

EDDIE BAZA CALVO  
Governor



RAY TENORIO  
Lieutenant Governor

*Office of the Governor of Guam*

December 10, 2012

Honorable Judith T. Won Pat, Ed.D  
Speaker  
*I Mina'trentai Unu Na Liheslaturan Guåhan*  
155 Hesler Street  
Hagåtña, Guam 96910

31-12-1984  
Office of the Speaker  
Judith T. Won Pat, Ed.D.  
Date 12/10/12  
Time 5:20 PM  
Received by [Signature]

DEC 11 AM 10:31

Dear Madame Speaker:

Attached is Bill No. 492-31 (COR), entitled, "**AN ACT TO ADD A NEW SUBSECTION (K) TO § 12001 OF ARTICLE 1, CHAPTER 12, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO PROVIDING COMPENSATION TO THE COMMISSIONERS OF THE GUAM PUBLIC UTILITIES COMMISSION,**" which was enacted into law without the signature of *i Maga'lahaen Guåhan* as **Public Law 31-251**.

*Senseramente,*

  
EDDIE BAZA CALVO

1984

***I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN***  
**2012 (SECOND) Regular Session**

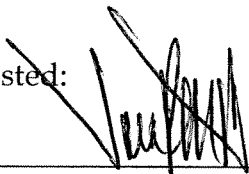
**CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'LAHEN GUÅHAN***

This is to certify that Substitute Bill No. 492-31 (COR), "AN ACT TO ADD A NEW SUBSECTION (k) TO §12001 OF ARTICLE 1, CHAPTER 12, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO PROVIDING COMPENSATION TO THE COMMISSIONERS OF THE GUAM PUBLIC UTILITIES COMMISSION", was on the 26<sup>th</sup> day of November 2012, duly and regularly passed.



Judith T. Won Pat, Ed.D.  
Speaker

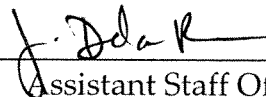
Attested:



Tina Rose Muña Barnes  
Legislative Secretary

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This Act was received by *I Maga'lahen Guåhan* this 28<sup>th</sup> day of Nv., 2012, at  
11:10 o'clock A.M.



Assistant Staff Officer  
*Maga'lahi's Office*

APPROVED:

\_\_\_\_\_  
EDWARD J.B. CALVO  
*I Maga'lahen Guåhan*

Date: \_\_\_\_\_

Public Law No. 31-251

***I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN***  
**2012 (SECOND) Regular Session**

**Bill No. 492-31 (COR)**

As substituted by the Committee on Utilities,  
Transportation, Public Works and Veterans Affairs;  
and amended on the Floor.

Introduced by:

Dennis G. Rodriguez, Jr.  
V. Anthony Ada  
T. C. Ada  
F. F. Blas, Jr.  
B. J.F. Cruz  
Chris M. Dueñas  
Judith P. Guthertz, DPA  
Sam A. Mabini, Ph.D.  
T. R. Muña Barnes  
Adolpho B. Palacios, Sr.  
V. C. Pangelinan  
R. J. Respicio  
M. Silva Taijeron  
Aline A. Yamashita, Ph.D.  
Judith T. Won Pat, Ed.D.

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

1        **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2        **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds  
3        that the duties of the Guam Public Utilities Commission (PUC) have increased  
4        substantially over the last few years. In addition to the core utilities under the  
5        regulatory supervision of the PUC (Guam Power Authority, Guam Waterworks

1 Authority, Telecommunications Companies, and the Municipal Golf Course), PUC  
2 jurisdiction has been further extended to the Port Authority of Guam and the Solid  
3 Waste Division of the Department of Public Works. The PUC Commissioners are  
4 responsible for rate setting in highly complex and varied settings. In 2012 alone,  
5 the Commissioners have already addressed rate proceedings involving the Port  
6 Authority, and proceedings are underway for the Guam Power Authority and the  
7 Guam Waterworks Authority.

8 The number of meetings which the Commissioners are required to attend,  
9 and the amount of reading and preparation involved, have also increased  
10 substantially. Previously, the Commission had met on a quarterly basis; however,  
11 meetings are now required at least once a month, and often twice a month. In  
12 addition, Commissioners attend public hearings and workshops on a regular and  
13 ongoing basis. They have the difficult duty to determine whether the residents of  
14 Guam should be required to pay for just and reasonable utility rate increases.

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

18 *I Liheslaturan Guåhan* further finds that there have only been five (5)  
19 Commissioners on the PUC for many years, even though the statute provides for a  
20 seven (7) member Commission. The Commission has had difficulties in meeting  
21 the quorum requirements to conduct its meetings. It is the intent of *I Liheslaturan*  
22 *Guåhan* to authorize the compensation of Commissioners for the services that they  
23 perform, and to encourage the residents of Guam to accept and undertake service  
24 as PUC Commissioners.

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

1       “(k) Commissioners *shall* be compensated at the rate of One Thousand  
2       Dollars (\$1000.00) per month. Such compensation *shall* be apportioned by the  
3       PUC in a fair and equitable manner among the utilities and entities regulated by the  
4       PUC. Commissioners *shall not* be eligible for government of Guam retirement or  
5       insurance benefits, or other benefits associated with government of Guam  
6       employment.”

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

12      **Section 4. Effective Date.** This provisions of this Act *shall* be effective  
13      upon enactment.

6

# I MINA' TRENTAI UNU NA LIHESLATURAN GUÅHAN

2012 (SECOND) Regular Session

Date: 11/26/12

## VOTING SHEET

SBill No. 492-31(COR)

Resolution No. \_\_\_\_\_

Question: \_\_\_\_\_

<u>NAME</u>	<u>YEAS</u>	<u>NAYS</u>	<u>NOT VOTING/ ABSTAINED</u>	<u>OUT DURING ROLL CALL</u>	<u>ABSENT</u>
ADA, Thomas C.		✓			
ADA, V. Anthony	✓				
BLAS, Frank F., Jr.	✓				
CRUZ, Benjamin J. F.		✓			
DUENAS, Christopher M.					EA
GUTHERTZ, Judith Paulette		✓			
MABINI, Sam		*			
MUNA-BARNES, Tina Rose	✓				
PALACIOS, Adolpho Borja, Sr.	✓				
PANGELINAN, vicente (ben) cabrera					EA
RESPICIO, Rory J.	✓				
RODRIGUEZ, Dennis G., Jr.	✓				
SILVA TAIJERON, Mana	✓				
WON PAT, Judith T.		*			
YAMASHITA, Aline A.	✓				

TOTAL

8      5      0      0      2

CERTIFIED TRUE AND CORRECT:



Clerk of the Legislature

\* 3 Passes = No vote  
EA = Excused Absence



## Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
31<sup>st</sup> Guam Legislature • I Mina'trentai Unu Na Liheslaturan Guåhan

Nov. 16, 2012

**The Honorable Judith T. Won Pat, Ed.D.**

Speaker

I Mina' trentai Unu na Liheslaturan Guåhan

155 Hesler Place

Hagåtña, Guam 96910

**VIA: The Honorable Rory J. Respicio**

Chairperson, Committee on Rules

**RE: Committee Report on Bill No. 492-31 (COR) - As Substituted**

*Håfa Adai* Speaker Won Pat:

Transmitted herewith is the Committee Report on Bill 492-31 (COR) – 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 Annotated – sponsored by Senator D.G. Rodriguez, Jr. and Senator V. Anthony Ada, and which was referred to the Committee on Utilities, Transportation, Public Works and Veterans Affairs.

Committee votes are as follows:

4 TO DO PASS

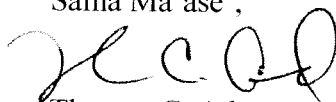
\_\_\_ TO NOT PASS

2 TO REPORT OUT ONLY

\_\_\_ TO ABSTAIN

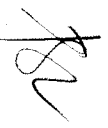
\_\_\_ TO PLACE IN INACTIVE FILE

Saina Ma'åse',



Thomas C. Ada

2012 NOV 20 AM 8:11





**Senator Thomas C. Ada**

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
31<sup>st</sup> Guam Legislature • I Mina'trentai Unu Na Liheslaturan Guáhan

**COMMITTEE REPORT  
ON**

**BILL NO. 492-31 (COR)**

**Senator D.G. Rodriguez, Jr. and  
Senator 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  
Annotated**





## Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
31<sup>st</sup> Guam Legislature • I Mina'trentai Unu Na Liheslaturan Guåhan

Nov. 16, 2012

### MEMORANDUM

**To:** All Members  
Committee on Utilities, Transportation, Public Works and Veterans Affairs

**From:** Senator Thomas C. Ada *TC Ada*  
Committee Chairperson

**Subject:** Committee Report - Bill No. 492-31 (COR) – As Substituted

Transmitted herewith for your consideration is the Committee Report on Bill 492-31 (COR) – 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 Annotated – sponsored by Senator D.G. Rodriguez, Jr. and Senator V. Anthony Ada, , and which was referred to the Committee on Utilities, Transportation, Public Works and Veterans Affairs.

This report includes the following:

- Committee Vote Sheet
- Committee Report Digest
- Copy of Bill No. 492-31 (COR)
- Copy of Bill No. 492-31 (COR) as Substituted by the Committee
- Public Hearing Sign-in Sheet
- Copies of Submitted Testimony & Supporting Documents
- Copy of COR Referral of Bill No. 492-31 (COR)
- Notices of Public Hearing
- Copy of the Public Hearing Agenda

Please take the appropriate action on the attached voting sheet. Your attention to this matter is greatly appreciated. Should you have any questions or concerns, please do not hesitate to contact me.

*Si Yu'os Ma'åse!*



## Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
31<sup>st</sup> Guam Legislature • I Mina'trentai Unu Na Liheslaturan Guahan

### COMMITTEE VOTE SHEET

Bill 492-31 (COR) – 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 Annotated – sponsored by Senator D.G. Rodriguez, Jr. and Senator V. Anthony Ada

COMMITTEE MEMBERS	SIGNATURE	TO DO PASS	TO NOT PASS	TO REPORT OUT ONLY	TO ABSTAIN	TO PLACE IN INACTIVE FILE
<b>SENATOR THOMAS C. ADA</b> Chairperson		✓				
<b>SENATOR ADOLPHO B. PALACIOS, SR.</b> Vice Chairperson		11/16/12 ✓				
<b>VICE SPEAKER BENJAMIN J.F. CRUZ</b> Member						
<b>SENATOR RORY J. RESPICIO</b> Member						
<b>SENATOR TINA ROSE MUÑA BARNES</b> Member						
<b>SENATOR DENNIS G. RODRIGUEZ, JR.</b> Member				✓ 11/16/12		
<b>SENATOR V. ANTHONY ADA</b> Minority Member				✓ 11/14/12		
<b>SENATOR ALINE A. YAMASHITA, PH.D.</b> Minority Member		11/16/12 ✓				
<b>SENATOR MANA SILVA TAIJERON</b> Minority Member						
<b>SENATOR CHRISTOPHER M. DUEÑAS</b> Minority Member		11/14/12 ✓				

## COMMITTEE REPORT DIGEST

### I. OVERVIEW

Bill 492-31 (COR) was introduced by Senator D.G. Rodriguez, Jr. and Senator V. Anthony Ada on July 27, 2012, and was subsequently referred by the Committee on Rules to the Committee on Utilities, Transportation, Public Works and Veterans Affairs on July 30, 2012.

The Committee on Utilities, Transportation, Public Works and Veterans Affairs convened a Public Hearing that included the subject matter of Bill 492-31 (COR) on Sept. 19, 2012 at 2:00 p.m. in *I Liheslatura's* Public Hearing Room to receive public testimony on the measure.

#### **Public Notice Requirements**

In accordance with the Open Government Law, notices were disseminated via email to all Senators and all main media outlets on Wednesday, Sept. 12, 2012 (5-Day Notice), and again on Monday, Sept. 17, 2012 (48-Hour Notice). Notices were also issued to various public and private entities.

#### **Senators Present**

Senator Thomas C. Ada	Committee Chairperson
Senator Adolpho B. Palacios, Sr.	Committee Vice Chairperson
Senator Rory J. Respicio	Member
Senator Dennis Rodriguez, Jr.	Member
Senator Aline A. Yamashita, Ph.D.	Minority Member
Senator V. Anthony Ada,	Minority Member
Senator Christopher M. Dueñas	Minority Member
Senator Sam Mabini, Ph.D.	

The public hearing was Called-to-Order at 2:02 p.m.

### II. SUMMARY OF TESTIMONY & DISCUSSION

#### **Mr. Fred Horecky**

*Provided oral and written testimony*

Mr. Fred Horecky, Legal Counsel of the Guam Public Utilities Commission, spoke on behalf of the PUC and in favor of the legislation. He notes that he is joined by Lourdes Palomo, Administrator of the PUC. He began by explaining that the amount of compensation is justifiable given the increased workload of the PUC over the past few years. He noted that for most of its history, the PUC regulated primarily GPA and GWA. However, in 2004 to 2005, responsibility for telecommunications companies was also placed upon the PUC, as were surcharge decisions related to the E911 system. Additionally, over the past three years, the Port Authority of Guam and Guam Solid Waste Authority have also been placed under the jurisdiction of the PUC. Each of these

agencies have separate regulations, rate-designs, and community concerns to balance. While outside consultants and experts are utilized, it is still incumbent on the Commission to review and act upon their findings. In order to properly conduct their roles, Commissioners spend a large amount of time reading and reviewing materials prior to meetings. These meetings, which once occurred on a quarterly basis, now take place at least once or twice a month, with each meeting lasting approximately 2-3 hours. Commissioners also devote time toward attending public hearings and trainings related to actions being reviewed by the PUC. Lastly, Mr. Horecky notes that the proposed compensation amounts for \$84,000 per year, and will be borne proportionately by the regulated utilities and telecommunications companies (and not be drawn from the General Fund). He believes that this proportioned amount will not be an increase significant enough to warrant a rate increase on customers.

### **Question & Answer**

**Chairman Tom Ada:** Prior to hearing testimony, the Chairman yielded the floor to Senator Rodriguez for an overview of the bill.

**Senator Rodriguez:** The Senator states that of all the boards and commissions on Guam, the PUC is the most complicated and most directly impacts lives on Guam. Positions on the Commission are not cushy, and require significant dedication and hard work. The PUC has sole authority over evaluating and approving rates for important entities that affect the entirety of Guam. Senator Rodriguez also notes that, by legislative design, there are trained and skilled individuals on the Commission, and that these people should be compensated. Even at the proposed amount in this legislation, the Senator notes that the Commissioners are still making less money, per hour, than they would make if they were pursuing their personal careers during that same time. He feels this is a reasonable incentive to stimulate participation in the Commission, particularly given the caliber of individuals needed to serve on the PUC.

*Following testimony provided by Mr. Fred Horecky, Chairman Tom Ada opened the floor to Questions and Answers with the Senators present.*

**Senator Respicio:** Thanks Mr. Horecky for his testimony, and expresses his appreciation for the work done by the PUC. He notes that the CCU Commissioners currently receive \$1000 per month, and that the PUC does just as much work. His one concern is for the potential of the increased stipends to be used to justify a rate increase upon consumers. He asks whether the \$84,000 needed annually to implement this legislation can be drawn from the existing PUC budget, or whether new fees will be assessed by the agencies under its jurisdiction.

**Mr. Horecky:** Answers that the proposed increase can be recovered from the existing budgets of the entities under the PUC's jurisdiction. He notes that, generally, each entity pays \$50-75k to the PUC for administrative purposes, and that the PUC's annual budget

is around \$300k. The \$14k increase for each, though not insignificant, is nevertheless not large enough to necessitate a rate increase on consumers.

**Senator Duenas:** States that he recognizes the caliber of the PUC members and the hard work they all put in. He also states that the entities under the PUC's jurisdiction should have enough flexibility within their annual budgets to be able to cover this additional cost without needing to raise rates on customers.

**Senator Palacios:** Asked if the current members of the PUC receive any stipend, and whether this proposed legislation would be in addition to an existing stipend.

**Mr. Horecky:** Stated that yes, PUC members currently receive \$50 per meeting, but that this legislation would replace that amount. The Commissioners will not receive the \$50 per meeting once this law is in effect.

**Senator Rodriguez:** Thanks Mr. Horecky for explaining that this stipend will not significantly impact the operating costs of the utilities, and that the small amount constituting the stipend should be viewed as a cost of doing business well. He also states that he is pleased that rates won't increase.

**Chairman Tom Ada:** Senator Ada asks Mr. Horecky to outline the total administrative costs charged to the entities under the jurisdiction under the PUC, inclusive of the costs associated with hiring independent third parties to review budget requests and rate-redesigns (a cost borne by the utilities). Senator Ada also notes that he agrees that more work has been placed on the PUC over the years; he asks whether the PUC has explored potentially removing certain required tasks from its enabling act, such as the requirement for the PUC to review GPA's staffing levels annually regardless of whether there are any new hires that year.

**Fred Horecky:** Answers that the Commission does review its mandates on an ongoing basis. In regards to the annual GPA staffing pattern review, Mr. Horecky notes that the Commission does not necessarily conduct a new audit every year; rather, if significant staffing changes haven't occurred, the PUC will look to the most recently conducted audit and issue a statement that the document still holds true for the most recent fiscal year. Mr. Horecky further explains that there are two different types of expenses incurred by the PUC: regulatory and administrative. Administrative expenses are related to the operations of the PUC, and are the type of expense that will be increased as part of Bill 492. Regulatory expenses are considered separate, and are billed services that are incurred by the utility as part of budget requests, rate-redesigns, and the like. He agrees with Senator Tom Ada that this amount is much more significant than the administrative fee, but are directly related to the tasks and projects called for by utilities. He also notes that the amount of the increase proposed by this legislation is far less than the total regulatory and administrative fees incurred by the utilities annually.

**Chairman Tom Ada:** Thanks Mr. Horecky and adjourned the Public Hearing at 3:05 p.m.

### III. FINDINGS & RECOMMENDATIONS

The Committee on Public Works, Transportation, Utilities and Veterans Affairs finds that the Public Utilities Commission provides a crucial role in protecting consumers on Guam. Commissioners on the PUC devote a significant amount of time and effort toward properly overseeing the rates of the Utilities, Port Authority of Guam, and telecommunications companies.

The Committee also finds that, while the work of the PUC merits an increase in compensation, a more equitable amount is Three Hundred Dollars (\$300) per meeting, not to exceed Nine Hundred Dollars (\$900) per month, instead of the initially proposed One Thousand Dollars (\$1,000) per month. This change has been reflected in Section 2 (found on page 2) of Bill 492.

As such, the Committee on Public Works, Transportation, Utilities and Veterans Affairs hereby reports out SBill No. 492-31 (COR), as Substituted by the Committee, with the recommendation to report out.

***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.**

2012 JUL 27 AM 10:01

**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.

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

**BILL NO. 492-31 (LS)**

As Substituted by the Committee on Utilities,  
Transportation, Public Works and Veterans Affairs

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  
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“(k) Commissioners shall be compensated at the rate of Three Hundred Dollars (\$300) per meeting for their services, but not to exceed Nine Hundred Dollars (\$900) per month. 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.

*I Liheslaturan Gudhan, Hagåtña*

Bill No. 492-31 (COR) – D.G. Rodriguez, Jr.

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 Annotated.

[illegible]

**Before the  
I MINA' TRENTAI UNU NA LIHESLATURAN GUÁHAN**

**In the Matter of:**

**Bill No. 492-31 (COR)**

**An Act Relative to Providing  
Compensation to the Commissioners of  
the Guam Public Utilities Commission**

---

**WRITTEN TESTIMONY OF  
FREDERICK J. HORECKY, LEGAL  
COUNSEL, ON BEHALF OF THE  
GUAM PUBLIC UTILITIES  
COMMISSION**

The Guam Public Utilities Commission [PUC] appreciates the efforts of Senator Dennis Rodriguez, Jr. and Senator Tony Ada in introducing this Bill. The PUC fully supports the Bill. The Bill provides just compensation for the Commissioners of the PUC.

Compensation for the Commissioners of the PUC is justified by the substantial increase in the workload of the Commission over the past few years. For most of its history, the PUC only regulated a few “core” utilities, the Guam Power Authority and the Guam Waterworks Authority. There would be an infrequent case involving the municipal golf course. During 2004 to 2005, responsibility for regulation of telecommunications companies was placed upon the Commissioners of the PUC. PUC also sets a surcharge for the E911 system and insures that each telecommunications company pays the appropriate surcharge based upon its number of lines/accounts.

Just within the last three years, PUC jurisdiction and regulatory responsibility has been extended to the Port Authority of Guam and the Guam Solid Waste Authority. The Port and GSWA present the PUC with entirely new issues and subject material

completely unrelated to the utilities previously regulated by the PUC. Not only has the number of regulated entities greatly increased, the dockets filed by each utility and the scope of issues has increased many-fold. It is not uncommon that, in meetings of the PUC, the Commissioners are required to address diverse issues involving four or five different utilities or companies.

A heavy burden is placed upon the Commissioners. They must continually address complex issues affecting the wellbeing of the people of Guam, such as whether water or power rates must be increased. They are the ultimate decision makers in disputes and arbitrations between telecommunications companies. They have increasingly addressed issues concerning sales of telecommunications companies and reorganizations. For regulated utilities, Commissioners must review and approve utility contracts in excess of one million dollars under the “contract review” power. Under the present PUC structure, there are consultants and advisors that provide the Commissioners with opinions on matters before them; however, ultimate responsibility for understanding, addressing and deciding utility issues rests squarely on the Commissioners’ shoulders.

The Commissioners perform what is akin to a quasi-judicial function. In arbitrations and contested proceedings, they make final decisions. As indicated above, the issues involving each of the varied utilities are completely different; they involve different subject matters, requirements and understanding of the decision making parameters. Prior to each monthly meeting, the Commissioners are required to

undertake a significant amount of reading to understand complex matters, particularly in rate cases. The number of rate cases and the complexity thereof are increasing all the time. During this year alone, the Commission has addressed rate cases for the Port Authority of Guam and the Guam Power Authority. It is currently addressing an annual rate “true-up” for GWA on its five-year rate plan and a rate increase proposal by the Guam Solid Waste Authority. I have attached copies of Agendas from recent meetings to give you an understanding of the breadth and scope of issues before the Commissioners.

Previously the Commission met on a quarterly basis; now it meets at least once a month and sometimes twice a month. The PUC meetings normally extend from approximately two to three hours. The Commissioners also attend numerous public hearings conducted before the PUC on rate and other matters. Committee meetings and occasional workshops are also required. Given the expansion of PUC activities, it can only be assumed that the commitments and obligations of Commissioners will continue to greatly increase in the next few years. Our Commissioners deserve compensation for the dedicated work that they perform and will continue to perform in the future.

The PUC is an independent body. It is non-political. While its members are appointed by the Governor, Commissioners do not submit courtesy resignations upon the election of a new Governor. Commissioners serve from one administration to



another. In addition, unlike executive branch entities, compensation for PUC Commissioners would be paid by the regulated utilities themselves.

Compensation for PUC Commissioners is not paid from the General Fund. It is fully appropriate that the regulated utilities pay the full cost of regulation, including compensation for Commissioners. If the legislature approves PUC Commissioner compensation, the cost of such compensation will be apportioned among all of the utilities. At \$1,000.00 per Commissioner per month, the total Commissioner compensation required (even assuming a full complement of seven Commissioners, which has not been in place for many years) would be \$84,000.00 per year. In terms of the overall cost of utility regulation, this is a small sum.

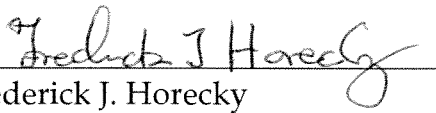
Since the cost would be apportioned among the regulated utilities and telecommunications companies, there is no likelihood that such compensation would cause any rate increase. Commissioners of other boards, as well as boards of the government of Guam, are compensated. Clearly, under appropriate circumstances, Commissioners may be authorized to receive compensation. The appropriateness of Commissioner compensation should be judged upon the merits of each specific situation.

The regulated utilities should be required to bear the expense of Commissioner compensation. We urge the Legislature to authorize the Public Utilities Commission to assess amounts for Commissioner compensation to the regulated utilities. The authorization for such compensation for Commissioners will encourage the citizens of

Guam to accept and undertake service as PUC Commissioners. The issue is not what amounts other boards or commissions receive as compensation. In the context of utilities regulation, utilities should have to bear the full cost of regulation, which includes the valuable services provided by Commissioners. Since Commissioners perform and undertake many services that are for the direct benefit of the regulated entities, such entities should be required to bear the expense for compensation to Commissioners for their services.

The PUC respectfully requests the Legislature approve Bill No. 492-31 (COR), An Act Relative to Providing Compensation to the Commissioners of the Guam Public Utilities Commission. Thank you for your consideration of this important issue.

Dated this 19<sup>th</sup> day of September, 2012.

  
\_\_\_\_\_  
Frederick J. Horecky  
Legal Counsel  
Guam Public Utilities Commission

**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
SUITE 202, GCIC BUILDING  
414 W. SOLEDAD AVE. HAGATNA, GUAM  
7:00 p.m., September 25, 2012**

**Agenda**

1. Approval of Minutes of August 27, 2012
2. Ratification
  - GTA Docket 12-03, Joint Petition of TeleGuam Holdings, LLC and Guam Telecom LLC for Approval of the Interconnection Agreement pursuant to Section 252 of the Telecommunications Act of 1996, PUC Counsel Report, and Order dated June 20, 2012
3. Guam Power Authority
  - GPA Docket 12-03, GPA Petition requesting Approval of a Bond Issuance for restructuring and refinancing, GCG Report, Shaw Consultants' Report and Proposed Order
4. Guam Waterworks Authority
  - GWA Docket 11-01, Reconsideration Re: Petition for Expedited Approval of \$23.246M Bond Reprogramming, ALJ Report, Proposed Order
  - GWA Docket 09-03, Petition for Rate Relief: Annual True-Up, ALJ Report, Proposed Order
5. Port Authority of Guam
  - PAG Docket 12-01, Review of ANZ Loan Offer, ALJ Report, Proposed Order
  - PAG Docket 12-02, Petition Re: Crane Surcharge, Status Report
  - PAG Docket 12-03, Review of Insurance Agreement, ALJ Report, Proposed Order
6. Guam Telecom LLC
  - GT Docket 12-02, Petition of Guam Telecom LLC for Annual Certification from PUC Re: Universal Service Funds, PUC Counsel Report, USAC Certification
7. Teleguam Holdings LLC
  - GTA Docket 12-07, Petition of GTA for Annual USAC Certification, PUC Counsel Report, and Proposed Order

- GTA Docket 12-08, Petition of Pulse Mobile for Annual USAC Certification, PUC Counsel Report, and Proposed Order
  - GTA Docket 12-09, Joint Application of Teleguam Holdings LLC and GTA Telecom, LLC to Assign and Transfer GTA Telecom's Interconnection Agreement with PTI Pacifica, Inc. to Teleguam Holdings, PUC Counsel Report, and Proposed Order
8. PUC Website
- Report by Administrator and Legal Counsel on progress of Ideal Advertising, website input catch up
9. Administrative Matters
- ALJ Report and Recommendations regarding GWA v. PUC, Special Proceedings Case No. SP148-12
  - FY2013 Administrative Budget/Annual Assessment Order
  - Deliberations concerning Extension of PUC Contracts:
    - Legal Counsel
    - Administrative Law Judge
    - PUC Consultant
    - Port Consultant
    - Administrator
    - Draft Resolutions and Proposed Letters
10. Other Business

**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION  
SPECIAL MEETING  
SUITE 202, GCIC BUILDING  
414 W. SOLEDAD AVE. HAGATNA, GUAM  
6:00 p.m., August 27, 2012**

**Agenda**

1. Approval of Minutes of June 11, 2012, and July 30, 2012.
2. Ratification
  - GTA Docket 12-03, Joint Petition of TeleGuam Holdings, LLC and Guam Telecom LLC for Approval of the Interconnection Agreement pursuant to Section 252 of the Telecommunications Act of 1996, PUC Counsel Report, and Order dated June 20, 2012.
3. Guam Power Authority
  - GPA Docket 11-09, GPA Emergency Filing for Rate Design and Tariff Revisions, PUC Counsel Report, Proposed Order
4. Pacific Data Systems Inc.
  - PDS Docket 12-01, PDS' Formal Complaint regarding GTA's Rejection of Dark Fiber IOF Order, ALJ Report on Cost Allocation of PUC Expenses between the Parties, Proposed Order
5. PTI Pacifica Inc.
  - 2012 Annual ETC Compliance Filing of PTI Pacifica Inc., PUC Counsel Report, USAC Certification
6. Port Authority of Guam
  - PAG Docket 12-01, Review of POLA Sales Agreement & Interim Maintenance Agreement, Report by PUC Consultants Slater Nakamura, ALJ Report, Proposed Order
  - PAG Docket 11-01, Petition for Tariff Rate Relief, ALJ Report, Proposed Order
7. PUC Website
  - Report by Administrator on progress of Ideal Advertising, website input catch up
8. Administrative Matters

- **Approval of Final Award and Contract for PUC  
Telecommunications Consultant with Slater & Nakamura Co.  
PUC RFP 11-02.**

**9. Other Business**

**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION  
SPECIAL MEETING  
SUITE 202, GCIC BUILDING  
414 W. SOLEDAD AVE. HAGATNA, GUAM  
6:00 p.m., July 30, 2012**

**Agenda**

- 1. Approval of Minutes of June 11, 2012.**
- 2. Ratification**
  - **GTA Docket 12-03, Joint Petition of TeleGuam Holdings, LLC and Guam Telecom LLC for Approval of the Interconnection Agreement pursuant to Section 252 of the Telecommunications Act of 1996, PUC Counsel Report, and Order dated June 20, 2012.**
- 3. Guam Power Authority**
  - **GPA Docket 12-04, GPA Petition for Approval to Exercise Extension Option for Engine Cylinder Lubrication Oil Contracts with IP&E Guam LLC, PUC Counsel Report, Proposed Order**
  - **GPA Docket 12-05, GPA Petition for Approval to Exercise Extension Option for Diesel Fuel Supply Extension Contracts with IP&E Guam LLC., PUC Counsel Report, Proposed Order**
  - **GPA Docket 12-06, LEAC, Levelized Energy Adjustment Clause Filing, GCG Report, Proposed Order**
  - **GPA Docket 11-13, GPA Petition for Contract Review of Substation Automation Contract under the Smart Grid Project, PUC Counsel Report, Proposed Order**
  - **GPA Docket 12-07, GPA Petition for Approval and Use of 1999 Bond Funds for the Cabras 1 & 2 Distributed Control System (DCS) Conversion, PUC Counsel Report, Proposed Order**
- 4. TeleGuam Holdings LLC**
  - **GTA Docket 12-02, TeleGuam Holdings LLC Tariff Transmittal No. 19, GCG Report re Lifeline and Link-Up programs dated June 27, 2012, follow-up GCG Report, Proposed Order**

- GTA Docket 12-04, Individual Case Basis Filing (Holiday Resort), PUC Counsel Report, Proposed Order
5. Pacific Data Systems Inc.
    - PDS Docket 12-01, PDS' Formal Complaint regarding GTA's Rejection of Dark Fiber IOF Order, Stipulation of the Parties, Proposed Order
  6. Guam Waterworks Authority
    - GWA Docket 11-01, Petition for Expedited Approval of \$23.246M Bond Reprogramming, ALJ Report, Proposed Order
  7. Port Authority of Guam
    - PAG Docket 12-01, Review of POLA Sales Agreement & Interim Maintenance Agreement, Report by PUC Consultants Slater Nakamura, ALJ Report, Proposed Order
    - PAG Docket 11-01, Petition for Tariff Rate Relief, ALJ Report, Proposed Order
  8. Guam Solid Waste Authority
    - GSWA Docket 12-02, GBB Request for Establishment of a Host Community Benefit Premium fee pursuant to Public Law 30-165, ALJ Report, Proposed Order
  9. PUC Website
    - Report by Administrator on progress of Ideal Advertising, website input catch up
  10. Administrative Matters
    - ALJ Report and Recommendations regarding Decision and Order of the Superior Court in Special Proceedings Case No. SP118-11
    - Consideration of PUC RFP 11-02, Telecommunications Consultant
    - Consideration of Resolution 12-01, Authorization for Procurement of Solid Waste Consultant
  11. Other Business



**PUBLIC UTILITIES COMMISSION  
OF GUAM**

Jeffrey C. Johnson

Suite 207, GCIC Building  
Post Office Box 862  
Hagatna, Guam 96932

David A Mair  
Administrative Law Judge

Joseph M. McDonald  
Filomena M. Cantoria  
Rowena E. Perez  
Michael A. Pangelinan

Telephone: (671) 472-1907  
Fax: (671) 472-1917  
Email: info@guampuc.com

Lourdes R. Palomo  
Administrator

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

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.

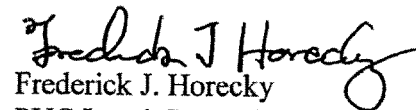
I believe the PUC commitments of the Commissioners will only increase in the next few years. At present there are pending rate proceedings involving PAG, GPA, GWA, and the Solid Waste Division. It is difficult and stressful for the Commissioners to have to decide such matters.

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



## COMMITTEE ON RULES

*I Mina'trentai Unu na Libeslaturan Guåhan* • The 31<sup>st</sup> Guam Legislature  
155 Hesler Place, Hagåtña, Guam 96910 • [www.guamlegislature.com](http://www.guamlegislature.com)  
E-mail: [roryforguam@gmail.com](mailto:roryforguam@gmail.com) • Tel: (671)472-7679 • Fax: (671)472-3547

2012 AUG 22 AM 10:25  
*Key*

Senator  
Rory J. Respicio  
CHAIRPERSON  
MAJORITY LEADER

August 22, 2012

### Memorandum

Senator  
Judith P. Guthertz  
VICE CHAIRPERSON  
ASST. MAJORITY LEADER

To: Pat C. Santos  
Clerk of the Legislature

### MAJORITY MEMBERS:

Speaker  
Judith T. Won Pat

From: Senator Rory J. Respicio  
Majority Leader & Rules Chair

Vice Speaker  
Benjamin J. F. Cruz

Subject: Fiscal Notes

*Hafa Adai!*

Senator  
Tina Rose Muña Barnes  
LEGISLATIVE SECRETARY  
MAJORITY WHIP

Attached please find the fiscal notes for the bill numbers listed below.  
Please note that the fiscal notes, or waivers, are issued on the bills as introduced.

Senator  
Dennis G. Rodriguez, Jr.  
ASST. MAJORITY WHIP

Bill No.:	492-31 (COR)	496-31 (COR)
	495-31 (COR)	499-31 (COR)

Senator  
Thomas C. Ada

Senator  
Adolpho B. Palacios, Sr.

Senator  
vicente c. pangelinan

Please forward the same to MIS for posting on our website. Please contact our office should you have any questions regarding this matter.

### MINORITY MEMBERS:

Senator  
Aline A. Yamashita  
ASST. MINORITY LEADER

*Si Yu'os ma'åse'!*

Senator  
Christopher M. Duenas

**BUREAU OF BUDGET & MANAGEMENT RESEARCH**

OFFICE OF THE GOVERNOR  
Post Office Box 2950, Hagåtña Guam 96932

**EDDIE BAZA CALVO**  
GOVERNOR

**JOHN A. RIOS**  
DIRECTOR

**RAY TENORIO**  
LIEUTENANT GOVERNOR

**STEPHEN J. GUERRERO**  
DEPUTY DIRECTOR

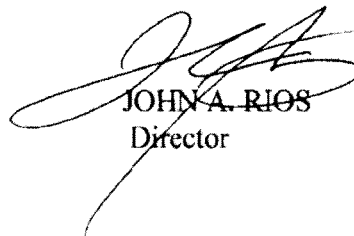
**AUG 20 2012**

Senator Rory J. Respicio  
Chairperson, Committee on Rules  
I Mina'trentai Unu na Liheslaturan Guåhan  
The 31<sup>st</sup> Guam Legislature  
155 Hesler Place  
Hagåtña, Guam 96932

*Hafa Adai* Senator Respicio:

Transmitted herewith are Fiscal Notes on the following Bill Nos.: **492-31(COR), 495-31(COR), 496-31(COR), and 499-31(COR).**

If you have any question(s), please do not hesitate to call the office at 475-9412/9106.



**JOHN A. RIOS**  
Director

Enclosures

cc: Senator Vicente (ben) Pangelinan

**Bureau of Budget & Management Research  
Fiscal Note of Bill No. 492-31**

An Act relative to providing compensation to the Commissioners of the Guam Public Utilities Commission (PUC), by adding a new Subsection (k) to §12001 of Article 1, Chapter 12, Title 12, Guam Code Annotated.

**Department/Agency Appropriation Information**

Dept./Agency Affected:	Guam Public Utilities Commission	Dept./Agency Head:	Presently five (5) Commissioners
Department's General Fund (GF) appropriation(s) to date:			-
Department's Other Fund (Specify) appropriation(s) to date:			-
Total Department/Agency Appropriation(s) to date:			\$0

**Fund Source Information of Proposed Appropriation**

	General Fund:	(Specify Special Fund):	Total:
FY 2011 Unreserved Fund Balance		\$0	\$0
FY 2012 Adopted Revenues	\$0	\$0	\$0
FY 2012 Appro. (P.L. 31-75 & 31-77)	\$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 2012 (if applicable)	FY 2013	FY 2014	FY 2015	FY 2016
General Fund	\$0	\$0	\$0	\$0	\$0	\$0
(Specify Special Fund)	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0

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

Analyst: Dina P. Rivera Date: 8-14-12 Director: John A. Rios Date: AUG 20 2012

**Footnotes:**

The Bill proposes that the PUC Commissioners be compensated at a rate of One Thousand Dollars (\$1,000) per month for their services. Per information received from the PUC Administrator, currently, Commissioners are compensated at \$50.00, not to exceed \$100 per month, per meeting. If the Bill becomes Public Law, the PUC will consider this increase for stipends under its annual operating budget whose funds are generated through an equitable assessment from its regulated entities. Finally note that PUC funding is accounted for separately from the Government of Guam and is not subject to Legislative appropriation.



## COMMITTEE ON RULES

*I Mina'trentai Unu na Liheslaturan Guåhan* • The 31<sup>st</sup> Guam Legislature

155 Hesler Place, Hagåtña, Guam 96910 • [www.guamlegislature.com](http://www.guamlegislature.com)

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Senator

Rory J. Respicio  
CHAIRPERSON  
MAJORITY LEADER

Senator

Judith P. Guthertz  
VICE CHAIRPERSON  
ASST. MAJORITY LEADER

MAJORITY  
MEMBERS:

Speaker  
Judith T. Won Pat

Vice Speaker  
Benjamin J. F. Cruz

Senator

Tina Rose Muña Barnes  
LEGISLATIVE SECRETARY  
MAJORITY WHIP

Senator

Dennis G. Rodriguez, Jr.  
ASST. MAJORITY WHIP

Senator

Thomas C. Ada

Senator

Adolpho B. Palacios, Sr.

Senator

vicente c. pangelinan

MINORITY  
MEMBERS:

Senator

Aline A. Yamashita  
ASST. MINORITY LEADER

Senator

Christopher M. Duenas

July 30, 2012

### MEMORANDUM

**To:** Pat Santos  
*Clerk of the Legislature*

**Attorney Therese M. Terlaje**  
*Legislative Legal Counsel*

**From:** Senator Rory J. Respicio  
*Majority Leader & Rules Chair*

**Subject:** Referral of Bill No. 492-31 (COR)

As the Chairperson of the Committee on Rules, I am forwarding my referral of Bill No. 492-31 (COR).

Please ensure that the subject bill is referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all members of *I Mina'trentai Unu na Liheslaturan Guåhan*.

Should you have any questions, please feel free to contact our office at 472-7679.

*Si Yu'os Ma'åse!*

(1) Attachment

*I Mina'Trentai Unu Na Liheslaturan Guahan*  
Bill Log Sheet

BILL NOS.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	120 DAY DEADLINE	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	STATUS
492-31 (COR)	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.	7/27/2012 10:01 a.m.	7/30/2012		Committee on Utilities, Transportation, Public Works and Veterans Affairs			

Office of  
Senator Tom Ada[phnotice@guamlegislature.org](mailto:phnotice@guamlegislature.org) [media@senatorada.org](mailto:media@senatorada.org)

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## First Notice - Public Hearing, Sept. 19, 2pm

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Cyrus Luhr &lt;cyrus@senatorada.org&gt;

Wed, Sep 12, 2012 at 1:28 PM

To: phnotice@guamlegislature.org, media@senatorada.org

Hafa Adai,

Please see the attached memo regarding a Public Hearing being conducted by the Committee on Utilities, Transportation, Public Works, and Veterans Affairs. This hearing will take place on Wed, Sept. 19, at 2pm, in the Public Hearing room of *I Liheslatura*.

On the Agenda are the following two items:

Bill No. 492-31 (COR) – D.G. Rodriguez, Jr.

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 Annotated.

Appointment to the Guam Contractors License Board

Mr. Reilly Ridgell

Please let me know if you have any questions or concerns.

Thank you,  
Cyrus

---

Cyrus Lotfi Luhr  
Senior Policy Analyst  
Office of Senator Thomas C. Ada  
*I Mina'trentai Unu na Liheslaturan Guåhan* - 31st Guam Legislature  
671-473-3301

**Public Hearing - Sept 19 - first notice.pdf**

179K





Senator Tom Ada

[tom.ada@senatorada.org](mailto:tom.ada@senatorada.org)

---

## First Notice - Public Hearing, Sept. 19, 2pm

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**Nicole Santos** <nsantos@senatorada.org>

Wed, Sep 12, 2012 at 2:51 PM

To: Fred Horecky <horeckylaw@teleguam.net>, Lou Palomo <lpalomo@guampuc.com>, Reilly Ridgell <reilly.ridgell@gmail.com>, Ed Ordonez <eduardo.ordonez@clb.guam.gov>, "Maria D. Perez" <maria.perez@clb.guam.gov>, Richard Quiambao <richard.671@gmail.com>, richard quiambao <quiambao.richard@gmail.com>

Cc: Cyrus Luhr <cyrus@senatorada.org>, Jimmy Camacho <jcamacho@senatorada.org>

Hafa adai,

Please see the attached memo regarding a Public Hearing being conducted by the Committee on Utilities, Transportation, Public Works, and Veterans Affairs. This hearing will take place on Wed, Sept. 19, at 2pm, in the Public Hearing room of *Liheslatura*.

On the Agenda are the following two items:

Bill No. 492-31 (COR) – D.G. Rodriguez, Jr.

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 Annotated.

Appointment to the Guam Contractors License Board

Mr. Reilly Ridgell

Please let me know if you have any questions or concerns.

Best regards,  
Nicole

—  
Nicole Santos

[Quoted text hidden]



**Public Hearing - Sept 19 - first notice.pdf**

179K

**Listserv: [phnotice@guamlegislature.org](mailto:phnotice@guamlegislature.org)**

**As of Apr. 11, 2012**

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## Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
31<sup>st</sup> Guam Legislature • I Mina'trentai Unu Na Liheslaturan Guåhan

September 12, 2012

### MEMORANDUM

To: All Senators, Media

From: Senator Thomas C. Ada

Subject: **Public Hearing Notice: September 19, 2:00 pm**

Please be advised that the Committee on Transportation, Utilities, Public Works and Veterans Affairs is holding a public hearing on Wednesday, September 19, 2012, at 2:00 pm. This meeting will take place in the Public Hearing Room of *I Liheslatura*.

The agenda is as follows:

Bill No. 492-31 (COR) – D.G. Rodriguez, Jr.

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 Annotated.

Appointment to the Guam Contractors License Board

Mr. Reilly Ridgell

Testimonies should be addressed to Senator Thomas C. Ada, Chairperson, and will be accepted via hand delivery to our office or our mailbox at the Main Legislature Building at 155 Hesler Place, Hagåtña, Guam 96932, via email to [office@senatorada.org](mailto:office@senatorada.org), or via facsimile to (671) 473-3303 until September 21, 5:00 pm.

Individuals requiring special accommodations, auxiliary aids, or services should submit their request to our office c/o Cyrus Luhr. Copies of the agenda items may be found on the official Guam Legislature website ([www.guamlegislature.com](http://www.guamlegislature.com)). Please feel free to contact our office at 473-3301 should you have any questions or concerns.

Senseramente,

Thomas C. Ada



Senator Tom Ada

[phnotice@senatorada.org](mailto:phnotice@senatorada.org)

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## Second Notice - Public Hearing, Sept. 19, 2pm

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**Cyrus Luhr** <cyrus@senatorada.org>

Mon, Sep 17, 2012 at 1:38 PM

To: phnotice@guamlegislature.org, media@senatorada.org

Hafa Adai,

Please see the attached memo regarding a Public Hearing being conducted by the Committee on Utilities, Transportation, Public Works, and Veterans Affairs. This hearing will take place on Wed, Sept. 19, at 2pm, in the Public Hearing room of *I Liheslatura*.

On the Agenda are the following two items:

Bill No. 492-31 (COR) – D.G. Rodriguez, Jr.

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 Annotated.

Appointment to the Guam Contractors License Board

Mr. Reilly Ridgell

Please let me know if you have any questions or concerns.

Thank you,  
Cyrus

—  
Cyrus Lotfi Luhr  
Senior Policy Analyst  
Office of Senator Thomas C. Ada  
*I Mina'trentai Unu na Liheslaturan Guåhan* - 31st Guam Legislature  
671-473-3301

**Public Hearing - Sept 19 - second notice.pdf**

179K



Senator Tom Ada

[tom.ada@senatorada.org](mailto:tom.ada@senatorada.org)

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## Second Notice - Public Hearing, Sept. 19, 2pm

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**Nicole Santos** <nsantos@senatorada.org>

Mon, Sep 17, 2012 at 2:54 PM

To: Fred Horecky <horeckylaw@teleguam.net>, Lou Palomo <lpalomo@guampuc.com>, Reilly Ridgell <reilly.ridgell@gmail.com>, Ed Ordonez <eduardo.ordonez@clb.guam.gov>, "Maria D. Perez" <maria.perez@clb.guam.gov>, Richard Quiambao <richard.671@gmail.com>, richard quiambao <quiambao.richard@gmail.com>

Cc: Cyrus Luhr <cyrus@senatorada.org>, Jimmy Camacho <jcamacho@senatorada.org>

Hafa adai,

Please see the attached memo regarding a Public Hearing being conducted by the Committee on Utilities, Transportation, Public Works, and Veterans Affairs. This hearing will take place on Wed, Sept. 19, at 2pm, in the Public Hearing room of *I Liheslatura*.

On the Agenda are the following two items:

Bill No. 492-31 (COR) – D.G. Rodriguez, Jr.

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 Annotated.

Appointment to the Guam Contractors License Board

Mr. Reilly Ridgell

Please let me know if you have any questions or concerns.

Nicole

–  
Nicole Santos

[Quoted text hidden]



**Public Hearing - Sept 19 - second notice.pdf**

179K



## Senator Thomas C. Ada

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
31<sup>st</sup> Guam Legislature • I Mina'trentai Unu Na Liheslaturan Guåhan

September 17, 2012

### MEMORANDUM

To: All Senators, Media

From: Senator Thomas C. Ada

Subject: **Public Hearing Notice: September 19, 2:00 pm**

Please be advised that the Committee on Transportation, Utilities, Public Works and Veterans Affairs is holding a public hearing on Wednesday, September 19, 2012, at 2:00 pm. This meeting will take place in the Public Hearing Room of *I Liheslatura*.

The agenda is as follows:

Bill No. 492-31 (COR) – D.G. Rodriguez, Jr.

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 Annotated.

Appointment to the Guam Contractors License Board

Mr. Reilly Ridgell

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Individuals requiring special accommodations, auxiliary aids, or services should submit their request to our office c/o Cyrus Luhr. Copies of the agenda items may be found on the official Guam Legislature website ([www.guamlegislature.com](http://www.guamlegislature.com)). Please feel free to contact our office at 473-3301 should you have any questions or concerns.

Senseramente,

Thomas C. Ada



## **Senator Thomas C. Ada**

CHAIRMAN - Committee on Utilities, Transportation, Public Works, and Veterans Affairs  
31<sup>st</sup> Guam Legislature • I Mina'trentai Unu Na Liheslaturan Guåhan

### **AGENDA** **PUBLIC HEARING**

**Wednesday, September 19, 2012, at 2:00 pm**  
**Public Hearing Room, *I Liheslaturan Guåhan***

The agenda is as follows:

Bill No. 492-31 (COR) – D.G. Rodriguez, Jr.

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 Annotated.

Appointment to the Guam Contractors License Board

Mr. Reilly Ridgell

Testimonies should be addressed to Senator Thomas C. Ada, Chairperson, and will be accepted via hand delivery to our office or our mailbox at the Main Legislature Building at 155 Hesler Place, Hagåtña, Guam 96932, via email to [office@senatorada.org](mailto:office@senatorada.org), or via facsimile to (671) 473-3303 until September 28, 2012, 5:00 pm. Individuals requiring special accommodations, auxiliary aids, or services should submit their request to Cyrus Luhr at 473-3301. Please feel free to contact our office at 473-3301 should you have any questions or concerns.



***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.**

2012 JUN 27 AM 10:01

**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**

Jeffrey C. Johnson

Suite 207, GCIC Building  
Post Office Box 862  
Hagatna, Guam 96932

David A Mair  
Administrative Law Judge

Joseph M. McDonald  
Filomena M. Cantoria  
Rowena E. Perez  
Michael A. Pangelinan

Telephone: (671) 472-1907  
Fax: (671) 472-1917  
Email: info@guampuc.com

Lourdes R. Palomo  
Administrator

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

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.

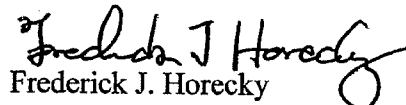
I believe the PUC commitments of the Commissioners will only increase in the next few years. At present there are pending rate proceedings involving PAG, GPA, GWA, and the Solid Waste Division. It is difficult and stressful for the Commissioners to have to decide such matters.

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