



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:) GPA Docket 23-08
)
The Application of the Guam Power)
Authority Requesting Approval of the) **ORDER**
Revision of the GPA Line Extension Policy)
_____)

INTRODUCTION

This matter comes before the Guam Public Utilities Commission [“PUC”] pursuant to the Petition of the Guam Power Authority [“GPA”] for PUC Approval of the Revision of the GPA Line Extension Policy.¹

BACKGROUND

The current GPA line extension policy is set forth at 28 GAR §§ 3136-3139. A true and correct copy of the policy is attached to the ALJ Report as Exhibit “1”. In general, line extensions to supply electric service applicants are normally constructed, owned, operated and maintained by the Authority at its expense up to a certain length; however, for line extensions of greater length than the free extension allowance, new applicants are required to make an advance payment to the Authority of the estimated installed cost of such line extension in excess of the free length.² Private or government owned electric lines beyond the point where the service is delivered must be constructed and maintained without expense to Authority.³

¹ GPA Petition, GPA Docket 23-08, dated February 13, 2023, at p. 1.

² Id., at §3136 (a) and (b)(1).

³ Id.

Refunds may be made to the new customer if additional customers connect to the line.⁴ A new customer for a line extension may be partially refunded if additional customers connect within five (5) years from the date the extension is ready for service.⁵ GPA seeks to revise 28 GAR §3139(b)(4) by changing the time period during which existing and future customers who pay for a line extension could be partially refunded, if additional customers connect to the line, from five to fifteen years⁶

The Guam Consolidated Commission on Utilities [“CCU”] considered GPA’s proposal to modify the line extension policy, the purpose of which was “to allow additional time for existing and future customers who pay for line extension to be partially refunded if additional customers connect to the line extension within that period.”⁷ The CCU approved the policy revision proposed by GPA and authorized the General Manager of GPA “**to obtain legislative approval or PUC approval** to change the current GPA line extension policy set forth in the 28 GAR.”⁸ (emphasis added).

The Administrative Law Judge [“ALJ”] filed his Report herein dated April 18, 2023.⁹ The PUC adopts the conclusions and recommendations in the Report.

DETERMINATIONS

1. GPA has broad authority to amend its Rules; the Rule Making Procedures of the Administrative Adjudication Law are not applicable to GPA.

⁴ 28 GAR §3139(b)(3).

⁵ 28 GAR §3139(b)(4).

⁶ GPA Petition, GPA Docket 23-08, at p. 1.

⁷ Guam Consolidated Commission on Utilities, GPA Resolution No. FY2023-08, Relative to Revision of the GPA Line Extension Policy, adopted and approved on January 24, 2023.

⁸ Id., at p. 1.

⁹ ALJ Report, GPA Docket 23-08, dated April 17, 2023.

In this matter GPA proposes to amend its rules governing the line extension policy. In general, GPA has broad authority to “Adopt such rules and regulations as may be necessary for the exercise of the powers and performance of the duties conferred or imposed upon the Authority for the Board by this Article...”¹⁰ Ordinarily, agencies of the government must comply with certain “Rule-Making Procedures” under the Administrative Adjudication Law, 5 GCA §9300 et seq. Under such law, there are many procedural requirements, including a hearing, approval or “default approval” by the Guam Legislature, and approvals by the Governor and the Attorney General of Guam. These procedural requirements are not applicable to GPA.

GPA is specifically exempted from the requirements of the Administrative Adjudication Law. In 5 GCA §9102, the definition of “Agency” states: “...Agency does not include any entity in the legislative and judicial branches and **for the purposes of establishing charges of utility services, it does not include the Guam Power Authority** or the Guam Waterworks Authority.”¹¹ (emphasis added).

2. GPA has justified its proposed revisions to the Line Extension Policy.

The proposed revisions to the line extension policy are reasonable and prudent. New customers will benefit in that they can be partially refunded the cost of the line extension if additional customers connect to the line extension within a fifteen-year period, rather than the currently existing five-year period. These revisions increase the possibility that the new customer will not bear the entire responsibility for the cost of

¹⁰ 12 GCA §8104(j).

¹¹ 5 GCA §9102.

the line extension. This proposed revision will potentially enable existing and future customers who pay for a line extension to be partially refunded if additional customers connect to the line extension within a fifteen-year period.

3. Revision of the Five-Year Period to a Fifteen-Year period will delay the ability of GPA to retain the unrefunded amount of the cost of the Line Extension.

Under the current policy, "...any unrefunded amount remaining at the end of the five-year period will become the property of the Authority."¹² However, delaying GPA's ability to retain the unrefunded amount to a period of fifteen-years should not adversely affect GPA's finances. The attachment to GPA Resolution No. FY2023-08, LINE EXTENSIONS--CY2016-2022, indicates that between 2016 and 2022, there were only 14 Line Extension Requests which would impact the policy. The total cost for such extensions is approximately \$325,000.00.¹³

4. GPA should ascertain the proper procedure for filing its proposed revisions to 28 GAR §3139(4) so that such revisions will be properly stated in the Guam Administrative Rules and Regulations.

There are a few remaining issues that GPA will need to address: (1) a revised version of 28 GAR §3139(4) must be prepared, changing the 5 year provisions to 15-years; and (2) GPA will need to determine the appropriate path for amending §3139(b)(4). In its Petition, the CCU authorized the General Manager of GPA "to obtain legislative approval or PUC approval." GPA has elected to seek PUC approval. However, GPA must determine which entities to file its amended rule with, be that the Legislature or the Compiler of Laws. GPA should determine the appropriate procedure for amending

¹² 28 GAR §3139(b)(3).

¹³ Attachment to GPA Resolution No. FY2023-08.

its Rule. The revised version of 28 GAR §3139(4) must be properly indicated in the Guam Administrative Rules and Regulations so that the public has notice of the revisions.

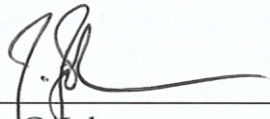
ORDERING PROVISIONS

After review of the record herein, including GPA's Petition for PUC Approval of the Revision of the GPA Line Extension Policy and the ALJ Report, for good cause shown, on motion duly made, seconded and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

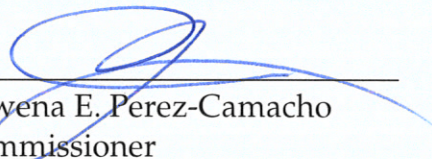
1. The revisions in GPA's Petition to its line extension policy are approved.
2. Within sixty (60) days of the date of this Order, GPA shall file with the PUC its amended version of the Line Extension Policy and a brief report indicating what entities it will file the rule with and the procedure for making the rule final.
3. GPA is ordered to pay the Commission's regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses of conducting the hearing proceedings. Assessment of PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §§12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

Order
Request for Approval of
the Revision of the GPA
Line Extension Policy
GPA Docket 23-08
April 27, 2023

Dated this 27th day of April 2023.



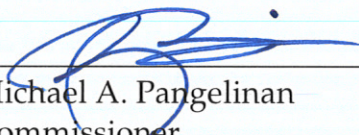
Jeffrey C. Johnson
Chairman



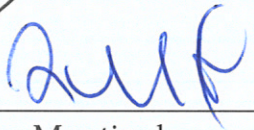
Rowena E. Perez-Camacho
Commissioner



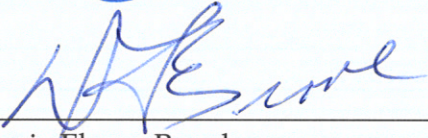
Joseph M. McDonald
Commissioner



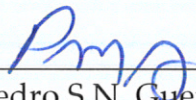
Michael A. Pangelinan
Commissioner



Peter Montinola
Commissioner



Doris Flores Brooks
Commissioner



Pedro S.N. Guerrero
Commissioner