

GUAM PUBLIC UTILITIES COMMISSION

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FY2024 CITIZEN-CENTRIC REPORT

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OUR MISSION

The PUC sets rates for Ratepayers that are “just and reasonable”; utilities must establish that the Rates charged are based upon the reasonable cost of service. The PUC conducts a hearing process that protects the fundamental rights of the Ratepayers. The PUC must also establish rates that are adequate to cover the full cost of the utilities in providing such service.

OUR MEMBERS

Jeffrey C. Johnson, Chairman
Peter B. Montinola, Vice Chairman
Joseph M. McDonald, Commissioner
Rowena E. Perez-Camacho, Commissioner
Michael A. Pangelinan, Commissioner
Doris Flores-Brooks, Commissioner

The membership of the PUC is comprised as follows:

- 2 members from the business community of Guam;
- 1 member who is a Certified Public Accountant;
- 2 members who are from the community at large; and
- 2 members (each with training and experience in at least 1 of the following areas: power generation, telephone, water/sewer utilities, or marine terminal operations/transportation via ocean common carrier) with an additional requirement that the 2 members have training or experience in different areas.

ABOUT THE GUAM PUBLIC UTILITIES COMMISSION

- An independent regulatory commission, separate from the Executive and Legislative Branches, created by Federal Law.
- Governed by seven commissioners who serve six-terms under the appointment by the Governor and confirmation by the Legislature.
- Regulates the rates and rate impacting procedures of Guam Power Authority, Guam Waterworks Authority, Guam Solid Waste Authority, Port Authority of Guam and Guam International Country Club (Guam Municipal Golf).
- Tariff and rate setting and regulatory duties for telecommunication companies, including the E911 Surcharge.

RATEPAYERS BILL OF RIGHTS

When a utility seeks a rate increase, the PUC must conduct proceedings in accordance with the rights of Ratepayers under the Ratepayer Bill of Rights. The fundamental rights of the Ratepayers include:

- The right to receive clear and adequate notice of any proposed rate increase;
- The right to be fully informed about and to fully evaluate any proposed rate increase, as well as the finances of the public utility; and
- The right to give input and participate in any proposed rate increase.

Three Public Hearings are held for each rate increase; one in the Central, Northern and Southern villages.

OUR PERFORMANCE

The Guam Public Utilities Commission strives for just and reasonable utility rates for the residents of Guam. Significant regulatory actions for FY2024 are listed below. The following shows how the workload of the PUC for matters approved was apportioned between the utilities during the last three fiscal years.



FY2022 - 20 Heard - 16 Approved - 2 Denied & 2 granted/denied in part FY2023 - 21 Heard & Approved FY2024 - 22 Heard - 21 Approved & 1 granted/denied in part	FY2022 - 10 Heard - 7 Approved - 3 granted/denied in part FY2023 - 11 Heard & Approved FY2024 - 9 Heard - 7 Approved & 2 granted/denied in part	FY2022 - 1 Heard & Approved FY2023 - 4 Heard & Approved FY2024 - 3 Heard & Approved
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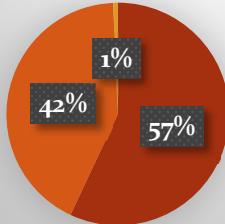


FY2022 - 6 Heard & Approved FY2023 - 0 Heard & Approved FY2024 - 2 Heard & Approved	FY2022 - 4 Heard & Approved FY2023 - 4 Heard & Approved FY2024 - 4 Heard & Approved	FY2022 - 0 Heard & Approved FY2023 - 0 Heard & Approved FY2024 - 0 Heard & Approved
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FY2024	Matters Heard	Matters Approved	Matters Denied	Matters Granted in Part & Denied in Part
Guam Power Authority	22	21	0	1
Guam Waterworks Authority	9	7	0	2
Guam Solid Waste Authority	3	3	0	0
Port Authority of Guam	2	2	0	0
Telecommunications	4	4	0	0
Guam International Country Club	0	0	0	0

OUR REVENUE & EXPENSES

2024 REVENUE



FOR FISCAL YEARS SEPTEMBER 30, 2024 AND SEPTEMBER 30, 2023

REVENUES	2024	2023	% CHANGE
Annual Assessment	\$550,000	\$490,000	12.24%
Regulatory Fees	408,517	336,914	21.25%
Interest Income	6,759	1,686	30.09%
TOTALS:*	\$965,276	\$828,600	16.49%

*Amounts rounded to nearest tenths.

EXPENSES	2024	2023	% CHANGE
Administrative Expenses	\$ 114,777	84,395	+36.00%
Bank Fee Expenses	220	240	-8.33%
Commissioner Expenses	91,978	142,278	-35.35%
Depreciation Expenses	0	0	0
IT Expenses	3,825	6,523	-41.36%
NARUC Expenses	2,258	2,181	+3.53%
Office Expenses	3,171	2,842	+11.58%
Office Rent	35,030	30,154	+16.17%
Payroll Services Expense	1,406	1403	+0.21%
Payroll Tax Expense	8,780	6,456	+36.00%
Professional Fees – Administrative	161,472	214,060	-24.57%
Professional Fees - Regulatory	408,517	336,914	+21.25%
Publication Expenses	48,398	43,659	+10.85
Utilities	4,470	4,271	+4.66%
Xerox	3,560	4,221	-15.66%
TOTAL:*	\$ 887,862	\$ 879,597	+ 0.94%

*Amounts rounded to nearest tenth.

ADMINISTRATIVE BUDGET

The administrative budget covers the PUC's Administrative expenses, including staff, office facilities, Commissioner stipends and training, professional fees and other operational expenses. PUC is classified as another stand-alone government entity, not a component unit of GovGuam and, therefore, is not included in the annual GovGuam audits. For our most recent financial statements please visit our website at <http://www.guampuc.com/aboutus>. Previous financial statements can be found at the Guam Legislature's website at <http://www.guamlegislature.com>.

OPERATIONAL EXPENSES

PUC's operational expenses can be divided into two categories and are budgeted and collected as follows:

- General administrative expenses, which are budgeted each fiscal year by PUC, are divided and assessed among the regulated utilities.
- Regulatory expenses, which are incurred pursuant to PUC Administrative Order dated August 13, 2007, include professional and out-of-pocket expenses that are billed to specific utilities under regulatory dockets assigned to them to cover the expense of handling specific regulatory proceedings related to them.

OUTLOOK & CHALLENGES



FY2024 – MAJOR PUC ACTIONS

Adjudication of Major Dockets:

- Approved GPA's petition to award Hyundai Corporation as the new supplier of ultra-low sulfur diesel fuel oil following the contract expiration with Mobil Oil Guam in early 2024. PUC focused on the financial impact and the essential need for stable fuel supplies, especially as GPA works to phase-out older powerplants and increase renewable energy. The contract's estimated value of \$846M makes it GovGuam's largest private contract. (11/30/23)
- Approved GWA's request for approval of issuance of GWA Water & Wastewater System Revenue Refunding Bonds and Associated Documents to retire portions of existing bonds from previous years to achieve debt service reduction of approximately \$6M and operational cost savings, with flexibility to withdraw if necessary. It further allows GWA to refinance its debts thus allowing it to pay off higher cost bonds with debt that has a lower net cost to the issuer of the bonds and serves to reduce interest costs. (1/25/24)
- Approved GPA's request to approve a bond issuance to refinance a portion of the outstanding 2014 Series A Revenue Bond, aiming to reduce debt service costs through interest rate savings. (5/30/24)
- Approved GPA's request for bond financing savings utilization for the Ukudu Powerplant Project. GPA sought to use savings from the 2024 Series A Bond refunding to fund capital lease and operational expenses for the Ukudu project, aligning with P.L. 37-95, which requires savings to benefit Ratepayers. (9/26/24)
- 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 GWA's ownership of the Northern Water and Wastewater Plant. PUC supported GWA's position that it, and not Core Tech International, is the owner of the property and the plant that sits on it. The case has since been remanded to the Superior Court.

PUC'S OUTLOOK

In FY2025, 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 in September 2025. 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.

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

PUC anticipates that its scope of work will increase in the upcoming fiscal year with possible rate increase requests from several utilities. In the course of its regulatory duties over the past year, the PUC has noted that the operational costs of the utilities have increased substantially due to inflation and other factors. These increased costs could place pressure on the utilities to seek rate increases. 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.

CONTACT US

If you have any questions or concerns about this report, we want to hear from you! Please contact us by emailing us at info@guampuc.com.

Marie Leon Guerrero

From: Marie Leon Guerrero <mleonguerrero@guampuc.com>
Sent: Tuesday, January 6, 2026 11:43 AM
To: 'bjcruz@guamopa.com'; 'speakerblas@guamlegislature.gov'
Cc: 'lpalomo@guampuc.com'; 'info@guampuc.com'
Subject: GUAM PUBLIC UTILITIES COMMISSION - FY2024 CITIZEN-CENTRIC REPORT
Attachments: PUC FY2024 CITIZEN-CENTRIC REPORT.pdf

Honorable Benjamin J.F. Cruz, Public Auditor

OFFICE OF THE PUBLIC AUDITOR

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Honorable Frank F. Blas, Jr., Speaker

38th GUAM LEGISLATURE

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RE: GUAM PUBLIC UTILITIES COMMISSION – FY2024 CITIZEN-CENTRIC REPORT

Buenas yan Hafa Adai Public Auditor Cruz and Speaker Blas:

In accordance with the provisions contained in 1 G.C.A. Chapter 19, §1922, submitted herewith is the Guam Public Utilities Commission's FY2024 Citizen-Centric Report.

Thank you for your kind attention. Please feel free to contact our office should you have any questions or require further information regarding our office's submission.

Si Yu'os Ma'ase',

*Marie M. Leon Guerrero for
Lourdes R. Palomo, Administrator
PUBLIC UTILITIES COMMISSION*

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