

GUAM PUBLIC UTILITIES COMMISSION

REGULAR MEETING

September 26, 2024

GCIC CONFERENCE ROOM, GCIC BUILDING, HAGATNA

MINUTES

The Guam Public Utilities Commission [PUC] conducted a regular meeting commencing at 6:30 p.m. on September 26, 2024, pursuant to due and lawful notice. The meeting was called to order at 6:35 p.m. **Commissioners Jeffrey C. Johnson, Peter Montinola, Micheal A. Pangelinan, Joseph McDonald, Rowena Perez-Camacho and Doris Flores-Brooks were in attendance.** The following matters were considered at the meeting under the agenda included as Attachment "A" hereto.

1. APPROVAL OF MINUTES

Chairman Johnson announced that the first item of business on the agenda was the approval of the minutes from the meeting held on August 29, 2024. Commissioner Montinola moved to approve the minutes subject to corrections, which motion was seconded by Commissioner Perez-Camacho, and the motion passed unanimously.

Chairman Johnson announced that the next item of business on the agenda was Teleguam Holdings, GTA Docket 24-01, Petition for GTA Annual USAC Certification, ALJ Report, and USAC Certification. Chief ALJ Horecky ("ALJ Horecky") noted that he does not see anyone present for Teleguam and saw that Mr. Carrera of PTI was present and that maybe PTI should go first.

2. PTI PACIFICA INC. dba IT&E ("PTI")

- **PTI Docket Number 24-01; Petition for Annual USAC Certification**

Chairman Johnson then announced that PUC will move ahead with PTI Pacific, Inc., Docket Number 24-01, Petition for PTI Pacific Inc. Annual USAC Certification, ALJ Report, and USAC Certification.

ALJ Horecky stated that on August 28, 2024, PTI Pacifica Inc. (PTI) petitioned the PUC to issue a certification that it will use federal universal support funds for purposes and compliance with Section 254(e) of the Telecommunications Act. PTI seeks a finding that it will comply with Section 254(e), which states that universal service funds may only be used for the purposes designated in the Federal Act. The most important aspect of this type of filing is the five-year plan that the telecom companies file. PTI has filed an updated five-year plan and that plan satisfies various requirements that the FCC imposes in this regard. PTI's general counsel certified compliance with federal requirements, and their updated

five-year plan detailed the improvements to its existing sites and the expansion of additional sites and carrier capacity thus improving and expanding network coverage and performance in the north and south. ALJ Horecky provided an overview of PTI's five-year plan and further clarified the frozen high-cost support funds.

ALJ Horecky stated that PTI made the required certifications and provided an updated five-year plan to improve its network structure. ALJ Horecky recommended that PTI's petition for USAC certification be granted and that the PUC approve the certification.

Commissioner Perez-Camacho moved to approve the petition which motion was seconded by Commissioner Montinola, and the motion was carried and unanimously approved.

3. TELEGUAM HOLDINGS LLC ("GTA")

- **GTA Docket No. 24-01: Petition for GTA Annual USAC Certification.**

Chairman Johnson announced that the next item of business on the agenda is GTA Docket 24-01, Petition of GTA for Annual USAC Certification, ALJ Report, and USAC Certification. ALJ Horecky stated that on August 23, 2024, TeleGuam Holdings LLC, GTA, filed its 2024 Annual USAC filing. Said filing petitions the PUC to issue a certification that GTA will use federal universal support funds for purposes of compliance with Section 254(a) of the Communications Act. GTA receives monies from interstate universal service funds that are designated to support local services, improve infrastructure and service quality. GTA's petition states that universal support funds received by it are being used to support core services that are designated for USF support. GTA's Chief Executive Officer has certified that all federal high-cost support received will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. ALJ Horecky provided an overview of GTA's five-year improvement plan and further discussed the various upgrades, expansion and infrastructure improvements being made and to be made by GTA.

ALJ Horecky also stated that GTA has met the certification requirements and has filed its five-year quality improvement plan, that GTA's plan projects the improvement and expansion of fiber-to-the-home and its technology that provides high speed internet access and dramatically increases connection speeds available to computer users compared with the technologies now in use. Based on the GTA's petition and supporting documents submitted by GTA, it appears that the USF received in calendar year 2023 has been used as intended. The ALJ is not aware of any evidence which contradicts the above certifications by GTA and believes that such certification should be accepted. ALJ Horecky recommended that GTA's petition for USAC certification be granted and that the PUC approve the certification.

Commissioner Montinola moved to approve the petition, which motion was seconded by Commissioner Perez-Camacho, and the motion was carried and unanimously approved.

- **GTA/Pulse Mobile - GTA Docket 24-02: Petition for Pulse Mobil Annual USAC Certification**

Chairman Johnson announced that the next items of business on the agenda is GTA Docket 24-02, Petition of GTA/Pulse Mobile for Annual USAC Certification, ALJ Report, and USAC Certification. ALJ Horecky stated that GTA/Pulse Mobile is a subsidiary of GTA, wholly owned by GTA and is really not a separate entity. This certification is also for GTA dba Pulse Mobile, who has petitioned the PUC to issue a certification that it will use federal universal support funds for purposes of compliance with Section 254(e) of the Communications Act. GTA/Pulse Mobile receives money from interstate universal service funds that are designated to support local services, build infrastructure, and improve service quality. GTA/Pulse Mobile has submitted its five-year build-out plan and has continued to make capital improvements on its wireless network in Guam.

GTA/Pulse Mobile, through its Chief Operating Officer, has certified that all federal high-cost support provided to it will be used only for the provision, maintenance and upgrading of facilities and services for which support is intended. ALJ Horecky provided an overview of the capital improvements, core upgrades and site expansions being made and to be made by GTA/Pulse Mobile.

ALJ Horecky believes that GTA/Pulse Mobile has fully complied with all applicable requirements and has met the criteria in its designation order. Based upon the certification and documentations provided by GTA/Pulse Mobile, it is ALJ Horecky's opinion that sufficient factual and evidentiary basis exists upon which the PUC can reasonably certify that the USF received in calendar year 2023 has been used as intended and that future USF received in calendar year 2025 will be used in accordance with the purposes and requirements designated by the Federal Act. ALJ Horecky recommended that GTA/Pulse Mobile's petition for USAC certification be granted and that the PUC approve the certification.

Commissioner McDonald moved to approve the petition, which motion was seconded by Commissioner Perez-Camacho, and the motion was carried and unanimously approved.

4. GUAM POWER AUTHORITY ("GPA")

- **GPA's Notice to the Public Utility Commission Relative to the Approval of the Repair and Overhaul of the Navy-Owned Orote Power Plant**

Chairman Johnson announced that the next item of business on the agenda was GPA's Notice to the PUC Relative to the Approval of the Repair and Overhaul of the Navy-Owned Orote Power Plant. ALJ Horecky provided a brief overview of GPA's submission. ALJ Horecky informed the PUC that GPA filed a Notice instead of a petition, as the contract in question is not one that is subject to the Contract Review Protocol as GPA is not technically expending funds due under said contract. Under the terms and conditions of said contract, the Navy will be responsible for all reimbursement, costs, and payments due under the contract, approximately \$1.8 Million, which are mostly for Wartsila's services. There are

three (3) parties involved: the Navy, GPA and Wartsila and there may be separate contracts, e.g., Navy and GPA, and GPA and Wartsila. Under the proposal, GPA will act as the Project Manager and will be assisting the Navy in repairing and overhauling the Orote powerplants. The actual overhaul repair work will be performed by Wartsilla. Any costs that GPA has for personnel and equipment or other matters will be submitted to the Navy for payment. Once funds are obligated for payment, the commander of Joint Region Marianas will provide full payment in advance in accordance with intergovernmental services. ALJ Horecky concluded that GPA is not required to file a petition for review of this matter, under the Contract Review Protocol, as GPA is not obligating itself for costs in excess of \$1.5 Million, which is the normal requirement for contract review. GPA is required however to provide certain information to the PUC which includes a CCU resolution authorizing the contract, an affidavit by GPA management stating that the contract does not produce an increased revenue requirement, and a narrative description of the contract. All of the requirements have been satisfied and ALJ Horecky has determined that GPA has made an adequate filing pursuant to subparagraph B. ALJ Horecky recommends that PUC issue an order that review of the contract in question is not required under the Contract Review Protocol and that PUC approve GPA proceeding with the contracts with the Navy and Wartsila for the repair and overhaul of the Orote powerplants.

Commissioner Pangelinan moved to approve the matter, which motion was seconded by Commissioner Perez-Camacho, and the motion was carried and unanimously approved.

- **GPA Docket No. 24-22: Petition to Approve the New Construction of the Transmission and Distribution Facility**

Chairman Johnson announced that the next item of business on the agenda was GPA's Petition to Approve the New Construction of the Transmission and Distribution Facility at Ukudu, which Chairman Johnson stated is being tabled for next month. ALJ Alcantara advised Chairman Johnson that, upon review of the documents submitted, the IBF is still being developed. Ms. Sablan of GPA stated that they have a draft prepared and, for the most part, the bid documents are template and there may be some updates to the specifications so that they are up to code. When asked by Chairman Johnson if this matter was time-sensitive, Ms. Sablan responded that GPA needs to get it started as it takes more than a year – a couple of years to get it done. Ms. Woloschuk advised the Commission that GPA is planning to meet with ALJ Alcantara next week to discuss and provide a presentation on the project.

- **GPA Docket No. 24-23: Petition of Guam Power Authority to Approve the Bond Financing Savings Utilization**

Chairman Johnson announced that the next item of business on the agenda is GPA Docket No. 24-23, Petition of Guam Power Authority to Approve the Bond Financing Savings Utilization, ALJ Report and proposed Order. Commissioner Pangelinan recused himself due to a conflict of interest. Guam Ukudu is a client of his firm and the financing savings are being applied to the Ukudu project.

ALJ Horecky stated that this matter comes before the PUC upon the petition of GPA for approval of GPA's bond financing savings utilization. On May 30, 2024, GPA Docket 24-19, the PUC approved GPA's rate funding at the GPA revenue bonds 214 Series A. The bonds were delivered on July 31, 2024. GPA has presented a summary of savings, which ALJ Horecky listed in his report. GPA desires to reserve the savings for the benefit of the community by making a strategic investment in the Ukudu powerplant project and proposes to use the bond refunding program savings toward the capital lease and operating and maintenance expenses of the Ukudu powerplant project. CCU has authorized GPA to petition the PUC for approval of the use of the savings toward the investment of the Ukudu powerplant. Public Law 37-95 provides that the savings and annual debt service payment from refunding were required to be "utilized specifically for the direct benefit of the ratepayers." ALJ Horecky informed the Commission that this was not the first time this issue has been before the PUC. In Docket Nos. 18-11 and 22-20, the PUC considered the same type of refunding issue. The PUC must determine whether GPA's proposed use of the savings from the funding is specifically for the benefit of the ratepayers.

A discussion ensued between the Commissioners and Mr. Kim of GPA, concerning bond prospectus, POS (preliminary official statement), ratepayer's monthly rebate and government contribution. ALJ Horecky recommended that the PUC approve the utilization of the savings to offset expenses of the Ukudu powerplant, and presented a proposed Order that will so approve that lease.

There being no further comment by the Commissioners, GPA or any other party, Commissioner Montinola moved to approve GPA's petition, which motion was seconded by Commissioner Perez-Camacho, and the motion was carried and unanimously approved.

5. ADMINISTRATIVE MATTERS

- **Consultant Agreements**

Chairman Johnson announced that the next item of business on the agenda was administrative matters. The first item is the automatic renewal of nine (9) PUC Consultant Agreements for one-year terms commencing October 1, 2024, unless terminated by PUC prior to its commencement. ALJ Horecky briefly provided a synopsis of prior consulting agreement, which were renewable annually. ALJ Horecky stated that in the last set of consultant agreements, he added a provision that provides for the automatic yearly renewals, unless either party terminates prior to the commencement of the new year. These contracts began on October 1, 2023, and they will renew automatically unless they were terminated by either party. In addition, these contracts are all for five (5) one (1) year terms. The intent usually in hiring a consultant was that said consultant would be with the PUC for five (5) years. Commissioner Montinola inquired if the five (5) year term were on fixed rates and ALJ Horecky stated that on some instances, the consultants could raise their rates. Commissioner Flores-Brooks voiced her concern, from an accountability standpoint, that

we need to ensure PUC has a copy of all current business licenses for its consultants. Administrator Palomo informed the Commission that PUC has current business licenses for its consultants, except those who are exempt from business licensure.

There being no further comments by the Commissioners, Commissioner Montinola moved to approve the renewal of the consultant agreements, which motion was seconded by Commissioner McDonald, and the motion was passed and unanimously approved.

- **Budget Review**

Chairman Johnson announced that the next item of business on the agenda was PUC's Budget Review. ALJ Horecky reiterated the procedure that you first approve the budget and then the assessment order. ALJ Horecky stated that this year's PUC budget is \$10,000.00 lower than last year's budget. The Commissioners reviewed the budget presented. Commissioner Pangelinan moved to approve the budget, which motion was seconded by Commissioner Montinola, and the motion was carried and unanimously approved.

- **FY2024 Administrative Budget/Annual Assessment Order**


Chairman Johnson announced that the next item of business on the agenda was the Assessment Order, which is the distribution of funds. The assessment orders for allocating the budget were discussed. After clarification on the allocations, Commissioner Pangelinan moved to approve the assessment orders, which motion was seconded by Commissioner Montinola, and the motion was carried and unanimously approved.

- **Introduction of Applicant for PUC Administrator**

Marie Leon Guerrero was introduced as an application for the PUC Administrator position. She set forth her experiences. Chairman Johnson noted the importance of her quick availability to ensure a smooth transition before the current Administrator, Ms. Palomo, retires at the end of the year. A motion was made by Commissioner Perez-Camacho to interview Ms. Leon Guerrero, which motion was seconded by Commissioner McDonald, and the motion was carried and unanimously approved.

6. **ADJOURNMENT**

There being no further business before the Commission, Commissioner Montinola moved to adjourn the meeting, which motion was seconded by Commissioner Perez-Camacho. The motion passed unanimously and the meeting was adjourned at 7:58 p.m.



Jeffrey C. Johnson, Chairman

ATTACHMENT A
THE GUAM PUBLIC UTILITIES COMMISSION
NOTICE OF PUBLIC MEETING

NOTICE IS HEREBY GIVEN that the Guam Public Utilities Commission [PUC] will conduct a regular business meeting, commencing at 6:30 p.m. on September 26, 2024, Suite 703, GCIC Building, 414 W. Soledad Ave., Hagatna.

The following business will be transacted:

Agenda

- 1. Call to Order**
- 2. Approval of Minutes of August 29, 2024**
- 3. Teleguam Holdings, LLC**
 - **GTA Docket No. 24-01:** Petition for GTA Annual USAC Certification, ALJ Report, and USAC Certification
 - **GTA Docket No. 24-02:** Petition for Pulse Mobile Annual USAC Certification, ALJ Report, and USAC Certification
- 4. PTI Pacifica Inc. d/b/a IT& E**
 - **PTI Pacifica Inc. Docket No. 24-01:** Petition for PTI Pacifica Inc. Annual USAC Certification, ALJ Report & USAC Certification
- 5. Guam Power Authority**
 - **Notice:** Notice to the Public Utility Commission Relative to the Approval of The Repair and Overhaul of The Navy- Owned Orote Power Plant
 - **GPA Docket No. 24-22:** Petition to Approve the New Construction of the Transmission and Distribution Facility; ALJ Report and Proposed Order
 - **GPA Docket No. 24-23:** Petition of the Guam Power Authority to Approve the Bond Financing Savings Utilization; ALJ Report and Proposed Order
- 6. Administrative Matters**
 - **Automatic Renewal of Nine PUC Consultant Agreements for One Year Terms commencing October 1, 2024, unless terminated by PUC prior to commencement date**
 - **Budget Review**
 - **FY2024 Administrative Budget/Annual Assessment Order**

- **Introduction of applicant MLG**

7. Adjournment

Further information about the meeting may be obtained from the PUC's Administrator Lourdes R. Palomo at 671-472-1907. Those persons who require special accommodations, auxiliary aids, or services to attend the meeting should also contact Mrs. Palomo.

This Notice is paid for by the Guam Public Utilities Commission

Guam Public Utilities Commission



**To: Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554**

**Irene M. Flannery
Vice-President – High Cost & Low-Income Division
Universal Service Administration Company
2000 L Street, N.W. Suite 200
Washington, DC 20036**


RE: CC Docket 96-45/WC Docket No. 10-90 –Annual State-Certification of Support for Eligible Telecommunications Carriers Pursuant to 47 C.F.R. §54.314

Pursuant to the requirements of 47 C.F.R §54.314, the Guam Public Utilities Commission hereby certifies to the Federal Communications Commission and the Universal Service Administrative Company that Teleguam Holdings, LLC, is eligible to receive federal high-cost support / broadband loop support/Interstate Carrier Compensation for the program years cited.

The Guam Public Utilities Commission certifies for Teleguam Holdings, LLC, that all federal high-cost support/ broadband loop support/Interstate Carrier Compensation provided to such carrier within Guam was used in the preceding calendar year (2023) and will be used in the coming calendar year (2025) only for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Communications Act.

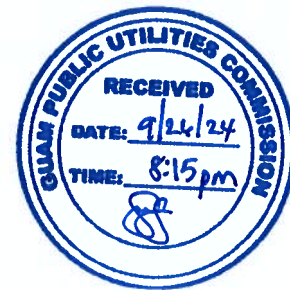
I am authorized to make this certification on behalf of the Guam Public Utilities Commission. This certification is for study area 663800 for the Territory of Guam.

Dated this 26th day of September, 2024.



Jeffrey C. Johnson
Chairman
Guam Public Utilities Commission

Guam Public Utilities Commission



**To: Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554**

**Irene M. Flannery
Vice-President – High Cost & Low Income Division
Universal Service Administration Company
2000 L Street, N.W. Suite 200
Washington, DC 20036**


RE: CC Docket 96-45/WC Docket No. 10-90 – Annual State-Certification of Support for Eligible Telecommunications Carriers Pursuant to 47 C.F.R. §54.314

Pursuant to the requirements of 47 C.F.R §54.314, the Guam Public Utilities Commission hereby certifies to the Federal Communications Commission and the Universal Service Administrative Company that Teleguam Holdings, LLC, f/k/a Pulse Mobile, LLC, is eligible to receive federal high-cost support for the program years cited.

The Guam Public Utilities Commission certifies for Teleguam Holdings, LLC, f/k/a Pulse Mobile, LLC, that all federal high cost support provided to such carrier within Guam was used in the preceding calendar year (2023) and will be used in the coming calendar year (2025) only for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Communications Act.

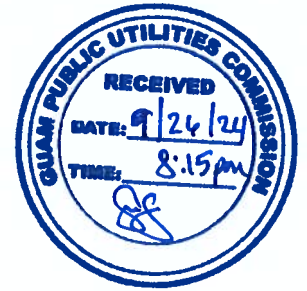
I am authorized to make this certification on behalf of the Guam Public Utilities Commission. This certification is for study area 669003 for the Territory of Guam.

Dated this 26th day of September, 2024.



Jeffrey C. Johnson
Chairman
Guam Public Utilities Commission

Guam Public Utilities Commission



**To: Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554**

**Irene M. Flannery
Vice-President – High Cost & Low-Income Division
Universal Service Administration Company
2000 L Street, N.W. Suite 200
Washington, DC 20036**


RE: CC Docket 96-45/WC Docket No. 10-90 – Annual State-Certification of Support for Eligible Telecommunications Carriers Pursuant to 47 C.F.R. §54.314

Pursuant to the requirements of 47 C.F.R §54.314, the Guam Public Utilities Commission hereby certifies to the Federal Communications Commission and the Universal Service Administrative Company that PTI Pacifica Inc. is eligible to receive federal high-cost support for the program years cited.

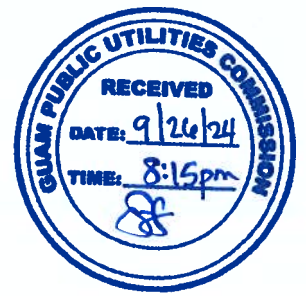
The Guam Public Utilities Commission certifies for PTI Pacifica Inc. that all federal high-cost support provided to such carrier within Guam was used in the preceding calendar year (2023) and will be used in the coming calendar year (2025) only for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Communications Act.

I am authorized to make this certification on behalf of the Guam Public Utilities Commission. This certification is for study area 669004 for the Territory of Guam.

Dated this 26th day of September, 2024.



Jeffrey C. Johnson
Chairperson
Guam Public Utilities Commission



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

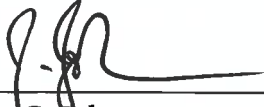
IN THE MATTER OF:) GPA Docket 24-27
)
GUAM POWER AUTHORITY'S REPAIR)
AND OVERHAUL OF THE NAVY-) **ORDER**
OWNED OROTE POWER PLANT)
)
)
_____)

After review herein of GPA's Notice to the Public Utilities Commission Relative to the Approval of the Repair and Overhaul of the Navy-Owned Orote Power Plant, the Memorandum for Record, the GPA Orote Power Plant Overhaul Service proposal, the ALJ Report, and the record herein, the Guam Public Utilities Commission **HEREBY ORDERS** that:

1. PUC Review of GPA's contracts with Navy and Wartsila is not required under the Contract Review Protocol.
2. GPA's contracts with Navy and Wartsila for the repair and overhaul of the Orote Power Plant are hereby approved. GPA may proceed ahead immediately with the contracts and the Orote repair and overhaul project.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

Dated this 26th day of September, 2024.



Jeffrey C. Johnson
Chairman



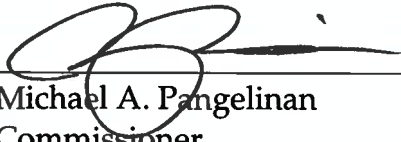
Joseph M. McDonald
Commissioner



Rowena E. Perez Camacho
Commissioner



Doris Flores Brooks
Commissioner



Michael A. Pangelinan
Commissioner



Peter Montinola
Commissioner



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:) GPA Docket 24-23
)
GUAM POWER AUTHORITY'S BOND)
FINANCING SAVINGS UTILIZATION) **ORDER**
)
)
)
)
_____)

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Petition of the Guam Power Authority ["GPA"] for Approval of GPA's Bond Financing Savings Utilization.¹

BACKGROUND

2. On May 30, 2024, in GPA Docket 24-19, the PUC approved GPA's refunding of the Guam Power Authority Revenue Bonds, 2014 Series A.²
3. The bonds were delivered on July 31, 2024.³
4. GPA has presented the following "Summary of Savings" from the approved refunding:

¹ GPA Petition to Approve the Bond Financing Savings Utilization, GPA Docket 24-23, filed September 9, 2024.

² PUC Orders GPA Docket 24-19, Order Approving Long-Term Debt dated May 30, 2024.

³ Email from GPA Counsel Marianne Woloschuk to PUC ALJ Fred Horecky dated September 16, 2024, Summary of Savings from 2014 Series A.

Final Refunding Par Amount:	\$ 54,830,000
Final Refunded Par Amount:	\$ 58,950,000
Avg. Annual Cashflow Savings (2026-2044):	\$ 331,000
NPV Savings:	\$ 4,619,292
NPV Savings as % of Refunded Par:	7.84%
All-In True Interest Cost:	4.16%

5. In Public Law No. 37-95, Section 2(h) [the Act approving GPA’s Bond Refunding], the Guam Legislature required that:

Savings in annual debt service payments from refunding shall be utilized specifically for the direct benefit of the ratepayers. Within ninety (90) days of the completion of the refinancing, the Guam Power Authority and the Guam Public Utilities Commission shall notify *I Liheslaturan Guåhan* of their intent and plan regarding the annual debt service payment savings achieved from the refinancing.” (Emphasis added).⁴

6. In Guam Consolidated Commission on Utilities GPA Resolution No. FY2024-26, the CCU indicated that “GPA desires to reserve the savings for the benefit of the community by making a strategic investment in Ukudu Power Project...GPA proposes to use the Bond Refunding Program savings towards the capital lease and Operating and Maintenance Expense of Ukudu Power Project.”⁵
7. The CCU authorized GPA to petition the PUC for approval of the use of the savings toward the investment of the Ukudu Power Project.⁶

⁴ Public Law No. 37-95, An Act to Approve the Terms and Conditions of the Issuance by Guam Power Authority of Revenue Bonds to Refund Outstanding Guam Power Authority Revenue Bonds, enacted May 8, 2024, Section 2(h).

⁵ Guam Consolidated Commission on Utilities, GPA Resolution No. FY2024-26, relative to Bond Financing Savings Utilization, approved and adopted on August 27, 2024.

⁶ Id.

8. The Administrative Law Judge filed his ALJ Report herein dated September 17, 2024. The PUC adopts the conclusions and recommendation therein.

DETERMINATIONS

9. In Public Law No. 37-95, the Guam Legislature established that savings in annual debt service payments from refunding were required to be “utilized specifically for the direct benefit of the ratepayers.”
10. The PUC must determine whether GPA’s proposed use of the savings from refunding is specifically for the benefit of the ratepayers.
11. GPA intends to apply the savings from refunding to the Capital Lease and O&M Expense of the Ukudu Power Project.
12. GPA has provided an estimate of the schedule of payments for the Ukudu Power Project between 2026 and 2044, which is attached to the ALJ Report as Exhibit “1”.⁷
13. GPA CFO Kim estimates that total expenses for the new Ukudu plant during the period of 2026-2044 will be approximately \$1.593 Billion (total plant cost over the 25-year period of the Energy Conversion Agreement is estimated to be \$2,159,912,000)⁸. GPA costs under the Energy Conversion Agreement with KEPCO include Fixed Capital Costs, fixed O&M expenses, variable expenses, and an inflation adjustment.⁹

⁷ Email from GPA CFO John Kim to PUC ALJ Fred Horecky dated September 16, 2024, Ukudu Power Plant Payment Schedule.

⁸ Id., Exhibit “1”.

⁹ Id., Exhibit “1”.

14. The \$331,000 annual cash flow savings from 2026 to 2044 will be applied to expenses for the Ukudu Power Project. Over the period from 2026 through 2044, roughly \$6,281,750 in cash flow savings will be paid to offset GPA expenses for the Ukudu plant.¹⁰
15. Thus, the bond savings will offset a relatively small portion of the overall Ukudu plant expenses.
16. The savings from the refunding in the early years of the operation of the Ukudu plant will help to minimize the burden on ratepayers. The savings are being utilized for the benefit of ratepayers by reducing costs to ratepayers. This is one of various measures that GPA has taken to either avoid or minimize the need for a base rate increase.
17. In GPA Docket 18-11, the PUC considered GPA's request to approve the use of cash flow savings from the refinancing of the 2010 GPA Series A Revenue Bonds. There, as in this docket, GPA sought to apply the bulk of the savings, to offset the annual debt service cost of the new Ukudu Power Plant.¹¹
18. The PUC approved such use of the bond savings and found that "to the extent that the bond refunding cost savings paid the debts that would otherwise be funded through ratepayer revenues, there is a specific benefit for the ratepayers."¹² From

¹⁰ Id.

¹¹ PUC Order, GPA Docket 18-11 dated March 29, 2018, at p. 5.

¹² Id.

the savings from the refunding of its 2010 Series A Revenue Bonds, in 2021 through 2039, \$9,889,250 is being utilized to offset the annual debt service costs of the new Power Plant.¹³

19. In GPA Docket 22-20, the PUC considered GPA's request to approve the use of cash flow savings from the refinancing of the 2012 Series A Revenue GPA bonds. The PUC determined that, over the period from 2024 through 2034, roughly \$87.5M in cash flow expenses would be paid to offset GPA expenses for the Ukudu plant.¹⁴
20. In accordance with the reasoning of the Orders in GPA Dockets 18-11 and 22-20, GPA's proposal to utilize the savings from the refinancing Guam Power Authority Revenue Bonds, 2014 Series A is "specifically for the benefit of the ratepayers."
21. From the total bond refunding savings in this Docket and GPA Dockets 18-11 and 22-20, it appears that over \$103M total in such refunding savings will go to offset expenses for the Ukudu plant.
22. While \$103M is only a small portion of the \$2,159,912,000 total expense for the new Ukudu plant, it represents funds that the GPA ratepayers will not have to pay for the expenses of the Ukudu plant.

ORDERING PROVISIONS

After careful review and consideration of the above determinations, the Petition of GPA, the ALJ Report, and the record herein, for good cause shown, on

¹³ Id. at p. 4.

¹⁴ PUC Order, GPA Docket 22-20, dated September 29, 2022, at p. 4.

motion duly made, seconded, and carried by the undersigned Commissioners, the Guam Public Utilities Commission hereby **ORDERS** that:

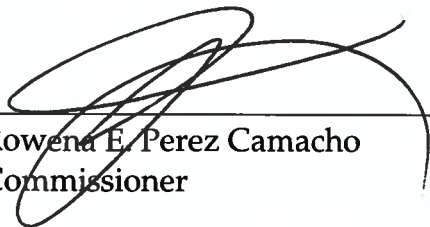
1. GPA's proposed use for Bond Refinancing savings, as set forth in its Petition and CCU GPA FY GPA Resolution No. FY2024-26, is approved.
2. All Bond refinancing savings shall be expended for, and allocated to, the Capital Lease and the O&M Expense of the Ukudu Power Plant Project.
3. GPA is ordered 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.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

Dated this 26th day of September, 2024.



Jeffrey C. Johnson
Chairman

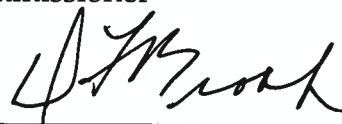


Rowena E. Perez Camacho
Commissioner

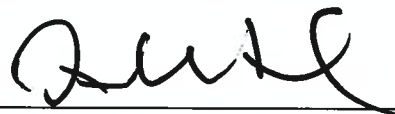
Michael A. Pangelinan
Commissioner



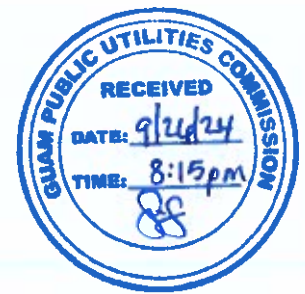
Joseph M. McDonald
Commissioner



Doris Flores Brooks
Commissioner



Peter Montinola
Commissioner



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

**COMMISSION ADMINISTRATIVE
DOCKET**

ASSESSMENT ORDER

WHEREAS, the Commission's operational expenses can be divided into two categories and are budgeted and collected under the following protocols: i] general administrative expenses, which are budgeted each fiscal year by the Commission and divided and assessed among the regulated utilities; and ii] regulatory expenses, which are incurred pursuant to Commission resolution dated August 13, 2007. Regulatory expenses include professional and out-of-pocket expenses, which are billed to specific utilities under regulatory dockets assigned to them to cover the expense of handling specific regulatory proceedings related to them. This order addresses the Commission's FY2025 budget of administrative expenses.

WHEREAS, the administrative budget covers the Commission's administrative expenses, including staff, office facilities, Commissioner stipends and training, professional fees and other operational expenses;

WHEREAS, at a duly noticed and convened Commission meeting held on September 26, 2024, the Commission considered and adopted its FY2025 administrative budget in the amount of \$540,000.00;

WHEREAS the administrative budget for FY2025 is \$10,000.00 less than the administrative budget for FY2024;

WHEREAS, the utilities and telecommunication companies subject to Commission regulation include Guam Power Authority [GPA], Guam Waterworks Authority [GWA], TeleGuam Holdings LLC [GTA]/ Other Telecom Companies, Guam Solid Waste Authority [GSWA], and the Port Authority of Guam [PAG];

WHEREAS, after due consideration, the Commission has resolved that its' FY2025 administrative budget of \$540,000.00 should be allocated among the regulated utilities and telecommunication companies as follows:

GTA/Other Telecom Companies	\$108,000.00
GPA	\$108,000.00
GWA	\$108,000.00
PAG	\$108,000.00
GSWA	\$108,000.00
Total	\$540,000.00

NOW, THEREFORE, in consideration of the above recitals and under authority invested by 12 GCA Section 12125, the Commission hereby **ORDERS THAT**:


1. GPA, GWA, GTA/Other Telecom Companies, PAG, and GSWA shall pay the assessments allocated to them, as stated above, to the Commission no later than October 31, 2024. The regulated utilities and telecom companies are reminded that these assessed revenues are necessary to enable the Commission to have the staff and office facilities to entertain their requests for regulatory services. It is, therefore, essential that these assessments be paid in a timely manner.
2. The assessments due for the telecom companies are apportioned¹ as follows:

GTA:	\$42,712.00
PDS:	\$5,000.00
DPAC	\$31,160.00
PTI/ITE	\$29,128.00


3. A copy of this assessment order shall be delivered to each regulated utility and Telecom Company.

¹ This allocation of Regulatory Fees for Telecommunications Companies has been determined in accordance with the methodology set forth in the Amended Rules Governing Regulatory Fees for Telecommunications Companies, Docket 05-01, adopted by the PUC on March 29, 2018. See par. 2a, 2b, and 2. thereof. In GTA Docket 17-07, the telecom parties all agreed that a total baseline would be established annually for apportionment of PUC administrative expenses among such companies. The baseline for FY2025 is \$45,000, and it is apportioned as follows: GTA, \$16,000; PDS, \$5,000; DPAC, \$11,000; IT&E, \$13,000 (which includes the previous charge of \$2,000 for iConnect, as IT&E has purchased the telecommunications assets of iConnect). For the balance of administrative expenses for telecom for FY2025 in excess of the baseline assessment (\$63,000), such balance of fees will be apportioned among the Telecom carriers based upon each carrier's percentage of the total regulatory fees assessed against all carriers for FY2024. The calculations for the apportionment of the PUC FY2025 administrative expenses of \$63,000 among the telecom carriers are set forth in Exhibit A attached hereto.

Dated this 26th day of September 2024.



Jeffrey C. Johnson
Chairman



Joseph M. McDonald
Commissioner




Rowena E. Perez-Camacho
Commissioner



Peter Montinola
Commissioner



Michael A. Pangelinan
Commissioner



Doris Flores Brooks
Commissioner

**2024 SERVICES RENDERED
TELECOMMUNICATION MATTERS
Oct 2023 to Sept 2024**

AGENCY	DOCOMO	GTA	PDS	PTI
	GT		ITE /Choice Phone	
Date				
Oct-23	\$0.00	\$0.00	\$0.00	\$0.00
Nov-23	\$0.00	\$0.00	\$0.00	\$0.00
Dec-23	\$0.00	\$0.00	\$0.00	\$0.00
Jan-24	\$0.00	\$0.00	\$0.00	\$0.00
Feb-24	\$0.00	\$0.00	\$0.00	\$0.00
Mar-24	\$0.00	\$0.00	\$0.00	\$0.00
Apr-24	\$0.00	\$0.00	\$0.00	\$0.00
May-24	\$0.00	\$0.00	\$0.00	\$0.00
Jun-24	\$0.00	\$0.00	\$0.00	\$0.00
Jul-24	\$0.00	\$0.00	\$0.00	\$0.00
Aug-24	\$1,000.00	\$0.00	\$0.00	\$0.00
Sep-24	\$0.00	\$1,325.00	\$0.00	\$800.00
Total	\$1,000.00	\$1,325.00	\$0.00	\$800.00
		Percentage	\$108,000.00 less 45,000 = \$63,0000	
Docomo/GT	\$1,000.00	32.00%	\$20,160.00	
GTA/Pulse	\$1,325.00	42.40%	\$26,712.00	
PDS	\$0.00	0.00%	\$0.00	
PTI/ITE/Choice	\$800.00	25.60%	\$16,128.00	
Total	\$3,125.00	100.00%	\$63,000.00	