

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:

GWA DOCKET NO. 24-05

GUAM WATERWORKS AUTHORITY'S
FY2025 -2029 RATE APPLICATION
AND REQUEST FOR RATE
INCREASES

ACCOUNTING ORDER TO PERMIT
GWA TO RECORD SELECTED
LEGAL EXPENSES AS REGULATORY
ASSETS FOR RECOVERY IN FY 2027-
FY2029

GWA ACCOUNTING ORDER

BACKGROUND

On September 24, 2024 the GPUC issued an Accounting Order in conjunction with its Rate Decision and Order in Docket No. 24-05: *Accounting Order to Permit GWA to Record Selected Expenses as Regulatory Assets for Recovery in FY2026-2029 to Stabilize Rate Increases for GWA Customers.*

Following a GWA review¹ of applicable bond indenture requirements, accounting standards, and a June 2025 interpretation from bond counsel, in August 2025, Guam Waterworks Authority (GWA) and Georgetown Consulting Group (GCG) stipulated that this Accounting Order should be clarified. Accordingly, the PUC issues this revised Accounting Order to clarify the PUC's September 24, 2024, Accounting Order for Docket No. 24-05.

ORDER

The Guam Public Utilities Commission **HEREBY ORDERS:**

- i. Expenses related to the adjudication of the FY 2020 - FY 2024 rate case (Docket 19-08) have now been recognized in debt service coverage for prior periods, notification of which has been posted to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) website. GWA will therefore write off for financial statement purposes any such expenses.
- ii. GWA will create a Regulatory Asset for regulatory accounting purposes for uncertain and extraordinary legal expenses that may occur in FY 2026 and beyond related to litigation regarding the ownership of land at the site of the Northern District Wastewater Treatment Plant. The Parties agree that a Regulatory Asset may be created for the actual amount expended for this purpose in FY 2026² and beyond and be amortized over five years beginning in the first year subsequent to

¹ Involving consultation with GWA's Auditors and Bond Counsel.

² These extraordinary expenses are excluded from calculation of Debt Service Coverage per GWA's Bond Indenture.

the termination of the litigation. Any such litigation expenses incurred prior to FY 2026 will not be included in the regulatory asset.

- iii. GWA shall provide an annual report on the amortization of the legal expense regulatory asset consistent with this clarified order.

SO ORDERED by the Guam Public Utilities Commission.

Dated this ____th day of September, 2025.



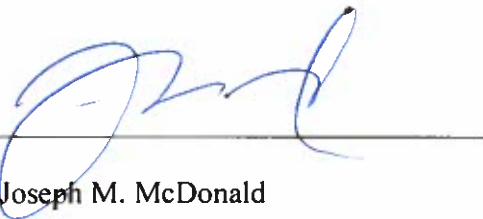
Jeffrey Johnson

Chairman



Rowena E. Perez-Camacho

Commissioner



Joseph M. McDonald

Commissioner

Michael A. Pangelinan Commissioner

Commissioner



Peter Montinola

Commissioner



Doris Flores Brooks

Commissioner