

I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN
2012 (SECOND) REGULAR SESSION

BILL NO. 492 -31 (COR)

Introduced by:

D. G. RODRIGUEZ, Jr. 
V. ANTHONY ADA 

**AN ACT RELATIVE TO PROVIDING
COMPENSATION TO THE COMMISSIONERS OF
THE GUAM PUBLIC UTILITIES COMMISSION,
BY ADDING A NEW SUBSECTION (k) TO §12001
OF ARTICLE 1, CHAPTER 12, TITLE 12, GUAM
CODE ANNOTED.**

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BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent: *I Liheslaturan Guåhan* finds that the duties of the Guam Public Utilities Commission have increased substantially over the last few years. In addition to the core utilities under the regulatory supervision of the PUC (Guam Power Authority, Guam Waterworks Authority, Telecommunications Companies, and the Municipal Golf Course), PUC jurisdiction has been further extended to the Port Authority of Guam and the Solid Waste Division of the Department of Public Works. The PUC Commissioners are responsible for rate setting in highly complex and varied settings. In 2012 alone, the Commissioners have already addressed rate proceedings involving the Port Authority, and proceedings are underway for the Guam Power Authority and the Guam Waterworks Authority.

The number of meetings which the Commissioners are required to attend, and the amount of reading and preparation involved, have also increased

substantially. Previously the Commission met on a quarterly basis; however meetings are now required at least once a month and often twice a month. In addition, Commissioners attend public hearings and workshops on a regular and ongoing basis. They have the difficult duty to determine whether the citizens of Guam should be required to pay for just and reasonable utility rate increases.

I Liheslaturan Guåhan takes due note that the request to introduce legislation to address the issue and need for a stipend comes from the Commissioners of the PUC.

I Liheslaturan Guåhan further finds that there have only been five Commissioners on the PUC for many years, even though the statute provides for a seven member Commission. The Commission has had difficulties in meeting the quorum requirements to conduct its meetings. It is the intent of *I Liheslaturan Guahan* to authorize the compensation of Commissioners for the services that they perform, and to encourage the citizens of Guam to accept and undertake service as PUC Commissioners.

Section 2. A new subsection (k) is hereby added to §12001 [*Public Utilities Commission: Number, Appointment of Commissioners*] of Article 1, Chapter 12, Title 12, Guam Code Annotated, to read:

“(k) Commissioners shall be compensated at the rate of One Thousand Dollars (\$1,000.00) per month for their services. Such compensation shall be apportioned by the PUC in a fair and equitable manner among the utilities and entities regulated by the PUC. Commissioners shall not be eligible for government of Guam retirement or insurance benefits, or other benefits associated with government of Guam employment.”

Section 3. Severability. *If* any provision of this Act or its application to any person or circumstance is found to be invalid or contrary to law, such invalidity shall *not* affect other provisions or applications of this Act which can be given effect without the invalid provisions or application, and to this end the provisions of this Act are severable.

Section 4. Effective Date. This Act shall become immediately effective upon enactment.

**PUBLIC UTILITIES COMMISSION
OF GUAM**

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March 6, 2012

Senator Dennis Rodriguez, Jr.
176 Serenu Avenue
Ste. 107
Tamuning, Guam 96913

**Re: Request for Introduction of Legislation Relative to Compensation of
Commissioners of the Public Utilities Commission.**

Dear Senator Rodriguez:

Previously you and I had discussed the possibility of legislation providing compensation to PUC Commissioners for their service. As Counsel to the Commission, I hereby submit draft legislation which would provide compensation to the Commissioners of the Guam Public Utilities Commission. In my opinion, such compensation is justified for a number of different reasons.

The workload of the Commission has grown substantially over the last few years. Now, in addition to the core utilities (Guam Power Authority and Guam Waterworks Authority, the municipal golf course, and the telecom companies), PUC jurisdiction has been extended to the Port Authority of Guam and the Solid Waste Division of the Department of Public Works. Commissioners are responsible for rate setting in highly complex and varied settings.

Commissioners are required to undertake a significant amount of reading to understand these complex rate setting matters. Prior to PUC meetings, Commissioners are presented with lengthy briefing materials. They are required to read such materials in order to adequately respond to pressing issues, such as the system development charge, decisions on rate increases, and other technical matters frequently considered by the Commission. Over the past three years, the PUC has handled numerous major rate

"EXHIBIT A"

proceedings for PAG, GWA, GPA) and implementation of the system development charge. The rate proceedings involve Commissioner attendance at public hearings.

On an ongoing basis, the Commissioners address complex and contested proceedings concerning the telecommunications companies.

PUC meetings and public hearings occur during the evening hours and require the Commissioners to be away from their families for long periods of time. In addition, there have been numerous meetings with the regulated entities and workshops. Previously, the Commission met on a quarterly basis; now it meets at least once a month, and sometimes twice a month. Public hearings and workshops are additional attendance obligations which occur on regular and ongoing bases.

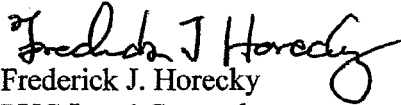
I believe the PUC commitments of the Commissioners will only increase in the next few years. At present there are pending rate proceedings involving PAG, GPA, GWA, and the Solid Waste Division. It is difficult and stressful for the Commissioners to have to decide such matters.

At present the PUC only has five Commissioners, although the statute provides for seven Commissioners. Compensation could provide an additional incentive for persons to serve on the Commission.

Finally, there is precedent for such compensation. See 12 GCA §79106, wherein compensation is provided to the Commissioners of the Consolidated Commission on Utilities. Such compensation will not come from the General Fund, but would be apportioned among the regulated utilities and entities. The PUC Commissioners hope that you will be willing to sponsor this draft bill. We would be glad to work with you further in that regard. Thank you for your consideration, and please let me know if you have any further questions.

If you like, the Chairman and I would be glad to meet with you on this matter.

Sincerely,


Frederick J. Horecky
PUC Legal Counsel

Enclosure