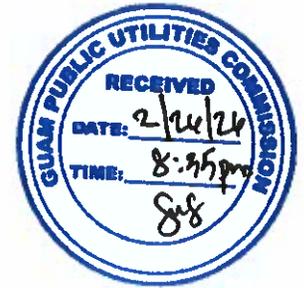


BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:) GWA Docket 24-05
)
GUAM WATERWORKS AUTHORITY'S) ORDER ON THE PROCESS AND
FY2025-2029 RATE APPLICATION AND) BOUNDARIES FOR DETERMINATION
REQUEST FOR RATE INCREASES) OF ADJUSTMENTS FOR ANNUAL
) TRUE UP OF GWA'S FIVE-YEAR
) FINANCIAL PLANS (ORDERING
) PROVISION NO. 8 PROCEEDINGS)
)
_____)

BACKGROUND

In Ordering Provision No. 8 of the Guam Public Utilities Commission (PUC) Order Re: Annual True-Up for FY2026 Rates, dated September 25, 2025, the Commission ordered as follows: "The ALJ is ordered to conduct a proceeding subsequent to the Commission's issuance of its Order in this proceeding to obtain input from all Parties as to the process and boundaries of what is permissible as adjustments in a true-up proceeding. (emphasis added). The ALJ's recommendations, as accepted or modified by the Commission, shall be made in a timely fashion to guide GWA's filing in the subsequent true-up proceeding for FY2027 rates."

On November 17, 2025, the ALJ commenced this proceeding. The ALJ and the parties, met in conferences to discuss the true-up process and permissible adjustments. The parties stated their positions on the issues, and the ALJ had a full opportunity to question the parties concerning their respective positions. The parties have also recommended adjustments to the initial five-year plan filing which will facilitate the conduct of the true-up proceedings.

On February 10, 2026, the ALJ submitted his Report in this proceeding. The Report outlines the agreements of the parties in a JOINT STIPULATION, and the ALJ has also made recommendations on several issues. The ALJ has filed with the PUC a document titled "POSITION STATEMENTS OF GWA AND GCG IN DOCKET 24-05 (ORDERING PROVISION NO. 8 PROCEEDINGS), which sets forth the positions of the parties in this proceeding.

**THE PUC ADOPTS THE CONCLUSIONS AND
RECOMMENDATIONS IN THE ALJ REPORT**

Having reviewed the ALJ Report dated February 10, 2026 in this Docket, the PUC adopts the analysis, recommendations, determinations, and conclusions therein.

ORDERING PROVISIONS

Upon consideration of the record herein, the ALJ Report and the POSITION STATEMENTS OF GWA AND GCG in this proceeding, and for good cause shown, on motion duly made, seconded, and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby **ORDERS THAT:**

1. The JOINT STIPULATION of the parties is hereby approved. The parties shall carry out their duties as outlined in the Joint Stipulation, and comply with all obligations thereunder.
2. With the INITIAL FILING of each Five-Year Plan in a rate proceeding, GWA will provide its petition, together with testimony and exhibits, as well as the required Minimum Filing Requirements and the rate model that has been developed by GWA and used by the parties in the current Five-Year plan.

3. With the initial filing in a rate proceeding, GWA's petition shall propose a rate path for the full five years of the plan with a full narrative, support, and work papers for all five years. The decision of the PUC in a rate proceeding shall set rates for the full five years.
4. The Five-Year rate plan shall include a true-up Schedule M (in the form attached to the Joint Stipulation as Exhibit "A"), which compares requested true-up year projections for revenue and expenses against the prior projections for the same fiscal year.
5. GWA and PUC staff have agreed to certain scheduling deadlines for the True-Up process. The proposed schedule will result in completion of the true-up process in approximately 120-days of the process. For various reasons, the parties request that the PUC action on true-up petitions occur in August rather than in September, as is the case at present. The true-up proceeding timelines are attached to the Joint Stipulation as Exhibit "B." The PUC will attempt to schedule true-up proceedings in August, but cannot guarantee an August date. The scheduling of PUC hearing on true-up proceedings will depend upon the availability of a quorum and other factors such as the required load for docket matters in a month.
6. At present, no adjustments will be made to the types of adjustments that may be considered in a true-up proceeding; a broad range of adjustments, such as those which have been permitted in past true-up proceedings, and those which were agreed to by the parties in this proceeding, may be made in a true-up proceeding. GWA may seek adjustments in the true-up year rates for any item regarding revenues, expenses, or other matters in the test year. The PUC consultant GCG is fully authorized to explore the validity of, or the impact of, any adjustments which GWA seeks for the true-up year such as differences in

revenues, expenses, or other costs previously anticipated, including administrative and general expenses.

7. For the reasons stated by the ALJ in his Report and in the ORDER REGARDING DISCOVERY in this docket, discovery in true-up proceedings should be limited to the test year, the year for which the PUC is determining the applicable rates. The rates for the “outlying” years of the rate plan will be fully addressed in the true-up proceedings for those years. In its discretion, in a true-up proceeding, the PUC will not consider the rates for years other than the specific year for which rates are being set.
8. GWA shall bring all quarterly reporting requirements that are delinquent for 2025 current by the end of March, 2026.
9. In each Annual True-Up filing, GWA shall continue to include a RAM Model for all remaining years of the Five-Year plan. It is understood that GWA will not be required in true-up proceedings to make additional projections or update the RAM for the outlying years. For each annual True-Up filing, GWA shall utilize the same core RAM model structure, worksheet architecture, level of detail, line-item granularity, and calculation logic as the RAM model approved and relied upon in the most recent PUC-approved Five-Year Financial Plan, except as otherwise expressly agreed by the Parties or directed by the Commission.
10. New filing requirements for the initial five-year rate plan, such as information required for construction amounts and reconciliation of the master plan, and schedules on water losses, will not be addressed at the present time. GCG is free to request changes to the filing requirements in the next five-year rate case.
11. GWA 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 are authorized pursuant to 12 GCA §§12103(b) and

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12125(b), and Rule 40 of the Rules of Practice and Procedure before the Public
Utilities Commission.

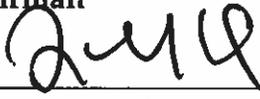
[SIGNATURES FOLLOW ON THE NEXT PAGE]

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SO ORDERED this 26th day of February, 2026.



Jeffrey C. Johnson
Chairman



Peter Montinola
Commissioner



Doris Flores Brooks
Commissioner



Joseph M. McDonald
Commissioner

Michael A. Pangelinan
Commissioner