

PUBLIC UTILITIES COMMISSION OF GUAM

Jeffrey C. Johnson
Chairman

Peter B. Montinola
Vice Chairman

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Joephet R. Alcantara
Administrative Law Judge

Anthony R. Camacho
Legal Counsel

December 14, 2023

VIA HAND-DELIVERY

Honorable Governor Lourdes A. Leon Guerrero
Maga'Haga of Guam
OFFICE OF THE GOVERNOR OF GUAM
Ricardo J. Bordallo Complex
513 West Marine Corps Dr
Hagatna, Guam 96910

OFFICE OF THE SPEAKER
THERESE M. TERLAJE

DEC 14 2023

Time: 3:06 pm
Received: SN

Honorable Speaker Therese Terlaje
Speaker, 37th Guam Legislature
GUAM CONGRESS BUILDING
163 Chalan Santo Papa
Hagatna, Guam 96910

OFFICE OF THE GOVERNOR
CENTRAL FILES
Dan Roman
RECEIVED BY
TIME 3:18pm DATE 12-14-23

RE: FY2023 ANNUAL REPORT OF THE GUAM PUBLIC UTILITIES COMMISSION

Dear Governor Leon Guerrero and Speaker Terlaje:

In accordance with the mandate of 12 G.C.A. §12104, the Guam Public Utilities Commission (PUC) respectfully submits its Annual Report for Fiscal Year 2023. Enclosed herewith and marked as Attachment "A" is a comprehensive overview detailing the regulatory and administrative actions undertaken by the PUC during the aforementioned fiscal year.

Throughout FY2023, the PUC has actively engaged in the review of proposed bills, contributing valuable testimony to the Guam Legislature. Notably, the PUC provided supportive testimony for Bill No. 351-36, endorsing the implementation of a Virtual Power Plant Program (VPPP) and emphasizing the benefits of diversifying solar generation sources for Guam's rate-payers. Additionally, the PUC submitted opposing testimony for

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Honorable Governor Lourdes A. Leon Guerrero
Honorable Speaker Therese Terlaje
December 14, 2023
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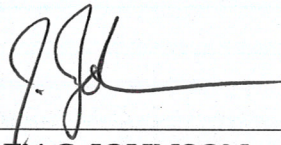
Bill No. 308-36, emphasizing the PUC's responsibility and independent rate-making authority as established by the Organic Act and Guam Law for Guam's rate-payers.

Looking ahead, the PUC is eager to collaborate with both the Executive and Legislative branches of our government to enact legislation that enhances the efficiency of Guam's utilities. As an ongoing commitment, the PUC remains ready to provide valuable insights to the Legislative branch on any proposed legislation that may impact the utilities and rate-payers of Guam.

If you have any questions or require further information concerning the operations of the Guam Public Utilities Commission, please contact us at (671) 472-1907. Thank you.

Sincerely,

GUAM PUBLIC UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read 'J. Johnson', is written over a horizontal line.

JEFFREY C. JOHNSON
Chairman

Enclosure: Attachment A

ATTACHMENT "A"

REGULATORY & ADMINISTRATIVE ACTION BY THE PUC FOR FISCAL YEAR 2023

GUAM POWER AUTHORITY (GPA)

Date	GPA No.	SUMMARY	ACTION
10/27/2022	22-15	<u>PUC Review of LEAC pursuant to June 16, 2022 PUC Order</u> In this review, Guam Power Authority (GPA) requested a three-step increase in the LEAC recovery factor. The PUC approved the first two increments, but deferred the third. GPA's under-recovery at the time of this review and filing was \$41 million, attributed to uncontrollable fuel price increases. The PUC approved the third increase, setting the LEAC factor at 0.318576 per kilowatt-hour for meters read on or after November 1, 2022.	APPROVED (5 in favor/1 opposed)
10/27/2022	23-01	<u>Petition for Approval of the Phase 1V Renewable Acquisition for GPA</u> The petition sought PUC approval for Phase IV Renewable Acquisition, aiming to increase its renewable energy portfolio to meet statutory requirements. Public Law 35-46 mandates GPA to achieve 50% renewable energy by 2035 and 100% by 2045. The solicitation involved contracting for 180 to 300 megawatts of renewable energy with storage capabilities. The proposal, approved by Guam Consolidated Commission on Utilities (CCU), included standard and commercially reasonable protections. The PUC approved the petition in consideration of GPA's goal to build a 50-megawatt renewable plant on U.S. Navy land to enhance renewable energy capacity and reduce costs to ratepayers.	APPROVED (unanimous)
11/29/2022	23-02	<u>Petition for Approval of Engineering, Procurement and Construction Management (EPCM) Contract with Stanley Consultants, Inc</u> The petition involved GPA's request for approval of an Engineering Procurement and Construction Management (EPCM) contract with Stanley Consultants for the Ukudu powerplant project. The contract, for an initial three-year term with the option to extend, included tasks such as program management, on-site project management, technical reviews, and procurement support. GPA estimated the budget at about \$6.2 million for the initial three-year term, with funding coming from internal revenues. The PUC approved the request deeming the contract reasonable and necessary for the successful commissioning of the new powerplant.	APPROVED (unanimous)
11/29/2022	23-03	<u>Petition for Approval of Property Insurance Contract Extension with DB Insurance Co. Ltd.</u> The petition concerned GPA's request for the PUC to approve the second one-year extension of its property insurance contract with DB Insurance Company through its local agent, AM Insurance. The original contract, approved in 2018, had a three-year term with the possibility of two 1-year extensions. The first extension was approved for \$5.7 million, expiring on November 1, 2022. GPA sought a second extension for \$7 million, despite filing the petition after the expiration. The PUC approved the request due to the	APPROVED (unanimous)

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REGULATORY & ADMINISTRATIVE ACTION BY THE PUC FOR FISCAL YEAR 2023

		importance of maintaining insurance coverage to protect ratepayers from potential costs in the event of a catastrophic incident during a lapse in coverage.	
12/19/2022	23-04	<u>Filing of Approved Contracts and Obligations for FY2022 (for Informational Purposes)</u> The filing was the annual report from GPA of all the contracts filed during the fiscal year, pursuant to contract review procedure. No action was needed as this filing was for informational purposes only.	N/A
12/19/2022	23-05	<u>Petition for Approval of Extension of the ULSD Tank Lease Agreement with TriStar</u> Guam Power Authority (GPA) sought approval for a two-year extension of its ULSD Tank Lease Agreement with Tristar Terminals, covering Tanks 1906 and 1907 storing ultra-low sulfur diesel fuel. The original PUC-approved lease for Tank 1906 was set to expire in December 2022, and for Tank 1907 in June 2023. GPA negotiated extensions for both tanks to expire on June 30, 2024, with unchanged storage fees at \$98,000 per month for each tank. The total cost for the 17-month extension of Tank 1906 was estimated at \$1.666 million, and the one-year extension for Tank 1907 is estimated at \$1.176 million, resulting in a total cost of about \$2.842 million. GPA planned to fund the extension through its fuel revenue budget. The CCU also authorized the extensions, deeming them necessary, reasonable, and prudent. The PUC approved the extensions.	APPROVED (unanimous)
1/26/2023	23-06	<u>LEAC Filing, Authorizing the Management of the Guam Power Authority to Petition the Guam Public Utilities Commission to Maintain the Levelized Energy Adjustment Clause (LEAC) for the Period from February 1, 2023 to July 31, 2023</u> The filing involved GPA's request to maintain the Levelized Energy Adjustment Clause (LEAC) at the same level (at the time of filing) from February 1, 2023, to July 31, 2023. The LEAC factor was increased in October 2022 from roughly 29 to nearly 32 cents per kilowatt-hour, and the new rate took effect on November 1, 2022. GPA argued for the maintenance of the LEAC factor due to an under-recovery balance, which represents the amount ratepayers owe to GPA for fuel expenses incurred. The under-recovery balance was approximately \$41 million as of November 1, 2022. GPA anticipated that maintaining the LEAC factor for the next six months would reduce the under-recovery to \$915,000 by July 31, 2023. The PUC approved GPA's petition to address the under-recovery and with consideration of the partial relief provided to the ratepayers through the legislation at the time of this filing.	APPROVED (unanimous)
2/23/2023	23-07	<u>Petition for Contract Review for the Cancellation of the Cabras 41MW Reserve Facility and Modification of the Energy Conversion Agreement</u>	APPROVED (unanimous)

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		<p>The petition from GPA involved two aspects: the cancellation of the 41-megawatt Cabras Reserve Facility and the modification of the Energy Conversion Agreement (ECA). Initially, GPA requested PUC approval to build the 41-megawatt reserve facility in Cabras as an alternative to the 65-megawatt Ukudu plant due to EPA considerations. After legislative bills were passed to protect Guam Ukudu Power's interests, the deadline was not met, leading to a price increase for the Cabras Reserve Facility. GPA deemed the project financially unfeasible and decided to cancel it. The PUC raised concerns about permitting and power load, with assurance from GPA that minor source permitting has been approved, and sufficient load would be maintained. The PUC, approved the cancellation, and modified the ECA by removing the 41-megawatt facility.</p>	
2/23/2023	23-10	<p><u>Petition for Contract Review, Request for approval of the procurement of Property Insurance including Boiler and Machinery Coverage and Terrorism Coverage</u></p> <p>The petition sought PUC approval for the procurement of property insurance, including boiler and machinery coverage and terrorism coverage. At the time, GPA's property insurance contract was set to expire, and the proposed new insurance contract would exceed \$6 million. GPA requested approval before issuing the solicitation, as required by the \$1.5 million contract review threshold. The procurement process involved an IFB with two steps, including the evaluation of technical proposals and the selection of the lowest bidder for the contract. The PUC deemed the request reasonable, prudent, and necessary, due in part to GPA's bond indenture requirement for property insurance. The IFB aimed to secure coverage amounts of \$200 million for property damage, business interruptions, and extra expense, along with \$200 million for certified and non-certified acts of terrorism.</p>	APPROVED (unanimous)
3/30/2023	23-11	<p><u>Petition for Review and Approval of the Piti 8 & 9 Contract Extension with Marianas Energy Company</u></p> <p>The petition sought PUC review and approval for a second five-year extension of the Energy Conversion Agreement (ECA) with Marianas Energy Company (MEC) for the Piti 8 and 9 power plants. The PUC had previously approved a five-year extension in 2019, which was set to expire in January 2024. GPA and MEC proposed extending the ECA from January 2024 to January 2029. Upon a review of the ECA, it was found the ECA supports the parties' authority to amend the agreement for MEC to continue operating and maintaining the plants. The ECA allowed the cooperation period to be extended from time to time, and the 2019 extension focused on the operation and management aspect, which was permissible. Beyond legality, substantial justifications are presented to the PUC. Guam's power system was considered</p>	APPROVED (unanimous)

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REGULATORY & ADMINISTRATIVE ACTION BY THE PUC FOR FISCAL YEAR 2023

		fragile, and Piti 8 and 9 produce 38% of the island's energy. GPA indicated a need for the Piti plants until the new 198-megawatt Ukudu plant is operational, emphasizing the challenges of hiring and training personnel to manage the plant. While the cost of continued MEC management is estimated at \$25-27 million annually, the justifications provided by both parties support the second five-year extension. PUC approved the request noting that the cost of plant operation may decrease after the Ukudu plant is in operation.	
3/30/2023	23-12	<p><u>Petition for Review and Approval of GPA's Request for Procurement of the Bulk Supply of Diesel Fuel Oil</u></p> <p>The petition requested PUC review and approval for GPA's procurement of bulk ultra-low sulfur diesel fuel oil. The contract at the time with Mobil Oil Guam for this fuel type was set to expire on January 31, 2024. GPA sought PUC authorization to procure a new contract for the bulk supply of ultra-low sulfur diesel fuel oil, which is essential for several GPA units, including Piti 7, 8, and 9. Additionally, the new Ukudu Powerplant, when operational, will require this type of diesel fuel. The proposed contract included provisions for the contractor to source fuel oil from other vendors to ensure supply security. It also allows GPA to seek an alternative source if the contractor fails to fulfill obligations, with the contractor being liable for the cost difference. The contract can be terminated by GPA for convenience with a notice period. The initial three-year term of the contract was set from February 1, 2024, to January 31, 2027, with options for a two-year extension. GPA estimated fuel needs ranging from 1 million to 2.7 million barrels per year, projecting a total cost of approximately \$845 million for the three-year period. The petition was supported by CCU Resolution Number 23-12, which authorized GPA to request PUC approval and issue an invitation for bid. The PUC approved the request due to the importance of a continuous fuel supply for maintaining GPA's electric power generation capacity, especially during downtimes of certain baseload units.</p>	APPROVED (unanimous)
3/30/2023	23-13	<p><u>Petition to Approve the Month-Month Extension for Professional Printing, Mailing, and Processing Services</u></p> <p>The petition sought PUC approval for a 12-month extension of Graphic Center's contract, providing printing, mailing, and processing services for power bills. Legal disputes caused delays, and the extension, at the time of filing, was set to expire in May 2023. GPA requested approval for another extension until May 2024, as legal matters are still pending in court. The cost for the next 12 months was estimated at \$460,000. Denying the extension would force GPA into electronic billing. The PUC deemed the increased cost reasonable due to global economic factors and</p>	APPROVED (unanimous)

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		approved the extension to prevent severe billing interruptions for GPA.	
4/27/2023	23-08	<u>Petition for Approval of the Revision of the GPA Line Extension Policy</u> The petition sought PUC approval to revise the GPA Line Extension Policy. The policy at the time allowed customers to use line extensions for free for up to five years, after which they must contribute to the cost. GPA proposed extending this period to 15 years, enabling customers to be partially refunded if additional connections occur within that timeframe. The CCU approved the proposal. The PUC approved the revision.	APPROVED (unanimous)
4/27/2023	23-14	<u>Petition for Contract Review and Approval for GPA's Fuel Bulk Storage Facility</u> The petition sought PUC approval for GPA's Fuel Bulk Storage Facility contract with Supreme Group Guam, LLC. IP&E Guam's contract for the facility expired in September 2022, leading GPA to request proposals. After a competitive bid, Supreme Group emerged as the lowest-priced, responsive, and responsible bidder. The proposed three-year contract, starting October 1, 2023, amounts to \$2,728,321.00, with two optional one-year extensions. Supreme Group's projected costs aligned with historical PMC expenses and were notably lower than IP&E's bid. The PUC approved the contract, which also covered the base period, with any additional terms subject to PUC authorization.	APPROVED (unanimous)
6/5/2023	23-16	<u>Petition to Approve a Reduced LEAC Factor</u> The petition sought approval for a reduced LEAC (Levelized Energy Adjustment Clause) factor. The LEAC rate had increased to 32 cents, and the Guam Consolidated Commission on Utilities (CCU) approved a reduction based on decreasing fuel prices. The original proposed reduction was 24.8 cents, justified by fuel price trends. Subsequently, the average fuel prices further dropped, justifying an additional reduction. The PUC, through its ALJ, collaborated with GPA CFO John Kim to propose a new LEAC factor of approximately 23 cents per kilowatt-hour, resulting in a 27% reduction. An emergency procedure was used to implement this reduction by June 1st. The Ratification Order was approved by the PUC, which approved the rates until January 31, 2024,	APPROVED (unanimous)
6/5/2023	23-18	<u>Petition to Authorize GPA & GWA to Procure Merchant Banking Services</u> The petition sought approval for the issuance of a solicitation for merchant banking services for GPA, GWA, and the Guam Solid Waste Authority. The contract with First Hawaiian Bank was set to expire, and the estimated cost for the merchant banking service was approximately \$1.2 million. The increase in the use of merchant banking services is attributed to the growing popularity of online and mobile payment methods. The PUC approved the	APPROVED (4 in favor/1 recusal)

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		authorization for the solicitation, due to its prudence and necessity to meet the rising rate-payer demand for online payment options.	
6/29/2023	23-17	<u>Petition to Approve the EPCM, Phase I, Liquefied Natural Gas (LNG) Pre-Development Study, Scope, and Costs</u> This matter was tabled and would be heard during FY2024.	N/A
8/31/2023	23-09	<u>Petition requesting Approval to Adjust the Power Pole Attachment Rate</u> The petition sought PUC approval to adjust the power pole attachment rate. Initially set at \$6.00 per year in 2009, negotiations involving telecom companies and GPA resulted in an agreement to increase the rate gradually over five years, by \$1.80 per year. The proposed rate of \$15.00 per year was deemed just and reasonable, aligning with FCC-established formulas. The PUC approved the adjustment.	APPROVED (unanimous)
8/31/2023	23-15	<u>Petition for Approval to Increase the Amount of Award for GPA's Physical Security Proof of Concept</u> The petition sought approval to increase the award amount for GPA's contract with Sheffield Scientific for a visible security proof of concept. The initial contract, valued at \$996,670, aimed to enhance physical security at specific GPA sites. The proposed increase of \$350,000, authorized by the CCU, is attributed to pandemic-induced supply chain issues. PUC deemed the request necessary and reasonable, emphasizing the critical role of securing GPA's assets against potential threats.	APPROVED (unanimous)
9/26/2023	23-19	<u>Petition to Extend the Performance Management Contract for Cabras 1 and 2</u> GPA petitioned the PUC to extend the performance management contract for Cabras 1 and 2 due to typhoon-related delays in completing a new power plant. The contract, at the time of filing, was set to expire in September 2023, with two optional one-year extensions totaling \$8.1 million. The breakdown included a \$1.3 million annual budget for operations and maintenance and fixed management fees of \$2.6 million for the first extension and \$2.7 million for the second. The PUC approved the extension in consideration of past contract success in improving efficiency and cost savings. Failure to extend would've disrupt GPA's operations until the new power plant is finished, thus affecting rate-payers.	APPROVED (6 in favor/ 1 opposed)
9/28/2023	23-20	<u>Petition to Procure a Hot Section Exchange & Generation Repair for Yigo CT</u> The petition sought PUC approval for a performance management contract with TEMES to procure a hot section exchange and necessary generator repairs for the Yigo Combustion Turbine Powerplant. The estimated cost for the project was \$3.3 million, with \$1.5 million allocated for shipping generators off-island for repairs and \$1.8 million for the local replacement of the hot section exchange. The repairs were deemed critical due to the Yigo CT	APPROVED (6 in favor/1 opposed)

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		plant's age, over 25 years, and issues such as damage from Typhoon Mawar. The PUC approved the contract and the allocation of \$3.3 million for the project, due to the necessity of these repairs to ensure sufficient load capacity in the island's power system, especially amid recent power issues. The PUC had previously recognized the importance of these repairs to prevent potential load shedding.	
9/28/2023	23-21	<u>Petition to Approve the Purchases of Bucket Trucks</u> The petition sought PUC approval for Guam Power Authority (GPA) to purchase 10 bucket trucks (55-65 feet reach) for typhoon recovery operations, with a budget of up to \$5 million. GPA cited the need to reduce restoration times and minimize revenue loss during typhoons. However, the PUC initially found the decision to be premature, as GPA was uncertain about purchasing five FEMA trucks at a lower cost of \$395,000 each. PUC opted to deferred a decision until GPA finalizes its choices. GPA later submitted justification for re-approval to purchase the FEMA trucks, regarding the trucks' status, including a price quote of approximately \$1.977 million. GPA intended to proceed with the purchase, emphasizing the trucks' good condition after their use in Typhoon Mawar recovery efforts. The PUC approved after clarifications about legal authority, repair status, warranties, guarantees from FEMA, and the legal transfer of ownership.	APPROVED (6 in favor/1 opposed)
9/28/2023	23-22	<u>Petition to Approve GPA's FY 2024 Internally Funded CIP Ceiling Cap</u> This petition sought PUC approval for a budget of \$32,939,099 for FY 2024, covering general plant and engineering expenditures. The budget included essential projects such as the replacement of Cabras Unit 2 screen wall water tubes, hot section inspection and exchange for the Yigo CT, generator repair, Aggreko overhaul, and emergency underground reconstruction. While the budget may appear high, GPA typically carries over funds from year to year. The budget is consistent with previous years, and the allocations were deemed necessary for plant overhauls, improvements, and system upgrades. The PUC approved the FY 2024 budget ceiling cap, considering the importance of maintaining efficient power plants.	APPROVED (unanimous)

GUAM WATERWORKS AUTHORITY (GWA)

Date	GWA No.	SUMMARY	ACTION
11/29/2022	23-01	<u>Petition for Approval of Procurement for Rehabilitation of Ugum Surface Water Treatment Plant</u> The petition concerns Guam Waterworks Authority's (GWA) request for approval to procure construction, services, and materials to rehabilitate the Ugum Surface Water Treatment Plant. The plant, originally constructed in 1991 and last modernized from 2007 to 2010, currently faces limitations in capability, operability, and reliability. The estimated cost for the rehabilitation project is	APPROVED (unanimous)

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		over \$4.626 million. Professional assessments by engineering firms, including Duenas-Camacho & Associates in 2022, identified failing equipment and immediate replacements needed. The Guam CCU recognizes the Ugum plant as a critical water source and passed a resolution emphasizing the urgency of rehabilitation for efficient operation and continued safe drinking water provision. The PUC approved GWA's petition for procurement, citing justification based on documentation and the plant's critical role.	
11/29/2022	23-02	<p><u>Petition for Approval of Contract Extension for Wastewater Chemicals for the Water Treatment Plants</u></p> <p>The petition sought approval from the PUC for GWA to extend contracts with JMI Edison and Total Chemical for wastewater chemicals. The initial three-year contracts, authorized in 2019, were set to expire, and GWA requested a one-year extension for both. The chemicals were crucial for daily operations and maintenance of wastewater treatment plants to comply with a 2011 federal court order. The estimated cost for the one-year extension with JMI Edison was \$392,000, and with Total Chemical was \$1.3 million. GWA asserted that the costs approved in a previous docket had not been exceeded and that these chemicals were essential for compliance with federal laws. The PUC approved the contract extensions at the specified amounts.</p>	APPROVED (unanimous)
N/A	23-03	<p>**PETITION WITHDRAWN** <u>Petition for Approval of Increase in Funding and Scope of Work for the Tai Road/S-13 and Canada-Toto Loop/Blas Street Waterline Replacement project</u></p> <p>This petition was withdrawn by GWA. No further action was needed.</p>	N/A
1/26/2023	23-04	<p><u>Petition to Ratify and Approve Final Payments to Black Construction Corp. For the Completion of the Northern District Wastewater Treatment Plant Upgrade</u></p> <p>The petition involved the GWA's request to ratify and approve final payments to Black Construction Corp. for completing the Northern District Wastewater Treatment Plant Upgrade. GWA received U.S. Department of Defense grants totaling over \$173 million for water and wastewater improvement projects, including the Northern District upgrade to support the relocation of U.S. Marines to Guam. The cost authorized by the CCU for the project was \$122 million, and Black Construction was awarded the contract. Delays due to the pandemic, supply chain issues, and increased costs led to a budget shortfall despite federal funding. GWA sought approval for an additional \$6.7 million in bond funds to close out the contract with Black Construction. The funds would cover payments already made, outstanding claims, and final change orders. The PUC approved the request to utilize the \$6.7 million from bond funds due the project's significance for the community and its compliance with NPDES permit standards.</p>	APPROVED (5 in favor/1 recused)

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3/30/2023	23-05	<p><u>Petition to Approve Additional Funding for the Yigo Sewer Pump Station Flood Mitigation and Facility Rehabilitation Construction Project</u></p> <p>The petition requested PUC approval for additional funding for the Yigo Sewer Pump Station Flood Mitigation and Facility Rehabilitation Construction Project. In 2018, GWA contracted AECOM Technical Services for project design, and in 2021, a construction contract with IAN Corporation was initiated for demolition and construction. The original contract was \$928,884, but discussions during construction led to a negotiated change order for an additional \$184,491.28. The change order addressed safety and operability concerns, including adjustments to the motor control center, hoist capacity upgrade, and design/material changes for an elevated platform. The total contract amount, including the change order, is \$1,113,376.02. GWA justified the additional funding due to safety and operability concerns not addressed in the initial scope. The PUC approved the total funding, considering the project's justification and approval by GWA Resolution 13 FY2023 from the Consolidated Commission on Utilities.</p>	APPROVED (4 in favor/1 recusal)
6/29/2023	23-07	<p><u>Petition to Approve the Procurement for Design, Design Construction, and Project/Construction Management for GWA Sewage Pump Stations and Force Main Rehabilitation and Replacements</u></p> <p>The petition sought PUC approval for GWA to issue a solicitation for engineering, construction, and project construction management services to address operational, structural, and safety deficiencies in sewage pump stations and force mains. The U.S. Environmental Protection Agency (USEPA) mandates compliance with Clean Water Act standards within an aggressive timeframe. The estimated cost for rehabilitating 82 sewage pumping stations was \$45,428,000, and force main repair costs ranged from \$17,314,000 to \$116,435,000. GWA planned to use bond funds and grant funding, and the IDIQ bid (Indefinite Delivery, Indefinite Quantity) was deemed appropriate due to uncertain costs and funding availability. The PUC approved the solicitation due to the necessity of infrastructure rehabilitation to avoid Clean Water Act violations and potential fines.</p>	APPROVED (unanimous)
8/31/2023	23-06	<p><u>Petition to Approve the Reallocation of GWA's Series 2020A Bond Proceeds</u></p> <p>The petition sought PUC approval for the reallocation of \$11,893,376.94 of the Series 2020A bond proceeds. This reallocation aimed to secure additional funding for court-ordered repair, rehabilitation, reallocation, and construction projects related to reservoir tanks, inspection, and replacement design of water and sewer utilities crossing bridges. GWA asserted that</p>	APPROVED (unanimous)

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		failing to complete these court-ordered projects on time could lead to violations and penalties. The total 2020A bond allocation was approximately \$103 million, with a significant portion already allocated to reservoir and tank projects. This request followed a prior one for \$30,425,000, approved in GWA Docket 20-09. The PUC approved the reallocation due to the need for additional funding to complete critical projects.	
8/31/2023	23-08	<u>Petition to Create a New and Specific Rate Classification for Wastewater Discharge for Leachate</u> The petition sought PUC authorization to create a new specific rate classification for wastewater discharge for leachate. This request was a result of a District Court of Guam directive to resolve the issue. GWA proposed a leachate disposal rate of \$14.72 per thousand gallons, based on a cost-of-service study, reflecting lower total suspended solids compared to commercial wastewater. GWA argued this rate accurately reflects the service cost and was lower than the Commercial III rate of \$20.92 per thousand gallons, at the time. The proposal is supported by a stipulation from relevant parties. The PUC approved the implement the new leachate rate and ceased using the Commercial III rate for this service.	APPROVED (unanimous)
N/A	23-09	<u>**DOCKET NO. RESCINDED / PETITION WAS NEVER FILED DURING FY23**</u>	N/A
9/26/2023	19-08	<u>Annual True-up Submission, Projection and Request for Fiscal Year 2024 Rates</u> In GWA Docket 19-08, the PUC approved a rate increase of 16.7 percent for Guam Waterworks Authority (GWA) instead of the initially proposed 16.1 percent. This decision followed a comprehensive overview by Chief ALJ Frederick Horecky, who highlighted GWA's substantial request for a \$28 million increase, the largest in PUC true-up history. ALJ Horecky advocated for a more moderate impact on ratepayers, scrutinizing elements like the proposed \$7.5 million increase in the Rate Stabilization Fund (RSF). GWA General Manager Miguel Bordallo defended the increase, citing prior PUC decisions depleting reserves and emphasizing the need to restore them. Georgetown Consulting Group's perspective, led by Jim Madan, challenged GWA's foresight on expenses and proposed adjustments. The discussion on the matter covered power expenses, staffing, and the importance of establishing a base level for future projects. The PUC approved the rate increase to address financial stability and utility obligations, acknowledging potential risks if rates aren't adjusted appropriately. The decision included a 16.7 percent increase, factoring in staffing projections, to support GWA's operational needs and comply with regulatory priorities. The amendment was approved by the commissioners.	APPROVED (unanimous)

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REGULATORY & ADMINISTRATIVE ACTION BY THE PUC FOR FISCAL YEAR 2023

9/28/2023	23-10	<u>Petition to Approve the Design and CM Services for Waterline Replacement of Various Bridges</u> The petition sought PUC approval for approval of design and construction management services related to water line replacement at various bridge locations provided by GHD. After a competitive process, GHD was selected for a contract valued at \$1,232,909, seeking an additional 10 percent contingency, making the total contract price \$1,356,199. The project involves significant rehabilitation and replacement of water and sewer lines, addressing seven pipelines. The PUC approved the contract but without the additional contingency, as a 20 percent contingency was already permitted under the Contract Review Protocol.	APPROVED (unanimous)
9/28/2023	23-11	<u>Petition for Approval of the GWA Year 3 Task Order for Professional Services Contract</u> The petition sought PUC approval for a Year 3 task order within its professional services contract with E Source (formerly known as WSO). The focus on GWA's water loss control program, aimed at managing and mitigating water losses within its extensive water supply and distribution network. The Year 3 task order would involve allocating \$422,289 for continued oversight of the program, including reviewing water audit data, conducting transient data analysis, and procuring equipment for water loss control tasks. The PUC approved the proposed funding allocation from GWA's operations and maintenance budget to support the program's implementation.	APPROVED (unanimous)
9/28/2023	23-12	<u>Petition to Approve Ugum Rehabilitation (Re-Bid) Contract Approval</u> The petition sought PUC approval for the contract award to Sumitomo Mitsui Construction Company for the rehabilitation and upgrade of the Ugum plant. The project is essential for improving capacity, treatment performance, and reliability, ensuring the provision of safe drinking water to southern Guam residents. Sumitomo Mitsui Construction submitted the lowest bid of \$9,188,777.00, authorized by the CCU. The project's total cost, including a 10 percent contingency, is \$10,107,654.07. The PUC approved the basic award and the 10 percent contingency due to the critical nature of the project.	APPROVED (unanimous)

GUAM SOLID WASTE AUTHORITY (GSWA)

Date	GSWA No.	SUMMARY	ACTION
10/27/2022	23-01	<u>Petition for Approval of the Award to Pacific Unlimited, Inc. dba Fleet Services for Fleet Repair Services</u> Guam Solid Waste Authority (GSWA) sought preventive maintenance services through a bid process, with Fleet Services winning the contract for a one-year term, extendable for four optional one-year periods, totaling \$5.5 million over five years.	APPROVED (unanimous)

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		The Public Utilities Commission (PUC) approval was necessary due to the contract amount surpassing GSWA's \$750,000 review threshold. Given GSWA's limited operational garbage trucks (only four for the entire island), the service was deemed essential.	
10/27/2022	23-03	<u>Petition for Approval of the Award to Mid Pac Far East for Three (3) Each 24 Cubic Yard Refuse Truck with Side and Rear Loading</u> GSWA's solicitation for the purchase of three garbage trucks identified Mid Pac Far East as the lowest responsive and responsible bidder at a total cost of \$1,330,000 (\$443,333.33 each). The GSWA Board approved the contract through Resolution Number 2022-003. As the contract cost exceeded GSWA's \$750,000 review threshold, PUC approval was required. The necessity of the trucks for garbage collection from GSWA's 21,000 customers was emphasized, and the trucks were expected to be received within 310 days from the purchase order issuance.	APPROVED (unanimous)
11/29/2022	23-02	<u>Petition for Approval of the Award to Pacific Human Resource Services Inc. for Temporary Staffing Services</u> Guam Solid Waste Authority's (GSWA) submitted an amended petition, supported by GSWA Board of Directors Resolution Number 2023-005, concerning a contract with PHRS for temporary staffing services. These temporary employees have been crucial to GSWA's daily operations since October 2009, supplementing agency staff in various roles. GSWA issued an invitation for bid on June 30, 2022, with only two bidders, and PHRS emerged as the lowest responsive and responsible bidder. The GSWA Board determined a three-year contract term, from October 1, 2022, to September 30, 2025, at a total cost of \$2,002,000, distributed across three years. PUC found that utilizing a temporary staffing agency, like PHRS, is necessary for GSWA's operational needs and beneficial to ratepayers, representing GSWA's sincere attempt to reduce costs.	APPROVED (unanimous)
5/12/2023	23-04	<u>Petition for Review and Approval of the Purchase of Mini Electric Refuse Trucks from Global Enterprise, Inc.</u> Guam Solid Waste Authority (GSWA) faced a shortage of refuse trucks that threatened its garbage pickup operations around the island. GSWA's attempts to procure additional electric trucks locally were unsuccessful. GSWA then creatively utilized a federal procurement procedure through the local General Services Administration (GSA) due to the absence of local bids. The GSA determined a 10% difference, justifying the use of this procedure, backed by the Attorney General's opinion. The urgency for new refuse trucks was established in a prior docket, GSWA 23-03, and the current petition, validated by the law, sought approval for the purchase of electric trucks. The Chairman's Order was used to expedite the process, and after its signing, GSWA filed an amendment to the petition with minor cost changes. PUC moved	APPROVED (unanimous)

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REGULATORY & ADMINISTRATIVE ACTION BY THE PUC FOR FISCAL YEAR 2023

		to approved the Chairman's Order, and authorized the additional amount of \$23,115.98, resulting in a revised total cost of \$1,379,969.98 for the trucks.	
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TELECOMMUNICATIONS

Date	Agency	No.	SUMMARY	ACTION
8/31/2023	Docomo	23-01	<u>Petition for Annual USAC Certification</u> PUC issued its annual certification to the Federal Communications Commission and the Universal Services Administration Company that Docomo Pacific Inc., is eligible to receive federal high-cost support for program year 2024. PUC certified that Docomo Pacific Inc. used such support in the preceding calendar year for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with section 254(e) of the Communication Act.	APPROVED (unanimous)
8/31/2023	GTA	23-01	<u>Petition of GTA for Annual USAC Certification</u> PUC issued its annual certification to the Federal Communications Commission and the Universal Services Administration Company that Teleguam Holdings, LLC., is eligible to receive federal high-cost support for program year 2024. PUC certified that Teleguam Holdings, LLC., used such support in the preceding calendar year for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with section 254(e) of the Communication Act.	APPROVED (unanimous)
8/31/2023	GTA	23-02	<u>Petition of GTA/Pulse Mobile for Annual USAC Certification</u> PUC issued its annual certification to the Federal Communications Commission and the Universal Services Administration Company that Teleguam Holdings, LLC. fka Pulse Holdings, LLC., is eligible to receive federal high-cost support for program year 2024. PUC certified that Teleguam Holdings, LLC. fka Pulse Holdings LLC., used such support in the preceding calendar year for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with section 254(e) of the Communication Act.	APPROVED (unanimous)
8/31/2023	PTI	23-01	<u>Petition for Annual USAC Certification</u> PUC issued its annual certification to the Federal Communications Commission and the Universal Services Administration Company that PTI Pacifica Inc., is eligible to receive federal high-cost support for program year	APPROVED (unanimous)

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			2024. PUC certified that PTI Pacifica Inc., used such support in the preceding calendar year for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with section 254(e) of the Communication Act.	
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PORT AUTHORITY OF GUAM (PAG)

PAG No.	ACTION
N/A	***** NO MATTERS FILED IN FY2023 *****

ADMINISTRATIVE MATTERS

Date	ACTION
12/19/2022	Approve FY2022 PUC Annual Report
	Approved Consultant Compensation
1/26/2023	Approved Issuance of RFP (Resolution 23-01)
2/23/2023	Approved purchase of Time Certificate Deposit (TCD) (Resolution 23-02)
4/27/2023	Approved FY2022 Citizen Centric Report (CCR)
8/31/2023	Approved PUC Consultants, Administrative Law Judge, and Legal Counsel Agreements (Resolution 23-03)
	Approved Employment Agreement of Administrator (Resolution 23-04)
	Approved conversion of Part-Time Administrative Assistant to Full-Time Employment and Employment Agreement (Resolution 23-05)
	Approved temporary extension of ALJ contract (Resolution 23-06)
9/28/2023	Approved FY2024 Budget
QUARTERLY	Review of Financials in an ongoing process assisted by Commissioner Doris Flores-Brooks