

I Mina'trentai Siette Na Lihelaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
290-37 (LS)	Dwayne T.D. San Nicolas	AN ACT TO ADD A NEW § 12130 TO ARTICLE 1 OF CHAPTER 12, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO PROHIBITING THE DISCONNECTING OF UTILITY SERVICES ON FRIDAYS.	4/30/24 1:44 p.m.	5/6/24	Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal	Request: 5/6/24 5/21/24			Referred Version 5/2/24



COMMITTEE ON RULES

Senator Chris Barnett, Chairperson
I Mina'trentai Siette Na Liheslaturan Guåhan
37th Guam Legislature

May 21, 2024

To: **Joaquin P. Taitague**
Clerk of the Legislature

From: **Senator Chris Barnett** 
Chairperson, Committee on Rules

Subject: **Fiscal Note for Bill No. 290-37 (LS)**

Håfa Adai yan Biba Guåhan!

Find the attached, Fiscal Note for the following bill:

Bill No. 290-37 (LS).

I also request that the same be sent to the respective Chairperson of the Standing Committee, to which this bill has been referred. Kindly forward the same to Management Information Services (MIS) for posting on our website.



Bureau of Budget & Management Research
Fiscal Note of Bill No. 290-37 (LS)

AN ACT TO ADD A NEW § 12130 TO ARTICLE 1 OF CHAPTER 12, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO PROHIBITING THE DISCONNECTING OF UTILITY SERVICES ON FRIDAYS.

Department/Agency Appropriation Information

Dept./Agency Affected: Public Utilities Commission (PUC)	Dept./Agency Head: Jeffrey Johnson, Board Chairman
Department's General Fund (GF) appropriation(s) to date:	\$0
Department's Other Fund (Specify) appropriation(s) to date:	\$0
Total Department/Agency Appropriation(s) to date:	\$0

Fund Source Information of Proposed Appropriation

	General Fund:	Special Fund:	Total:
FY 2023 Unreserved Fund Balance	\$0	\$0	\$0
FY 2024 Adopted Revenues	\$0	0	0
FY 2024 Appro. (P.L. 37-42)	\$0	0	0
Sub-total:	\$0	0	0
Less appropriation in Bill	\$0	0	0
Total:	\$0	0	0

Estimated Fiscal Impact of Bill

	One Full Fiscal Year	For Remainder of FY 2024 (if applicable)	FY 2025	FY 2026	FY 2027	FY 2028
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
Other Fund 1/	1/	1/	1/	1/	1/	1/
Total	1/	1/	1/	1/	1/	1/

- | | | | |
|---|------------|---------|----------|
| 1. Does the bill contain "revenue generating" provisions?
If Yes, see attachment | / / N/A | / / Yes | / X / No |
| 2. Is amount appropriated adequate to fund the intent of the appropriation?
If no, what is the additional amount required? | /X/ N/A | / / Yes | / / No |
| 3. Does the Bill establish a new program/agency?
If yes, will the program duplicate existing programs/agencies?
Is there a federal mandate to establish the program/agency? | / / N/A | / / Yes | / X / No |
| 4. Will the enactment of this Bill require new physical facilities? | /X/ N/A | / / Yes | / / No |
| 5. Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason:
/ / Requested agency comments not received by due date | / / N/A | / / Yes | / X / No |
| | / / Other: | | |

Analyst: <u>Jasmine C. Tereas</u>	Date: <u>05/21/24</u>	Director: <u>Lester L. Carlson, Jr.</u>	Date: <u>MAY 21 2024</u>
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Notes: 1/ The proposed legislation prohibits the Guam Waterworks Authority (GWA) and the Guam Power Authority (GPA) from disconnecting or shutting off any customer from their utility services due to unpaid bills on a Friday. In such cases, the GWA and the GPA shall cut off services on the following Monday and shall charge for any additional consumption incurred after the Friday cut-off date. It should be noted that the PUC stated that they have no information concerning the fiscal impact of the bill. Additionally, the Bureau had sought input on the proposed Bill No. 290-37 (LS) from the GPA on 05/15/24 but has not received any official comments as of the date of this fiscal note. The GWA provided their comments which is attached to this fiscal note for reference indicating an annual loss of revenue of \$29,059.88.



GUAM WATERWORKS AUTHORITY

Gloria B. Nelson Public Service Building | 688 Route 15, Mangilao, Guam 96913

P.O. Box 3010, Hagatna, Guam 96932

Tel. No. (671) 300-6846/47 Fax No. (671) 648-3290

May 17, 2024

VIA E-MAIL TRANSMISSION

lester.carlson@bbmr.guam.gov

Mr. Lester Carlson Jr.
Director
Bureau of Budget Management and Research
Office of the Governor
513 West Marine Corps Drive
Ricardo J. Bordallo Complex
Hagatna, Guam 96910

RE: GWA'S Fiscal Comments on Bill No. 290-37 (LS) – An Act to Add a New § 12130 to Article 1 of Chapter 12, Title 12, Guam Code Annotated, Relative to Prohibiting the Disconnecting of Utility Services on Fridays

Hafa Adai Mr. Carlson,

Thank you for the opportunity to provide information about the fiscal impact of Bill No. 290-37 (LS) - An Act to Add a New § 12130 to Article 1 of Chapter 12, Title 12, Guam Code Annotated, Relative to Prohibiting the Disconnecting of Utility Services on Fridays

The financial implications associated with Bill 290-37 (COR), an act to add a new § 12130 to Article 1, Chapter 12, of Title 12, Guam Code Annotated, relative to prohibiting the disconnecting of utility services on Fridays would be an annual loss of revenue \$29,059.88.

The estimated annual loss of revenue is based on the following assumptions:

- Average number of residential customers disconnected on Fridays = 10.5
- Average number of commercial customers disconnected on Fridays = 0.5
- Average number of gallons consumed per day by residential customers = 233
- Average number of gallons consumed per day by commercial customers = 11,483
- Number of days of revenue loss = 4 (Friday, Saturday, Sunday, Monday)
- All billed consumption during these four days will be uncollectable.
- Water consumption for residential customers per K/gal for > 5,000 gallons = \$14.58
- Water consumption for commercial customers per K/gal = \$18.12

Calculation of lost annual revenue for residential disconnections on Fridays:

[01]	Average number of gallons used per day	233
[02]	Number of days	4
[03]	Total gallons	<u>932</u>
[04]	Rate per 1,000 gallons	<u>\$14.58</u>
[05]	Lost revenue per customer	<u>\$13.59</u>
[06]	Number of customers	<u>10.5</u>
[07]	Lost revenue each week	<u>\$142.70</u>
[08]	Number of weeks	<u>52</u>
[09]	Lost revenue per year	<u>\$7,420.14</u>

Calculation of lost annual revenue for commercial disconnections on Fridays:

[01]	Average number of gallons used per day	11,483
[02]	Number of days	4
[03]	Total gallons	<u>45,932</u>
[04]	Rate per 1,000 gallons	<u>\$18.12</u>
[05]	Lost revenue per customer	<u>\$832.29</u>
[06]	Number of customers	<u>0.5</u>
[07]	Lost revenue each week	<u>\$416.14</u>
[08]	Number of weeks	<u>52</u>
[09]	Lost revenue per year	<u>\$21,639.48</u>

Should you have any further questions please do not hesitate to contact Mr. Miguel Bordallo at (671) 300-6845 or mcbordallo@guamwaterworks.org.

Sincerely



THOMAS F. CRUZ, P.E.
General Manager (Acting)
Guam Waterworks Authority