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6 **BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

8 IN THE MATTER OF:) GWA DOCKET NO. 24-05
9)
10 **GUAM WATERWORKS AUTHORITY'S) PETITION TO APPROVE GWA'S FY**
11 **FY2025 -2029 RATE APPLICATION) 2025 – 2029 FIVE-YEAR FINANCIAL**
12 **AND COMPREHENSIVE FINANCIAL) PLAN AND RATE INCREASE REQUEST**
13 **PLAN)**

14 The GUAM WATERWORKS AUTHORITY (“GWA”), by and through its counsel of
15 record, THERESA G. ROJAS, ESQ., hereby submits its FY2025-FY2029 Five-Year Financial
16 Plan and Rate Increase Request (FINAL Petition) for the PUC’s review and approval. GWA
17 requests its Five- Year Financial Plan and the proposed rate increases take effect by FY2025 or
18 no later than October 1, 2024.

20 **I. INTRODUCTION**

21 **A. No Change from GWA’s March 8 Filing to GWA’s FINAL Petition.**

22 This application is pursuant to PUC GWA Docket No. 19-08 ordering provision no. 4
23 and is GWA’s second filing under Docket No. 24-05. The first filing filed on March 8, 2024, as
24 GWA’s advanced draft petition, was filed three months ahead of the ordered schedule. The filing
25 was to allow an earlier review by the PUC’s consultants to meet GWA’s request for the PUC to
26 review and approve GWA’s rate application before FY2025.
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1 As compared to the earlier filing, no changes to GWA's narrative, financial schedules,
2 work papers, five-year CIP plan, sample bill, or RAM have been made and nearly all schedules,
3 documents, and testimonies remain unchanged and are in substantially the same form as GWA's
4 March 8th filing. Only GWA's cover letter, attached herein as ATTACHMENT A, and as
5 executed by the GWA General Manager Miguel C. Bordallo, P.E. and the testimony of GWA's
6 legal counsel at ATTACHMENT A-2 include updates which have occurred since March 2024.
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8 Among these updates concern the passage of Bill 274-32 now Public Law 37-103¹ and other
9 updates related to ongoing court litigation for PFAS and GWA's local case before the Superior
10 Court of Guam. These updates do not affect any earlier financial schedule or scenario already
11 contemplated by the March 8 filing but provide updated information for the PUC's review.
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13 **B. Compliance with the PUC's Ratepayers' Bill of Rights Has Been Met.**

14 In support of this petition, GWA has complied and provided all notices required by 12
15 G.C.A. §12102.1 and §12102.2 fulfilling the PUC's Ratepayers' Bill of Rights and ensuring
16 that GWA's ratepayers have received clear and adequate notice of the proposed rate increases.
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18 On March 8, 2024, a single print advertisement with a local paper in general circulation
19 and two (2) online print advertisements were published and posted informing Guam ratepayers
20 three (3) months in advance of GWA's proposed rate increases. The advertisement(s), as
21 required by law, provided customers with specific details listing current utility rates, the
22 proposed rates, the amount of the proposed increases as compared to current rates, and a short
23 justification for the increases. All ads also included an invitation for any member of the public
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28 ¹ Public Law 37-103 was signed into law on June 5, 2024, creating a commercial paper program for GWA and approving new bond terms for the issuance of additional bonds and authorizes GWA to obtain loans from the Water Infrastructure Finance and Innovation (WIFIA) Act of 2014.

1 to view GWA's detailed plan on its website. Copies of the published advertisements are
2 attached herein as **ATTACHMENT H**.

3 The published ads along with GWA's Advanced Rate Application and Five-Year
4 Financial Plan are also posted to GWA's website and have been available for public view since
5 March 8, 2024, and for public comment since April 24, 2024. These postings meet legal
6 requirements for ratepayers to submit any comment, reaction, or testimony to GWA's 5-year
7 financial plan and its proposed rate increases.
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9 GWA also created a comment form for all customers and any member of the general
10 public to access at <https://guamwaterworks.org/five-year-financial-plan-and-comemnt/> to
11 submit comments. A link to access the comment form was included in GWA's Ratepayer mailer
12 mailed to all GWA customers during the May customer billing cycle. Similar to the published
13 ads the mailer included added detail about the proposed rates and GWA's specific needs for the
14 rate increases proposed. A copy of GWA's Ratepayers' Mailing is attached herein at
15 **ATTACHMENT I**.
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17 At the time of this filing, and since GWA's online web posting on March 8, 2024, and
18 GWA's comment form opened on April 24, 2024, no reaction, comment, or testimony on the
19 proposed rates has been received by GWA from any member of the public.
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22 **II. JUSTIFICATION FOR APPROVAL**

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25 GWA requests the PUC to approve a rate increase for all non-lifeline residential and
26 commercial water and sewer rates by 29% in FY 2025, 12.5% in FY2026, and 10% each year
27 thereafter from FY 2027-2029 and for a nominal increase in the lifeline rates by 12.5% in
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1 FY2026. In the alternative, GWA has also presented alternate schedules to increase all non-
2 lifeline residential and commercial water and sewer rates by a lesser 17% in FY 2025, 6% in
3 FY2026-FY2028, and 15% in FY2029 considering the passage of Public Law 37-103. A clear
4 list of the financial schedules, a financial narrative, excerpt and management testimonies, and
5 the CCU Board's approval by CCU Resolution 11-FY2024, and the required public Ratepayer
6 notices are a part of this Petition and provide the justification for the required and proposed
7 increases. The specific Attachments are listed below.
8

- 9 1. **ATTACHMENT A** General Manager's Transmittal & Cover Letter
- 10 2. **ATTACHMENT A-1** Five-Year Financial Plan Narrative
- 11 3. **ATTACHMENT A-2** Management and Expert Testimonies
- 12 4. **ATTACHMENT B** PUC Minimum Filing Requirement ("MFR") Schedules
- 13 5. **ATTACHMENT C** *Work Papers
- 14 6. **ATTACHMENT D** Five-Year CIP Individual Capital Projects
- 15 7. **ATTACHMENT E** *Rate Application Model
- 16 8. **ATTACHMENT F** Sample Bill
- 17 9. **ATTACHMENT G** CCU Resolution
- 18 10. **ATTACHMENT H** Ratepayers' Bill of Rights Advertisement
- 19 11. **ATTACHMENT I** Ratepayers' Mailing

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23 *These Attachments are Excel Files to be transmitted via download at the link below.
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1 All Attachments and Schedules listed can also be viewed and downloaded electronically.²
 2 At ATTACHMENT B, the following Standard or Minimum Filing Requirements (“MFR”)
 3 Schedules are also included:

Schedule	Description
Schedule A-1	Historical and Forecasting Operating Results, Existing Rates
Schedule A-2	Historical and Forecasting Operating Results, Proposed Rates
Schedule A-3	Historical and Forecasting Operating Results, Commercial Paper
Schedule B-1 - Schedule B-5	Rate Revenues & Billing Determinants by Class (Years 1-5)
Schedule C-1	Operating Expense by Major Cost Category
Schedule C-2	Budgeted Operating Expense
Schedule D	Navy Water Purchases
Schedule E	Sources & Uses of Funds, Capital Improvement Program
Schedule F	Debt Service & Other Financing Charges
Schedules G-1	Internally Funded Capital Improvement Projects
Schedules G-2	Externally Funded Capital Improvement Projects
Schedule H	Other Revenues, Interest Revenues & Revenue Adjustments
Schedule I	Other Cash Flow Items
Schedule J-1W Schedule J-5WW	Proof of System Revenues Series
Schedule K	Proposed Rate Adjustments

27 ² https://gwaocesep20-devteamgwa.cec.oraclecloud.com/documents/folder/F40C7579B902BAF54BAC3BB6718464B6760BBA3D9FFF/FY25-FY29_5-Year_Financial_Plan_Petition

Schedule	Description
Schedule L	Bill Impacts by Customer Class

The listed schedules above meet all requirements as set forth by Rule 20 of the Guam Public Utilities Commission (PUC) Standard Filing Requirements, prescribing rules for practice and procedure which provide for specific and minimum filing requirements when a public utility desires to submit an application for rate relief to “establish, modify...or change any rate, charge, tariff, or assessment” in place. *See* PUC Docket No. 00-04: Rule 20. Standard Filing Requirements, Feb. 25, 2000. The Petition also satisfies the intent of the PUC’s September 28, 2023 Order re its FY 2024 Annual True-up as it complies with all PUC Rules of Procedure and the applicable laws to satisfy the PUC’s ordering provision no. 1 in PUC GWA Docket No. 19-08.

Lastly, the referenced December 19, 2023, Order required GWA to file its final petition no later than June 3, 2024; however, and as explained in GWA’s March 8th filing, the CCU’s belated approval in March prevented GWA from meeting its initial proof deadlines for its Ratepayers’ Bill of Rights Notice; so, final ads were delayed. As with its advanced draft filing, GWA respectfully requests its June 3 filing deadline be excused and this final petition be accepted as timely as the instant petition was held back to ensure compliance with Ratepayers’ Bill of Rights Notices. In support of this Petition, the CCU via GWA Resolution 11-FY2024 has approved this filing and GWA’s Five-Year Financial Plan and Capital Improvement Program. GWA Resolution 11-FY2024 and its supporting exhibits are attached as **ATTACHMENT G** and are incorporated by reference as if fully set forth herein.

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III. CONCLUSION

The proposed rate adjustments requested are reasonable, necessary, and in the public interest and our Five-Year Financial Plan narrative attached herein at **ATTACHMENT A-1** specifically provides GWA’s financial plan overview, rate increase drivers, the proposed rate increases, our five-year capital improvement program, GWA revenues, expenses, and budgets, and also addresses customer affordability.

Based on the foregoing, and together with all Attachments, Testimonies, and Schedules hereto, GWA requests the PUC grant this Petition and approve GWA’s Five-Year Financial Plan and rate increases as proposed to take effect no later than October 1, 2024 or by FY 2025.

RESPECTFULLY submitted this 6th day of June, 2024.

By: 

THERESA G. ROJAS, ESQ.
LEGAL COUNSEL