Schedule B, page
Directory Revenues					Schedule B, page
Cellular Revenues					Schedule B, page
Other					Schedule B, page
TOTAL OPERATING REVENUES					
Plant Specific Expense					Schedule C, page
Plant Non-Specific Expense					Schedule C, page
Other					
Depreciation/Amort.					
Customer Operations					Schedule C, page
Corporate Operations					Schedule C, page
Taxes Other than Income					Schedule C, page
Other					Schedule C, page
Net Operating Income					
Non-operating revenues (net)					
Interest Income					
Income Available for Fixed Charges as defined by Bond Covenant					
FIXED CHARGES					
Interest on Funded Debt					Schedule F E
Interest on Retirement					
IDC					
Other Interest					
Net Income					
FIXED CHARGES					
T.I.E.R.					
Required T.I.E.R.					
Cash Generated From Operations					Schedule G
Internally Funded Projects					Schedule F
Principal Payments					Schedule H
Working Capital					Schedule I, page
Other					Schedule I, page
Other					Schedule I, page
Other					Schedule I, page
Other					Schedule I, page
Surplus (Deficit)			\$ (YYY)	\$0	H