

## FY2020 CITIZENS CENTRIC REPORT

### 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-year terms under appointment by the Governor and confirmation by the Legislature.
- Regulates the rates and rate impacting procurements of Guam Power Authority, Guam Waterworks Authority, the Guam Solid Waste Authority, the Port Authority of Guam, and the Guam International Country Club (Guam Municipal Golf Course).
- Tariff and rate setting, and regulatory duties, for telecommunication companies, including the E911 Surcharge.

### Mission

The PUC seeks to set rates for ratepayers that “just and reasonable”; “just and reasonable” rates are those which allow each public utility to meet its contractual, bond, and other financial obligations, to repay its debts, to finance its capital improvement needs, and to cover its necessary operating expenses.

### Ratepayer 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 a 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 each in central, northern, and southern villages.

### Commissioners

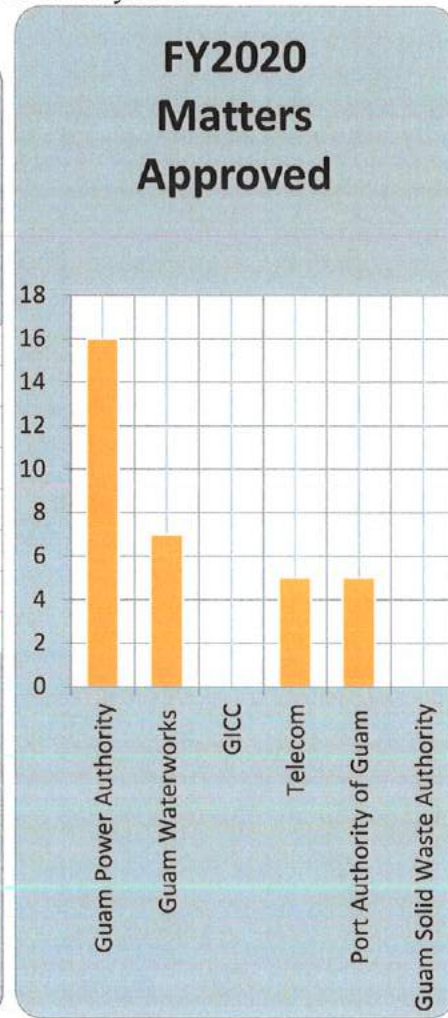
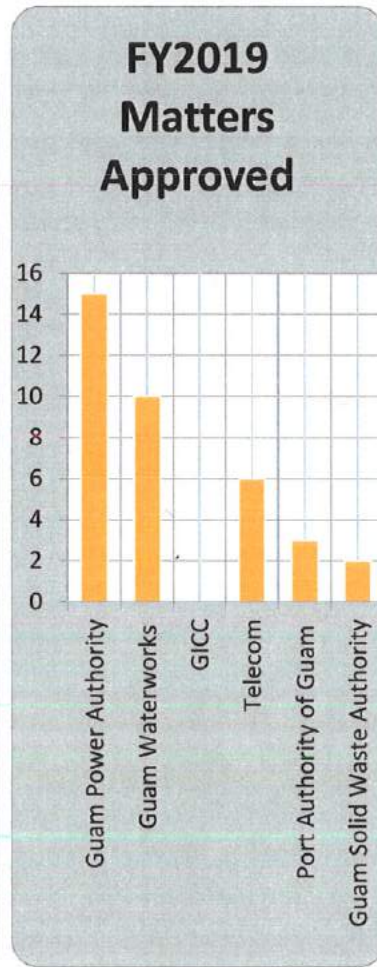
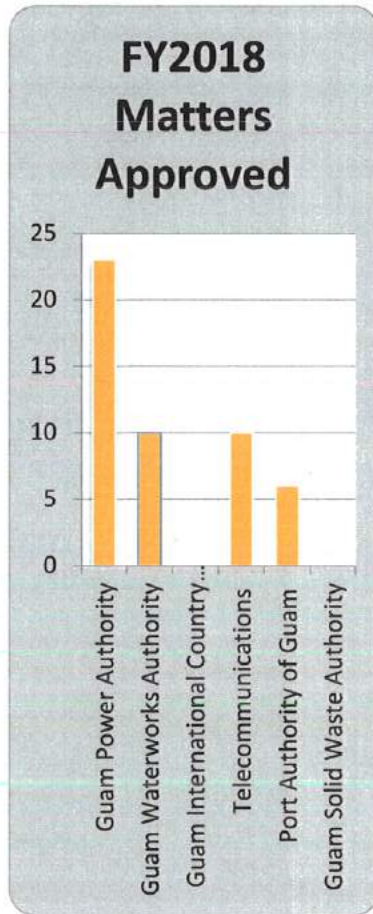
The membership of the Commission is comprised as follows:

2-members from the business community of Guam, 1-member who is a certified public accountant, 2-members (each of whom have training and experience in at least one 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 two members have training or experience in different areas, and 2-members who are from the community at large.

*PUC members in FY2020 are: Jeffrey C. Johnson – Chairman, Peter B. Montinola – Vice Chairman, Commissioners Joseph McDonald, Rowena E. Perez-Camacho, Michael A. Pangilinan, Doris Flores Brooks, Pedro S.N. Guerrero*

## HOW WE HAVE PROGRESSED

The Guam Public Utilities Commission strives for just and reasonable utility rates for the residents of Guam. Significant regulatory actions for FY2020 are listed below. The following graphs show how the workload of the PUC for matters approved was apportioned between the utilities during the last three fiscal years:

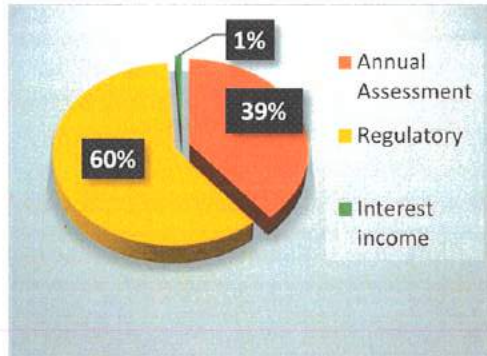


| FY2020                                 | Numbers of matters heard | Number approved | Number denied | Number granted in part; denied in part |
|--|--------------------------|-----------------|---------------|--|
| <u>Guam Power Authority</u>            | 18                       | 16              | 1             | 1                                      |
| <u>Guam Waterworks Authority</u>       | 9                        | 7               | 1             | 1                                      |
| <u>Telecommunications</u>              | 5                        | 5               | 0             | 0                                      |
| <u>Guam International Country Club</u> | 0                        | 0               | 0             | 0                                      |
| <u>Port Authority of Guam</u>          | 5                        | 5               | 0             | 0                                      |
| <u>Guam Solid Waste Authority</u>      | 1                        | 0               | 0             | 0                                      |



## Revenues and Expenses

For the Fiscal Years Ended September 30, 2020 and September 30, 2019



| Revenues          | 2020               | 2019              | % Change   |
|-------------------|--------------------|-------------------|------------|
| Annual Assessment | \$ 459,300         | \$ 499,800        | -9%        |
| Regulatory fees   | \$ 839,522         | \$ 322,835        | 62%        |
| Interest income   | \$ 439             | 593               | -35%       |
| <b>Total*</b>     | <b>\$1,299,261</b> | <b>\$ 823,228</b> | <b>37%</b> |

| Expenses                          | 2020                | 2019              | % Change   |
|-----------------------------------|---------------------|-------------------|------------|
| Administrative- Professional Fees | \$201,305           | \$200,393         | .45%       |
| Regulatory - Professional Fees    | \$839,522           | \$322,835         | 62%        |
| Administrative expenses           | 54,000              | 52,000            | 4%         |
| Commissioner expenses             | 99,987              | 156,128           | -56%       |
| Depreciation expenses             | 1,168               | 1,168             | 0%         |
| IT expenses                       | 3,570               | 3,570             | 0%         |
| Bad debts                         | -                   | -                 | -          |
| Office rent                       | 30,273              | 29,550            | 2%         |
| Office expenses                   | 4,772               | 4,957             | -4%        |
| Utilities                         | 4,354               | 4,578             | -5%        |
| Publication expenses              | 52,315              | 39,493            | 25%        |
| Naruc expenses                    | 1,878               | 1,836             | 2%         |
| Xerox                             | 4,018               | 5,156             | -28%       |
| <b>Total*</b>                     | <b>\$ 1,297,162</b> | <b>\$ 821,664</b> | <b>37%</b> |

\*Amounts may not add due to rounding.

### Administrative Budget

The administrative budget covers the Commission's administrative expenses, including staff, office facilities, Commissioner Stipends and training, professional fees, and other operational expenses.

PUC is classified as another stand-alone governmental unit, not a component unit of GovGuam, and therefore is not included in the annual GovGuam audits. Most recent financial statements can be found at PUC's website at <http://www.guampuc.com/about-us>. 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 and divided and assessed among the regulated utilities.

Regulatory expenses, which are incurred pursuant to a Commission resolution, dated August 13, 2007. This expense includes 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.



## Outlook and Challenges Ahead

### PUC's Outlook

During the year of the Covid pandemic, the PUC was able to conduct its meetings, carry out its regulatory duties, and handle its ongoing workload. The PUC was fully operational and functional, despite having a staff of only two employees and a few consultants. Some of the work of the Commission is done by outside regulatory consultants. PUC anticipates that its scope of work will remain steady in FY2021, and that it will have sufficient personnel to continue to handle its workload. During FY2020, PUC was able to handle its workload within budget and available regulatory resources.

### Major PUC Actions in FY2020

- approved the construction of the new Okudu 198MW power plant and authorized GPA to enter into an Energy Conversion Agreement with Korean Electric Power Company.
- approved the Consent Decree between GPA and the U.S. Environmental Protection Agency, which required GPA to construct the new power plant as part of a settlement agreement regarding alleged environmental violations.
- reduced the Levelized Energy Adjustment Clause Factor paid by ratepayers by over 45%, from 15.42 cents per kWh in February 2020 to 8.6 cents per kWh in August 2020.
- determined that any excess credits for net metering customers would be zeroed out by GPA at the end of the year.
- adjudicated a major rate case for GWA. GWA originally had requested a 44% rate increase over five years; PUC approved two 5% increases for 2020 and 2021.
- authorized GWA to issue bonds up to the amount of \$134M.
- approved several projects designed to improve the facilities of the Port Authority of Guam under its Master Plan. These included hiring consulting services for the Structural Repair of Golf Pier, the EQMR Warehouse No. 1, and the Waterline Replacement Project.
- additional funding approved for services for the live coral removal, relocation, and monitoring for PAG's H-Wharf maintenance and repair project.
- approved PAG's JDE Enterprise One Financial Management System Upgrade.

### Guam PUC 1<sup>st</sup> Broadcasted Meeting held July 29, 2021





Thomas Eladio Battung &lt;tbattung@guamopa.com&gt;

---

**Fwd: PUC FY2020 CCR**

2 messages

**Benjamin Cruz** <bjcruz@guamopa.com>

Fri, Aug 27, 2021 at 11:45 AM

To: Mariella Cruz <mcruz@guamopa.com>, Thomas Battung <tbattung@guamopa.com>, Clariza Roque <croque@guamopa.com>, Chris Rivera <crivera@guamopa.com>, Frederick Jones <fjones@guamopa.com>, Jerrick Hernandez <jhernandez@guamopa.com>, Johanna Pangelinan <jpangelinan@guamopa.com>, Vincent Duenas <vduenas@guamopa.com>, Ren Jalandoni <rjalandoni@guamopa.com>, Thyrza Bagana <tbagana@guamopa.com>, Selina Onedera-Salas <sonederasalas@guamopa.com>, Kayleen Concepcion <kconcepcion@guamopa.com>

----- Forwarded message -----

From: &lt;cbrown@guampuc.com&gt;

Date: Fri, Aug 27, 2021 at 11:42 AM

Subject: PUC FY2020 CCR

To: &lt;terlajeguam@gmail.com&gt;

Cc: &lt;bjcruz@guamopa.com&gt;

Håfa Adai:

On behalf of the Public Utilities Commission of Guam, I hereby submit its FY2020 Citizen Centric Report pursuant to Public Law 30-127.

Thank you.

Cynthia I. Brown

Administrator Assistant

Public Utilities Commission of [Guam](#)[414 West Soledad Avenue](#)GCIC Building, 2<sup>nd</sup> Floor, Suite 207

Hagåtña, Guam 96910

Email: [cbrown@guampuc.com](mailto:cbrown@guampuc.com)

Tel: (671) 472-1907 / Fax: (671) 472-1917

--

Benjamin J. F. Cruz

Public Auditor

Office of Public Accountability – Guam

[www.opaguam.org](http://www.opaguam.org)

Tel. (671) 475-0390 ext. 209

Fax (671) 472-7951

This e-mail transmission and accompanying attachment(s) may contain confidential or privileged information. If you are not the intended recipient of this e-mail, please inform the sender and delete it and any other electronic or hard copies immediately. Please do not distribute or disclose the contents to anyone. Thank you.



**CCR 2020 Final.docx**

160K

---

**Thomas Eladio Battung** <[tbattung@guamopa.com](mailto:tbattung@guamopa.com)>  
To: [cbrown@guampuc.com](mailto:cbrown@guampuc.com)

Fri, Aug 27, 2021 at 12:21 PM

Hafa adai Cynthia,

The Office of Public Accountability confirms receipt of your email. Thank you for submitting your FY 2020 Citizen Centric Report. We would like to request that you resend the CCR in PDF format to prevent any conversion errors, reformatting issues, or missing information on our side.

[Quoted text hidden]



Thomas Eladio Battung <[tbattung@guamopa.com](mailto:tbattung@guamopa.com)>

---

## PUC FY2020 CCR

1 message

---

**cbrown@guampuc.com** <[cbrown@guampuc.com](mailto:cbrown@guampuc.com)>  
To: Thomas Eladio Battung <[tbattung@guamopa.com](mailto:tbattung@guamopa.com)>

Mon, Aug 30, 2021 at 9:25 AM

Dear Mr. Battung,

Per your request, pls see the attached PUC FY2020 CCR in PDF format.

Thank you for your response.

Cynthia I. Brown

Administrator Assistant

Public Utilities Commission of [Guam](#)

[414 West Soledad Avenue](#)

GCIC Building, 2<sup>nd</sup> Floor, Suite 207

Hagåtña, Guam 96910

Email: [cbrown@guampuc.com](mailto:cbrown@guampuc.com)

Tel: (671) 472-1907 / Fax: (671) 472-1917



**PUC FY2020 CCR.pdf**  
3934K