

GUAM PUBLIC UTILITIES COMMISSION

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January 8, 2025

HAND-DELIVER

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

*Speaker Blas
Jan. 08 2025
4:27pm
M. Cruz
Mara Cruz*

Honorable Speaker Frank Blas, Jr.
Speaker, 38th Guam Legislature
GUAM CONGRESS BUILDING
163 Chalan Santo Papa
Hagatna, Guam 96910



RE: FY2024 ANNUAL REPORT OF THE GUAM PUBLIC UTILITIES COMMISSION

Dear Governor Leon Guerrero and Speaker Blas:

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 2024. Enclosed herewith, marked as Attachment "A" and incorporated herein by this reference, is a comprehensive overview detailing the regulatory and administrative actions undertaken by the PUC during the aforementioned fiscal year.

The PUC's Annual Report for Fiscal Year 2024 indicates that the PUC has heard and adjudicated 22 petitions from the Guam Power Authority, 9 petitions from the Guam Waterworks Authority, 3 petitions from the Guam Solid Waste Authority, 2 petitions from the Port Authority of Guam, 4 petitions from the Telecommunications companies, and 8 administrative matters.

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The PUC also adjudicated the Guam Waterworks Authority rate case. In October of 2024, PUC filed an amicus curiae brief in the land litigation case before the Supreme Court of Guam involving the ownership of GWA of the Northern Water and Wastewater Plant. PUC supported GWA's position that it, and not Core Tech International, is the owner of the Plant. The case is currently under advisement.

Additionally, the PUC has actively engaged in the review of proposed legislative bills and has submitted testimony to the Guam Legislature in FY2024 concerning Guam's utilities and ratepayers in the following matters:

1. Bill No. 165-37(COR), which would have established universal garbage collection services for GSWA; the Bill was vetoed by the Governor.
2. Bill 201-37(COR), relative to providing maintenance, operation and overhaul of diesel generators. The Bill provided for 40MW of Temporary Power for GPA and waived certain procurement requirements. Its purpose was to mitigate the problem of ongoing island-wide load shedding. The Bill was enacted into law.
3. Bill No. 273-37 (COR), relative to authorizing the Guam Waterworks Authority ("GWA") to establish a Customer Assistance Program ("CAP") to promote water conservation and to facilitate repairs on private property. Said Bill as introduced establishes a program whereby GWA is required to provide "leak detection and repair services" to "low-income" ratepayers on their private properties, with GWA determining the standards for "low-income". The Bill was enacted into law.
4. Bill No. 274-37 (COR), relative to creating a Commercial Paper Program for GWA, approving the terms and conditions of the issuance of GWA revenue bonds, and authorizing GWA to obtain loans from time to time through the Water Infrastructure Finance and Innovation Act of 2014 (WIFIA) Program and related matters. The PUC supported the Bill, and it was enacted into law. The availability of the Commercial Paper Program has resulted in reduced rates for the ratepayers of Guam.

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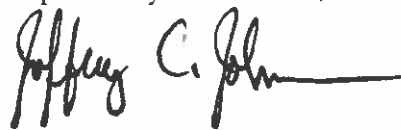
In 2025, PUC anticipates that there will be proposed rate increases by GPA and GSWA. GSWA has already filed a rate case, and GPA has stated its intent to file a rate increase in February 2025. However, as a counter-balance, GPA believes that the LEAC rate will be reduced after the new Ukudu plant comes on line. GWA rates will be subject to an annual true up in FY2025, and certain additional increases are anticipated for FY2026 as a result of rate design changes.

As always, the PUC will continue to collaborate with and assist both the Executive and Legislative branches of our government in enacting legislation that enhances the efficiency of Guam's utilities for the best interest of Guam's ratepayers. The PUC remains ready, willing and able to provide its insights to the Legislative branch with regard to proposed legislation that may impact the utilities and ratepayers of Guam.

In reviewing utility applications for rate increases, the PUC will continue to weigh both the demonstrated financial needs of the utilities and the right of ratepayers to just and reasonable rates.

If you have any questions or require further information concerning the operation of the PUC, please contact us at (671) 472-1907. Thank you for your kind attention to this matter.

Respectfully submitted,



Jeffrey C. Johnson
Chairman

Enclosure - Attachment A.

ATTACHMENT A
REGULATORY AND ADMINISTRATIVE
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Guam Power Authority (GPA)

10-26-23	24-01	<p><u>Petition for Approval and Authorization for GPA to Award Property Insurance:</u> The Guam Public Utilities Commission (PUC) reviewed and approved Guam Power Authority's (GPA) proposed property insurance contract with AM Insurance for FY2024, with four (4) additional 1-year renewal options. Initially, GPA faced a 20% increase in the premium, but held in abeyance through negotiations and adjustments—such as raising deductibles and reducing coverage sub-limits—the premium was reduced to \$7.1M annually. The PUC authorized GPA to award a Property Insurance Policy Contract to AM Insurance for a one (1) year policy period beginning November 1, 2023, to October 31, 2024, with four (4) 1-year options to renew and approved the total annual property insurance premium of 7.1M for FY2024, with any exercise by GPA of the four (4) 1-year renewal options being brought back to PUC for prior approval. PUC also approved the creation of the new self-insurance to explore possible expansion of the current \$20M limit on the existing GPA Self-Insurance program, the expansion of covered matters and the possible use of self-insurance for matters presently covered by casualty of property insurance. [Order entered 10/31/23]</p>	<p>APPROVED (unanimously)</p>
10-24-23	24-02	<p><u>Petition for Approval and Authorization for GPA to Award Casualty Insurance:</u> The PUC approved GPA's proposed Casualty Insurance contract with AM Insurance for FY2024, with two (2) additional 1-year renewal options, at an annual premium of \$688,323. GPA managed to negotiate a reduction in the premium and is required to assess the feasibility of self-insuring for professional insurance to potentially reduce future costs. The PUC emphasized the necessity of casualty insurance to avoid liability risks and mandated GPA to cover regulatory fees and expenses associated with the insurance review process. The PUC has authorized GPA to award a 1-year Casualty Insurance Policy contract to AM Insurance for the period of November 1, 2023, to October 31, 2024, with two (2) optional 1-year renewals. GPA is permitted to spend up to \$2,064,968 for this policy. However, GPA must evaluate and notify PUC in writing if it can self-insure for professional insurance before finalizing the contract or binding the policy. [Order entered 10/26/23]</p>	<p>APPROVED (4 in favor /1 opposed)</p>
11-14-23	24-04	<p><u>Petition of the Guam Power Authority to Exercise Option to Renew for Unarmed Uniformed Security Guard Services:</u></p>	

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		<p>capabilities. This amendment responds to delays and cost challenges faced since the 2018 agreement, with GPA needing this project to meet its 100MW solar energy commitment. Although concerns were raised over Hanwha's past non-compliance, GPA emphasized the project's economic and infrastructure benefits, imposing milestones to ensure accountability. Chief ALJ Horecky recommended approval with conditions, balancing the urgency to meet regulatory requirements with caution due to Hanwha's previous failures. The PUC approved Amendment 2 to Hanwha Energy Corporation's Phase II Renewable Energy Acquisition Power Purchase Agreement and the Second Amendment to the Interconnection Agreement. [Order entered 1/25/24]</p>	<p style="text-align: center;">APPROVED (5 in favor /1 opposed)</p>
<p>11-14-23</p>	<p>24-07</p>	<p><u>Petition of the Guam Power Authority to Procure 40 MW Temporary Power:</u> GPA proposed a three (3) year lease (with extension options) or ownership for 40MW of temporary generation to prevent power shortages, especially during maintenance or outages. This need arises from recent damage to a new power plant and limited existing capacity, especially when critical units are offline. PUC Counsel and GPA GM Benavente emphasized the urgency of this solution, which aims to reduce load shedding without increasing rates. Legislative support and expedited processes are needed to mitigate delays, with ongoing efforts to address potential protest issues that could slow down the bidding and approval process. The PUC approved GPA's petition to procure 40MW of Temporary Generation Capacity and authorized GPA to issue a solicitation to obtain a three (3) year lease, with two (2) 1-year optional extensions and a lease to own option for 40MW of temporary power generation capacity within 150 days. [Order entered 11/30/23]</p>	<p style="text-align: center;">APPROVED (unanimously)</p>
<p>11-28-23</p>	<p>24-08</p>	<p><u>Petition of the Guam Power Authority to Approve an Adjusted LEAC Factor and Notice of Attached LEAC Filing:</u> GPA proposed an increase in the Levelized Energy Adjustment Clause (LEAC) from 23.114 to 26.4327 cents per kWh due to rising fuel prices, resulting in a 14.36% increase in the LEAC and a 10% rise in residential bills. Chief ALJ Horecky recommended a 50% recovery rate, which would raise the average customer bill by \$30.85, while also suggesting regular updates to the PUC on actual costs versus estimates. GPA officials acknowledged the financial challenges, emphasizing the importance of the Ukudu project for future savings and agreeing to provide monthly updates on the situation. The PUC ordered that the secondary</p>	

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		to reduce future outages and costs. The PUC granted GPA's request to increase its contract with Morrico Equipment, LLC, for the supply of Diesel Fuel Oil No. 2 to the GPA Water System Diesel generators at GWA sites from \$1,150,200 to \$3,296,277. [Order entered 12/19/23]	
01-10-24	24-10	<u>Petition of the Guam Power Authority to Approve Purchase of Water System Diesel Generators:</u> Chairman Johnson announced changes in the meeting agenda to prioritize GPA's petition to replace outdated diesel generators for GWA. PUC Counsel Camacho reviewed GPA's request to solicit bids for 94 new generators, costing approximately \$11.4M, due to the current generators' age and maintenance challenges. GPA's GM Benavente highlighted that the replacement focuses on about 40% of the generator fleet, prioritizing critical units, with removed generators used for spare parts. Commissioners discussed generator standardization, theft prevention, and a 20% contingency, with the PUC leaning toward approving the petition as essential and prudent for infrastructure resilience. The PUC granted GPA's request for authorization to solicit for the purchase of new WSD generators for an estimated cost of \$11.4M, which includes \$9.5M for the generators and a twenty percent (20%) contingency of \$2M. [Order entered 1/25/24]	APPROVED (unanimously)
02-14-24	24-11	<u>Petition of the Guam Power Authority to Approve the Relocation of the Yigo Diesel Generators:</u> GPA requested approval to solicit a contract for the repair and relocation of 20 out of 39 Yigo diesel generators, with an estimated cost of \$13M, to address power generation issues, particularly for southern Guam and the U.S. Navy Base. PUC Counsel supported the request, highlighting the urgency due to deferred maintenance and the need for stable generation capacity until the Ukudu plant is operational in 2025. GPA explained that the project would focus on repairing 20 units for expedited completion, with additional support from temporary power providers to ensure adequate supply during the repairs. The PUC approved GPA's request for authorization to solicit for a contract with a three (3) year base term and two (2) 1-year options to renew, to repair and replace twenty (20) Yigo Diesel units and to relocate, install, commission, and operate them adjacent to the Tenjo Vista Power Plant. [Order entered 2/29/24]	APPROVED (unanimously)
02-14-24	24-12	<u>Petition of the Guam Power Authority to Approve One Consecutive Two-Year Extension of Residual Fuel Oil (RFO) No. 6 Supply Contract with Hyundai Corporation:</u> GPA requested	

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		once the Ukudu powerplant is operational, reducing reliance on fast strike production. The PUC granted GPA's petition and authorized GPA to issue an Invitation for Bid related to the procurement of bulk supply of Diesel No. 2 fuel oil. [Order entered 2/29/24]	
2-16-24	24-15	<u>Petition of the Guam Power Authority to Approve the Award of 20MW of Temporary Power:</u> GPA petitioned for approval to contract Aggreko for 20MW of temporary power to prevent load shedding amid rising demand. Aggreko was selected after a lengthy procurement process requiring legislative adjustments, and the contract, though costly, is expected to be offset by fuel savings. The temporary power will serve as a stopgap until the Ukudu power plant becomes operational in 2026, with phased commissioning beginning in 2025. Discussions emphasized the importance of this solution for short-term stability and the role of future fuel savings in mitigating GPA's current \$32M under-recovery. The PUC granted the emergency procurement for 20MW of Temporary Power, as all requirements of 5 GCA 5215 and Public Law 37-81 were satisfied. [Order entered 3/28/24]	APPROVED (unanimously)
04-09-24	24-16	<u>Petition of the Guam Power Authority to Approve the Energy Conversion Agreement (ECA) Amendment for the Ukudu Power Plant:</u> The PUC discussed the petition to approve amendments to the Energy Conversion Agreement (ECA) for the Ukudu Power Plant, which includes additional costs and changes due to regulatory requirements and the cancellation of a reserve facility. GPA requested approval for \$6.6M in compensation to Guam Ukudu Power for additional work, \$5M in incentives for early completion, and funding for a backup water supply pipeline and diesel fuel. The commissioners discussed the financial details, including incentives and cost recovery, and confirmed that the project is on track for a September 2025 completion date. The PUC approved GPA's petition and authorized GPA to amend the ECA and its corresponding schedules which includes adjusting the Fixed Capacity Charge and Fixed and Variable O&M Charges to compensate Guam Ukudu Power for the claims raised, and resolved between the parties, related to additional work and to accelerate the operation date of the Ukudu Power Plant. GPA was further ordered to file an executed copy of the Third Amended and Restated ECA with the PUC. [Order entered 7/25/24]	APPROVED (unanimously)
05-07-24	24-17	<u>Petition of the Guam Power Authority to Enter into a Month-to-Month Extension for its Professional Printing, Mailing and</u>	

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		<p>to reduce debt service costs through interest rate savings. The petition included GPA's updated resolutions, though a final Guam Economic Development Authority (GEDA) resolution and the governor's approval were still pending at the time the matter was heard. GPA's basic approach to this bond refunding is set forth in the "Refunding Savings Update" by Wells Fargo dated May 21, 2024. The Refunding Par on the 2014 Series A Revenue Bonds is \$63,950,000. The Par on the Revenue Refunding Bonds 2024 Series A is \$61,465,844, a savings of \$3,136,006. The total gross cash flow savings is \$5,346,000, and an average cash flow savings of \$267,300. As of May 21, 2024 Wells Fargo has indicated that "in the current market, a tax-exempt current refunding of all outstanding bonds except the 4% 2044 term bond generates positive Net Present Value debt service savings of approximately \$3.37M, or 5.71% as a percentage of refunded par (assuming a uniform saving structure)." The net savings estimated by Wells Fargo on May 21, 2024, 5.71% are higher than those estimated on May 8, 2024, 5.46%, and on April 15, 2024, at 3.22%. The PUC commissioners, acknowledging the urgency and projected \$3.3M in savings, conditionally approved the refinancing, contingent on receiving the final approvals. ALJ Horecky recommended proceeding with the refinancing to achieve anticipated savings, meet legislative requirements, and align with market conditions. The PUC approved and adopted an Order Approving Long-Term Debt ("Debt Order"), copy attached to its Order in this docket, and provided that a portion of the long-term debt authorized by the Debt Order be used to refinance the prior bonds; on the condition that the refinancing results in a net present value savings to GPA of at least two percent (2%) as provided in P.L. 37-95. The PUC further authorized its Chairman to approve changes not inconsistent with the terms of this Order. [Order entered 5/30/24]</p>	<p>APPROVED (unanimously)</p>
06-07-24	24-20	<p><u>Petition of the Guam Power Authority to Maintain the Levelize Energy Adjustment Clause (LEAC) for the Period of August 1, 2024 through January 31, 2025:</u> Chairman Johnson addressed the proposed order to maintain the Levelized Energy Adjustment Clause (LEAC) rate at 26.1995 cents per kWh from August 1, 2024, to January 31, 2025. Chief ALJ Horecky recommended keeping the LEAC rate unchanged, as this would help reduce GPA's under-recovery balance from \$33M to \$5.5M, supported by slight declines in fuel prices. Commissioners discussed future rate adjustments, noting that the Ukudu plant's</p>	

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		<p>Following a discussion on the financial specifics and ratepayer impacts, Chief ALJ Horecky recommended approval. GPA's proposal to utilize the savings from the refinancing GPA Revenue Bonds 2014 Series A is "specifically for the benefit of ratepayers." 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. 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. The PUC approved GPA's proposed use for Bond Refinancing savings, as set forth in its Petition and CCU's FY GPA Resolution No. FY2024-26 and ordered that 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. [Order entered 9/26/24]</p>	<p style="text-align: center;">APPROVED (5 in favor / 1 recusal)</p>
09-09-24	24-27	<p><u>Notice to the Public Utilities Commission Relative to the Approval of the Repair and Overhaul of the Navy-Owned Orote Power Plant:</u> Chairman Johnson introduced the Notice regarding the approval of repairs and overhaul of the Navy-owned Orote Power Plant. Chief ALJ Horecky explained that GPA filed a Notice instead of a petition since the Navy, not GPA, will bear the \$1.8M cost, primarily for Wartsila's services. GPA will act as the project manager, assisting the Navy while being reimbursed for its costs. Chief ALJ Horecky confirmed GPA met all filing requirements and recommended PUC approve the contracts without a formal review under the Contract Review Protocol. The PUC found that its review of the GPA's contracts with Navy and Wartsila is not required under the Contract Review Protocol and approved GPA's contract with Navy and Warsila for the repair and overhaul of the Orote Power Plant. [Order entered 9/26/24]</p>	<p style="text-align: center;">APPROVED (unanimously)</p>

Guam Waterworks Authority (GWA)

19-08	<p><u>Petition to Amend the PUC's Sept. 28, 2023 Order Re: filing Deadlines, Review Timeframes, and Submittals Required for GWA's FY2025-FY2029 Rate Application Case:</u> The PUC reviewed the petition, Chief ALJ Horecky presented GWA's request for extensions and procedural modifications for its 2025-2029 rate case. GWA sought to extend its filing deadline</p>	
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		<p>FY2026 and FY2027, it will be in a better position to determine when the new rate design structure should be implemented and whether there should be a phase-in of such implementation. After the adoption of GWA's rates for FY2025, FY2026 and FY2027, the PUC will conduct further proceedings, through its Consultant and the ALJ, to determine the years for which the rate design principles should be implemented and whether there should be a phase-in of such implementation. [Order entered 03/28/24]</p>	
11-15-23	24-01	<p><u>Petition to Ratify and Approve Increased Spending for GWA's Conflict and Outside-Counsel per GWA-RFP-2018-01 for CV-1198-18:</u> The PUC reviewed GWA's request to approve and to increase its spending on legal fees by \$43,821.20 beyond its \$1M threshold for a complex land dispute involving the Northern Wastewater Treatment Plant. The case, filed against Core Tech International and Unex Enterprises, concerns land ownership and claims to title that date back to transactions involving the Chamorro Land Trust and Guam Ancestral Lands Commission. Due to the litigation's complexity, GWA engaged additional legal support, anticipating continued high costs. The PUC granted GPA's Petition for Ratification and Approval of Increased Spending for Conflicts/Legal Counsel Pursuant to GWA-RFP-2018-01 for CV1198-18 and approved and authorized (1) GWA's expenditure of the amount of \$438,021.20 over GWA's PUC Contract Review threshold of \$1M; (2) GWA may expend no more than an additional \$1M on the contract without prior PUC approval; and, (3) GWA shall file a cost estimate on May 21st of each year of the remainder of the contract term, with GWA seeking the PUC's prior approval if the contact should exceed 120% of the \$1M contract limit authorized by PUC in the upcoming year. [Ordered entered 12/19/23]</p>	<p style="text-align: center;">APPROVED (6 in favor/ 1 recusal)</p>
11-15-23	24-02	<p><u>Petition to Authorize GWA to Issue an Invitation for Bid to Procure Submersible Pumps and Motors:</u> The PUC reviewed and approved GWA's request to solicit a new contract for submersible pumps and motors for deep wells, due to unexpectedly high costs under the current contract with JMI-Edison. PUC Counsel Camacho supported rebidding to potentially secure better prices and emphasized the need for an indefinite delivery contract due to unpredictable pump and motor demands. GWA Counsel Rojas highlighted the proactive approach of bidding for inventory to ensure continuous water supply. The PUC granted GWA's Petition for Approval to issue</p>	<p style="text-align: center;">Approved (unanimously)</p>

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		<p>can be used to convert such bonds to tax-exempt, lower cost debt. RBC has indicated that the expectation is between 20-40% response to GWA's proposed tender offering, which would yield between \$10-\$20M in debt service savings, or about \$6 to \$12M in net present value savings. RBC projects that a tender of 20% across the tendered bonds (at about \$55M tendered), the result would be a net present value savings of \$6.1M (11.2% of refunded par); a total cash flow savings of \$10,003,415; and an average annual cash flow savings of \$500,171. RBC further estimates that a tender of 20% would result in a gross debt service savings of about \$10M and an all-inclusive true interest cost of 3.994%. RBC also projects that at a tender of 40% (which would be at the high end at about \$109M tendered), the result would be a net present value savings of \$12.3M (11.2% of refunded par); a total cash flow savings of \$20,016,906; and an average annual cash flow savings of \$1,000,845. RBC further estimates that a tender of 40% would result in a gross debt service savings of \$20,016,906 and an all-inclusive true interest cost of 3.994%. According to GWA, these estimates assume 1.5% cost of issuance; and the fee for the tender agent is estimated at an additional \$19,000.00. GWA has obtained the CCU and GEDA's authorization for the issuance and sale of bonds and approval of the bond documents related to any sale and redemption. Based on the estimates provided by GWA, as prepared by RBC, (1) the refunding of Series 2013 and 2014A bonds would result in a 7.2% present value savings, which is greater than the required minimum of 2% debt service savings; and, the tender offer at a 20% response rate (which is at the low end) would result in an 11.2% present value savings, which is greater than the required minimum 2% debt service savings. According to the estimates, a 40% response rate would also result in an 11.2% present value savings, which again is greater than the required minimum 2% debt service savings. The PUC approved the issuance of the Refunding Bonds and the terms and conditions pursuant to which the Refunding Bonds are to be issued and included in Exhibit "A" attached to PUC's Order. Provided; however, that any material modification of the Supplemental Indenture shall be subject to the PUC's prior review and approval, with GWA being charged with the responsibility of bringing such material modification or amendment to the PUC's attention. The principal amount of Refunding Bonds that may be issued may not exceed an aggregate principal amount sufficient to provide funds for the</p>	

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		<p>decided that GWA would continue to absorb credit card transaction fees rather than imposing a convenience fee on customers, maintaining consistency with GPA. For the RSF, the Commissioners approved a lower funding level of \$1.25M annually from FY2026 to FY2029, balancing financial stability with customer rate concerns. The meeting adjourned with unanimous approval of these decisions. The PUC ordered that all rulings and orders of the ALJ in this proceeding are confirmed and ratified. All motions not granted or denied are denied and that no matters currently require discussion. The PUC agreed that the Rate Stabilization Fund (RSF) should be replenished and that for the purposes of establishing rates for this Five-Year Financial Plan, annually from FY2026-FY2029, a \$1,250,000 contribution will be made from Revenues to the Rate Stabilization Fund beginning in FY2026 and is reflected in the final rate increase for that fiscal year. All credit card company charges for GWA customers paying by credit card shall be recovered as a component of rate revenue requirements. The Joint Stipulation of GWA and Georgetown Consulting Group (GCG), on behalf of the PUC, entered into by the parties on August 28, 2024, is hereby approved and adopted by the PUC. The parties are ordered and directed to perform and carry out all obligations and duties set forth in the Joint Stipulation. Effective October 1, 2024, for FY2025, GWA is authorized to implement an across-the-board 11.5% increase in water and wastewater rates, including an increase lifeline rates of 11.5%. Effective October 1, 2025, for FY2026, GWA is authorized to implement an across-the-board 10.75% in water and wastewater rates. Effective October 1, 2026, for FY2027, GWA is authorized to implement an across-the-board 7.75% in water and wastewater rates. Effective October 1, 2027, for FY2028, GWA is authorized to implement an across-the-board 7.75% in water and wastewater rates. Effective October 1, 2028, for FY2029, GWA is authorized to implement an across-the-board 7.75% in water and wastewater rates. Lifeline rates for FY2026-FY2029 will not be increased. See, Exhibit "1 attached to PUC's Order dated September 24, 2024, for <i>Schedule A-2 Historical and Forecasted Operating Results, Proposed Rates, Schedule K Proposed Rate Adjustments, and Schedule L Monthly Bill Impacts by Customer Class from Final RAM</i>. However, the above authorized rate increases for FY2026, FY2027, FY2028 and FY2029, are subject to change in the annual true-up proceedings. Such rates may be subsequently altered</p>	<p>APPROVED (unanimously)</p>

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		<p>construction contracts for work identified in the following projects: (1) leak detection and repairs in the Agat-Santa Rita District Metered Areas (DMAs); (2) identification and replacement of asbestos cement pipe (ACP) and undersized (2-inch galvanized steel) waterlines in the Agat-Santa Rita DMAs and Southern Water System (Talofofo through Umatac) DMAs; (3) construction of the Brigade Pump Station Improvement Project; and (4) construction of the Santa Rita Springs Improvement and Expansion Project. GWA shall conduct an annual review of the Water Loss Control Program and DMA implementation progress and analyze prospective pipe replacement and other related capital projects for water loss control. Such efforts shall be conducted in coordination with GWA's water loss management consultants and will be used to update Water Loss Control Program goals using appropriate metrics as outlined in the WLCP and prior water loss analytical study conducted as part of the Comprehensive Review and Update in Docket 19-08. GWA will include annual updated goals and progress in the existing semi-annual Water Loss Control Program reporting provided to the PUC. On or before January 3, 2025, GWA shall submit a brief report outlining the plan of action to achieve the priority projects outlined in paragraphs 4(a)(1) through 4(a)(4) of the Joint Stipulation. GWA shall recover its GWA Docket 19-08 Adjudication Expenses as a regulatory asset, recovered annually over the 5-year amortization period, FY2025-FY2029. GWA is incurring significant legal expenses regarding litigation involving the Northern District Wastewater Treatment Plan. A regulatory asset shall be credit for Debt Service calculation purposes for FY2025 and FY2026, estimated at a total of \$3M. Said \$3M shall be amortized at 3% over the 5 years beginning in FY2027. Additional legal expenses in FY2025 may be classified as Regulatory Asset and amortized in a single year, FY2026, subject to review and affirmation of compliance with applicable accounting standards as documented in an order issued by the PUC Administrative Law Judge, with the objective of having - to the extent possible and allowed in conformance with established accounting standards -- approximate equal rate increases in FY2025 and FY2026. The additional amount of expenses (beyond that associated with GWA Docket 19-08 expenses and legal expenses) to be reduced for debt service calculation purposes in FY2025 and then amortized in FY2026 is estimated between \$3M and \$4M. [Order entered 9/24/24]</p>	

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		with E-Source. The program, which began in 2021, aims to monitor water loss through District Meter Areas (DMAs), identify leaks, and prioritize water line replacements. Despite inflation-driven cost increases, GWA requested a total of \$821,709.40 for the two years. After a discussion on the program's benefits, staffing challenges, and ongoing leak detection efforts, the commissioners unanimously approved the petition, supporting the program's long-term goals of improving water system management and reducing reliance on external consultants. The PUC approved the Year 4 Task Order in the amount of \$401,724.00 and the Year 5 Task Order in the amount of \$419,985.00 for the Water Loss Control Professional Services Contract with E Source; the total additional approved funding for these two (2) Task Orders is \$821,709.00; the total authorized funding for the contract is \$2,029,461.40 and GWA is authorized to expend funds for the Task Orders from GWA Operations and Maintenance (O&M) budget and Internally Funded CIP. [Order entered 5/30/24]	APPROVED (unanimously)

Guam Solid Waste Authority (GSWA)

11-15-23	24-01	<u>Petition for Review and Approval of Award and Contract to Worldwide Enterprise, Inc. for 24 Cubic Yard Rear Loading Refuse Trucks:</u> The PUC reviewed and approved GSWA's contracts to purchase two rear-loading trucks from Worldwide Enterprises and two side-loading trucks from Far East Equipment. Due to urgent fleet needs and a 10.95% higher bid for rear-loaders, GSA Guam procured the rear-loading trucks through a federal source, while the side-loader bid was accepted as it was only 2.82% higher than federal quotes. Chief ALJ Horecky emphasized the urgent need for these trucks, expected by June 2025, and the Commissioners raised concerns about managing the aging fleet in the interim, with GSWA planning maintenance until replacements arrive. The PUC approved GSWA's awards and contracts to Worldwide Enterprises, Inc. for two (2) 24-Cubic Yard Rear Loading Refuse Trucks, and to Far East Equipment LLC for two (2) 24-Cubic Yard Side Loading Refuse Trucks, Invitation for Bid (IFB) No. GSWA-004-23 and authorized GSWA to expend the amount of \$1,834,045.44 for the Contracts/Purchase Orders with Worldwide Enterprises, Inc. and Far East Equipment LLC. [Order entered 11/30/23]	APPROVED (unanimously)
11-15-23	24-02	<u>Petition for Review and Approval of Award and Contract to Far East Equipment, LLC for 24 Cubic Yard Side Loading Refuse Trucks:</u> The PUC approved GSWA contracts with Worldwide	

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		<p>Certification, with Commissioner Pangelinan recusing himself due to a conflict of interest. Chief ALJ Horecky explained that Docomo sought certification to qualify for federal funds supporting essential telecom services, including expanding fiber-to-the-home, and repairing typhoon damage. After clarification on "frozen" high-cost support, which holds funds until certification, Chief ALJ Horecky recommended approving the petition. The motion to approve passed unanimously. [USAC Certification / Certificate of Authority issued on 08/29/24]</p>	<p style="text-align: center;">APPROVED (4 in favor/ 1 recusal)</p>
08-23-24	GTA 24-01	<p><u>Petition of GTA for Annual USAC Certification:</u> Chairman Johnson introduced the petition for Annual USAC Certification. Chief ALJ Horecky explained that GTA requested certification to confirm its use of federal universal service funds for compliant purposes, supporting local services, infrastructure, and service quality improvements. GTA's CEO certified that all federal funds received are used exclusively for intended upgrades, including fiber-to-the-home expansions, and enhanced high-speed internet access. Chief ALJ Horecky confirmed that GTA met certification requirements, recommending approval of the petition. The Commissioners unanimously approved the motion. [USAC Certification / Certificate of Authority issued on 09/26/24]</p>	<p style="text-align: center;">APPROVED (unanimously)</p>
08-23-24	GTA 24-02	<p><u>Petition of GTA/Pulse Mobile for Annual USAC Certification:</u> Chairman Johnson introduced the petition of GTA/Pulse Mobile for annual USAC certification. Chief ALJ Horecky explained that GTA/Pulse Mobile, a subsidiary of GTA, seeks certification to confirm compliance with Section 254(e) of the Communications Act, ensuring federal universal support funds are used appropriately. GTA/Pulse Mobile has submitted a 5-year build-out plan, made capital improvements in Guam, and certified that federal funds are used for intended purposes. Chief ALJ Horecky concluded that GTA/Pulse Mobile meets all requirements and recommending PUC approve the certification. The motion to approve the petition was unanimously carried. [USAC Certification / Certificate of Authority issued on 09/26/24]</p>	<p style="text-align: center;">APPROVED (unanimously)</p>
08-28-24	PTI / ITE&E 24-01	<p><u>Petition for Annual USAC Certification:</u> Chairman Johnson introduced the petition for Annual USAC Certification. Chief ALJ Horecky explained that PTI seeks certification to use federal universal service funds in compliance with Section 254(e) of the Telecommunications Act, which requires that funds be used only for specified purposes. PTI submitted an updated 5-year</p>	<p style="text-align: center;">APPROVED (unanimously)</p>

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		Yard Tractors, at a total cost of \$1,791,327, subject to an 80/20 cost share through a MARAD grant. [Order entered 5/30/24]	

ADMINISTRATIVE MATTERS

DATE	ACTION
10/26/23	FY2023 BUDGET REVIEW
03/28/24	APPROVED-Resolution No. 24-01 Relative to Extension of Administrative Law Judge Services Agreement with the Guam public Utilities Commission
4/25/24	PUC QUARTERLY FINANCIAL REVIEW
7/25/24	APPROVED- Hiring Replacement of Administrative Assistant to the PUC Administrator
7/25/24	PUC QUARTERLY FINANCIAL REVIEW
7/25/24	APPROVED- TCD Deposit of \$50k
08/29/24	APPROVED- Resolution No. 24-02 Employment Agreement for Sheila Salas
08/29/24	Citizen Centric Report