

*I Mina'trentai Siette Na Liheslaturan Gu òhan*  
**APPOINTMENTS**

DOCUMENT NO.	APPOINTEE	POSITION	AGENCY	APPT. DATE	TERM LENGTH	DATE REFERRED	COMMITTEE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	SESSION DATE	DATE CONFIRMED	NOTES
37GL-23-1090	Joseph M. McDonald	Commissioner	Public Utilities Commission	10/12/23	Six (6) Years; November 1, 2023 to October 31, 2029	10/18/23	Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health Insurance	12/13/23 9:00 a.m.	1/22/24 4:38 p.m.			



# Senator William A. Parkinson

Chairperson, Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health Insurance

January 22, 2024

**The Honorable Therese M. Terlaje**  
**Speaker**

*I Mina'trentai Siette na Liheslaturan Guåhan*  
163 Chalan Santo Papa  
Hagåtña, Guam 96910

*DUB*

**VIA: The Honorable Chris Barnett**  
Chairperson, Committee on Rules

**RE: Committee Report on the Re-appointment of Joseph M. McDonald**

Dear Speaker Terlaje:

Transmitted herewith is the Committee Report on the Re-appointment of **Joseph M. McDonald** to serve as a Commissioner (Community At-Large- Representative) on Public Utilities Commission (PUC), for a term length of Six (6) Years; November 1, 2023, to October 31, 2029, and which was referred to the Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health Insurance

Committee votes are as follows:

- 4 TO CONFIRM
- \_\_\_\_\_ TO NOT CONFIRM
- 2 TO REPORT OUT ONLY
- \_\_\_\_\_ TO ABSTAIN
- \_\_\_\_\_ TO PLACE IN INACTIVE FILE



**COMMITTEE ON RULES**

**Received:**  
January 22, 2024 3:56 p.m.  
*Beatrice Cruz*

Sincerely,

**Senator William A. Parkinson**

Chairperson, Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health Insurance



# **Senator William A. Parkinson**

*Chairperson, Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health Insurance*

## **COMMITTEE REPORT**

### **Re-appointment of Joseph M. McDonald to serve as a Commissioner (Community At-Large-Representative) Public Utilities Commission (PUC).**

**Term Length: Six (6) Years;  
November 1, 2023, to October 31, 2029.**



# Senator William A. Parkinson

Chairperson, Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health Insurance

January 22, 2024

## MEMORANDUM:

**TO: All Members**

Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health Insurance

**FROM: Senator William A. Parkinson**  
Committee Chairperson

**SUBJECT: Committee Report on the Reappointment of Joseph M. McDonald**

Transmitted herewith for your consideration is the Committee Report on the Reappointment of Joseph M. McDonald, to serve as a Commissioner (Community At-Large- Representative), on Public Utilities Commission (PUC)

This report includes the following:

- Copy of COR Referral of the Appointment
- Copy of the Appointment Letter to the Speaker
- Copy of the Appointment Packet & Supporting Documents
- Notice of Public Hearing
- Public Hearing Agenda
- Public Hearing Sign-in Sheet
- Submitted Written Testimonies & Supporting Documents
- Committee Vote Sheet & E-vote Emails
- Committee Report Digest

Please take the appropriate action on the attached vote 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'!*



## COMMITTEE ON RULES

Senator Chris Barnett, Chairperson  
*I Mina'trentai Siette Na Liheslaturan Guahan*  
37<sup>th</sup> Guam Legislature

October 18, 2023

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

**Attorney Darleen Hiton**  
Legislative Legal Counsel

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

**Subject:** **Referral of Reappointment**

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*Håfa Adai yan Biba Guahan!*

As per my authority as Chairperson of the Committee on Rules and subject to §9.01, Rule IX of our Standing Rules, I am forwarding the referral of the following reappointment:

**Appointee:** **Joseph M. McDonald**

**Position:** **Commissioner (Community At-Large Representative)**

**Term Length:** **Six (6) Years; November 1, 2023, to October 31, 2029**

Please refer the following document:

**"Doc. No. 37GL-23-1090** – Office of the Governor – Board Reappointment and Supporting Documents for Joseph M. McDonald, Commissioner (Community At-Large Representative), Public Utilities Commission."

Ensure the Reappointment is referred to the Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health Insurance chaired by Senator William A. Parkinson. I also request that the same be forwarded to Management Information Services (MIS) for posting on our website.

Should you have any questions or concerns, please feel free to contact Kamarin J.A. Nelson, Committee on Rules Director at 671-472-2461.





LOURDES A. LEON GUERRERO  
GOVERNOR

JOSHUA F. TENORIO  
LT. GOVERNOR

UFISINAN I MAGA'HĀGAN GUĀHAN  
OFFICE OF THE GOVERNOR OF GUAM

October 12, 2023

37GL-23-1090  
OFFICE OF THE SPEAKER  
THERESE M. TERLAJE

Honorable Therese M. Terlaje  
Speaker  
*I Mina'trentai Siette Na Liheslaturan Guåhan*  
37<sup>th</sup> Guam Legislature  
Guam Congress Building  
163 Chalan Santo Papa  
Hagåtña, Guam 96932

OCT 13 2023  
Time: 4:15 pm  
Received: [Signature]

**RE: Board Reappointment**

*Hafa Adai* Madame Speaker:

By virtue of the authority vested in me pursuant to the Organic Act of Guam and the applicable local laws, 12 GCA § 12102, I am pleased to transmit the following reappointment and supporting documents:

- APPOINTEE: Joseph M. McDonald
- POSITION: Commissioner, Public Utilities Commission
- TERM LENGTH: Six (6) Years; November 1, 2023, to October 31, 2029

The reappointment is subject to the advice and consent of *I Liheslaturan Guåhan*. Please schedule a hearing at your earliest convenience.

*Senseramente,*

**JOSHUA F. TENORIO**  
*Åkto Maga'låhen Guåhan*  
Acting Governor of Guam



**37GL-23-1090**  
Messages and Communications  
RECEIVED  
Committee on Rules  
October 17, 2023  
2:56 p.m.  
*Beatrice Cruz*

cc: *Honorable Lourdes A. Leon Guerrero, Governor of Guam*



LOURDES A. LEON GUERRERO  
GOVERNOR

JOSHUA F. TENORIO  
LT. GOVERNOR

UFISINAN I MAGA'HÅGAN GUÅHAN  
OFFICE OF THE GOVERNOR OF GUAM

October 12, 2023

**JOSEPH M. MCDONALD**



*Hafa Adai* Mr. McDonald:

Pursuant to my authority under the Organic Act of Guam, 12 GCA § 12102, and all other applicable laws, I am reappointing you to serve as a:

**COMMISSIONER, GUAM PUBLIC UTILITIES COMMISSION**  
**Community At-Large - Representative**  
**Term Length: Six (6) Years; November 1, 2023, to October 31, 2029**

Your reappointment is a testament to your commitment to public service and your faithful execution of the great responsibilities that this position requires. I am confident that you will continue to fulfill your duties in a professional manner for others to follow. On behalf of the people of Guam, I extend my gratitude for your continued service in this important role.

As you are aware, this reappointment is subject to the advice and consent of *I Liheslaturan Guåhan*. Should you have any questions or concerns, please contact Jean Taitano with the Office of the Governor at (671) 473-1121.

*Senseramente,*

A handwritten signature in blue ink, appearing to read "Joshua F. Tenorio".

**JOSHUA F. TENORIO**  
*Åkto Maga'låhen Guåhan*  
Acting Governor of Guam

cc: *Honorable* Lourdes A. Leon Guerrero, Governor of Guam

**LOURDES A. LEON GUERRERO**  
Governor



**JOSHUA F. TENORIO**  
Lieutenant Governor

**OFFICE OF THE GOVERNOR OF GUAM**  
**Nomination and Appointment Information Sheet**

The following information is required for submission to the  
Speaker of I Liheslaturan Guåhan in accordance with Title 4, Guam Code Annotated Section 2103

**NOMINEE INFORMATION**

<b>Last Name</b> MCDONALD	<b>First Name</b> JOSEPH	<b>Middle Initial</b> M.
<b>Mailing Address</b> [REDACTED]		<b>Apartment/Unit #</b>
<b>City</b> [REDACTED]	<b>State</b> [REDACTED]	<b>Zip Code</b> [REDACTED]
<b>Phone</b> [REDACTED]	<b>E-mail Address</b> [REDACTED]	
<b>Position to which Appointment is Made</b> Commissioner, PUBLIC UTILITIES COMMISSION OF GUAM		
<b>Are you a citizen of the United States?</b> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		
<b>If no, are you authorized to work in the United States?</b> Yes <input type="checkbox"/> No <input type="checkbox"/>		

**EDUCATION**

<b>SCHOOL (Name, City and State)</b>	<b>DATES OF ATTENDANCE</b>	<b>TYPE OF DEGREE</b>	<b>YEAR EARNED</b>
<b>High School</b> FATHER DUENAS MEMORIAL HIGH SCHOOL, MANGILAO, GUAM	1984-1987	High School Diploma	1987
<b>College</b> ST. MARY'S COLLEGE	1988-1991	Bachelor of Science	1991
<b>Graduate School</b>			
<b>Other Degree</b>			



**EMPLOYMENT HISTORY**

<b>Name of Present/Last Employer and Mailing Address</b> MIDPACIFIC DISTRIBUTORS POST OFFICE BOX 192 HAGATNA, GUAM 96932	<b>Position Title</b> BEVERAGE BRAND MANAGER
	<b>Dates Held</b> 2/11/92 - PRESENT

<b>Previous Employer and Mailing Address</b> TROPICAL PRODUCTIONS, INC. 600 BELLO STREET, SUITE 110 HAGATNA, GUAM 96913	<b>Position Title</b> EVENT DIRECTOR
	<b>Dates Held</b> 1/6/2001 - PRESENT

<b>Previous Employer and Mailing Address</b>	<b>Position Title</b>
	<b>Dates Held</b>

<b>Previous Employer and Mailing Address</b>	<b>Position Title</b>
	<b>Dates Held</b>

<b>Previous Employer and Mailing Address</b>	<b>Position Title</b>
	<b>Dates Held</b>

**PRIOR GOVERNMENT OF GUAM SERVICE**

<b>Agency or Department Name</b>		<b>Position Title</b>	
<b>Address</b>	<b>Phone No.</b>	<b>Dates Held</b>	

<b>Agency or Department Name</b>		<b>Position Title</b>	
<b>Address</b>	<b>Phone No.</b>	<b>Dates Held</b>	

**PRIOR GOVERNMENT SERVICE (EXCLUDING GOVERNMENT OF GUAM)**

<b>Agency or Department Name</b>		<b>Position Title</b>	
<b>Address</b>	<b>Phone No.</b>	<b>Dates Held</b>	

<b>Agency or Department Name</b>		<b>Position Title</b>	
<b>Address</b>	<b>Phone No.</b>	<b>Dates Held</b>	

**TRAINING**

<b>INSTITUTE/SEMINARS/ON-THE-JOB TRAINING</b>	<b>DATE</b>
NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISS.	2008
NATIONAL ASSOCIATION OF STATE FIRE MARSHALLS CROWD CONTROL MANAGER CERTIFICATE	2017
2017 NATIONAL HOST SECURITY CERTIFICATION	2017
FIRST AID/CPR CERT. (2017) / FEMA Cont. Education Units (7.5)	JULY 2023 (FEMA)

**AWARDS**

<b>List all educational, professional, civic awards, and recognition for public service:</b>
2023 RED CROSS =RECOVERY VOLUNTEER RECOGNITION 2022 TURKEY CROSS (MOTORCROSS) - SAIPAN - COMMUNITY PARTNER RECOGNITION GUAM RACING FEDERATION 2010-2017 MOTOSPORTS - PUBLIC SERVICE RECOGNITION UOG ENDOWMENT FOUNDATION 2013-2016 CHEF'S CUP - PUBLIC SERVICE RECOGNITION THRASHER HUF WORLDWIDE 2014 - INTERNATIONAL PRO SKATING - PUBLIC SERVICE RECOGNITION GUAM NATIONAL GUARD 2017 - 5K RUN - COMMUNITY PARTNER RECOGNITION GUAM WOMEN'S CLUB 2017 CELEBRITY CONCERT - COMMUNITY PARTNER RECOGNITION

**PROFESSIONAL INVOLVEMENT**

<b>List involvement on a local/national/international level. List organizations, activities participated in, and offices held:</b>
WORLD HEALTH ORGANIZATION WESTERN PACIFIC REGION CONFERENCE 2016 - EVENT MANAGER PACIFIC EXTREME COMBAT (GUAM & MANILA) 2010-2017 - EVENT MANAGER SMOKIN WHEELS - EVENT MANAGER 2010-2018

### COMMUNITY / CIVIC INVOLVEMENT

*List organizations, activities participated in, and offices held:*

GVB SPORTS COMMITTEE - MEMBER 2008-2018  
MILLER FOOTBALL LEAGUE 2010-2013 - LEAGUE DIRECTOR  
PUBLIC UTILITIES COMMISSION - 2008 - PRESENT  
PUREBRED GUAM BRAZILIAN JIU JITSU BLACK BELT PROFESSOR 2015 - PRESENT  
RED CROSS VOLUNTEER 2022 - PRESENT

### PUBLICATIONS AND PRESENTATIONS

*List any published articles, papers delivered at professional meetings, etc.:*

### MILITARY SERVICE (Please attach Form DD-214)

BRANCH	DATES OF SERVICE	RANK AT DISCHARGE	TYPE OF DISCHARGE
N/A			

### OTHER INFORMATION

(1) Have you ever been found guilty of a felony in any court, whether within or without the United States?

Yes  No  If so, please specify in detail: \_\_\_\_\_

Address of the Court: \_\_\_\_\_

Date(s) of Conviction: \_\_\_\_\_

Specific Infraction Committed: \_\_\_\_\_

**(2) Have you ever been declared mentally incompetent by any court, whether within or without the United States?**

Yes  No  If so, please specify in detail the reasons and facts related to such declaration:

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**(3) Have you ever been found not guilty or not punishable in any criminal proceedings by reason of insanity?**

Yes  No

**(4) Have you ever been confined to a mental institution for any reason?**

Yes  No  If so, please specify in why the appointing authority believes you that you are not suffering from any mental illness or affliction:

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**LOURDES A. LEON GUERRERO**  
Governor



**JOSHUA F. TENORIO**  
Lieutenant Governor

**OFFICE OF THE GOVERNOR OF GUAM**

**Statement of Financial Interests**  
(Required by 4 G.C.A. §13104.1)

**TO:** The Honorable Lourdes A. Leon Guerrero  
Governor of Guam  
Ricardo J. Bordallo Governor's Complex  
Adelup, Guam 96910

**FROM:** JOSEPH M. MCDONALD

- I have no financial interest in any business
- I do have interest(s) in the following business(es):

NAME AND ADDRESS OF BUSINESS INTEREST	TYPE AND AMOUNT OF INTEREST


  
Signature

7.25.23  
Date

**AFFIDAVIT / DECLARATION UNDER PENALTY OF PERJURY**

I, the undersigned, do hereby depose and say that: (1) I have read and reviewed the information contained in the attached Appointment/Nomination letter from the Governor of Guam; (2) that the matters contained in the Appointment/Nomination letter, together with all attachments thereto, are true and correct and that I am competent to testify to said matters; and (3) that this Declaration is made for the purpose of complying with the requirements of 4 G.C.A. Section 2103.5.

I declare under penalty of perjury under the laws of Guam (4 G.C.A. Section 4308) that the foregoing is true and correct.

Joseph McDonald   
Print Name and Signature

7.25.23  
Date



# SUPERIOR COURT OF GUAM

Guam Judicial Center | 120 West O'Brien Drive | Hagåtña, Guam 96910 | (671) 475-3370 | Fax: (671) 475-0078

**Name:** JOSEPH M MCDONALD

**Driver's License ID #** [REDACTED]

**DOB:** [REDACTED]

## CERTIFICATE OF SEARCH

The undersigned Clerk hereby certifies the following results of a diligent search of the records of this Court:

**Criminal Cases:**  
**No Cases Found**

**Civil Cases:**

Request for further information may be addressed at the Records Division of the Superior Court of Guam, Guam Judicial Center, 120 West O'Brien Drive, Hagåtña, Guam. Hours of operation are Monday - Friday, 9:00 a.m. to 4:00 p.m. Closed Saturdays, Sundays and local/federal holidays. **Court Clearances are Non-Refundable.**

**Dated:** 09/26/2023

Sophia Santos Diaz  
Clerk of Court

By: 

Court Archivist

Prepared by: Rachael Q Orsini



The absence of an  
Original Court Seal  
Invalidates this  
document. 2587



Note that the Legislature has taken steps to ensure that any protected personal identifying information has been factored or excluded in whole or in part in order to protect the privacy of any individual(s) whose information has been included as part of this transmittal.

Government of Guam

**GUAM POLICE DEPARTMENT  
RECORDS & IDENTIFICATION SECTION**

P.O. Box 23909  
Guam Main Facility, Guam 96921



September 27, 2023

**SUBJECT: CRIMINAL HISTORY RECORD**

<b>NAME:</b>	Joseph M MC DONALD		
<b>DATE OF BIRTH:</b>	[REDACTED]	<b>FINGERPRINT#:</b>	[REDACTED]
■	The individual has no record of criminal conviction(s) in the Guam Police Department files that are subject to Guam law.		

\*\*\*\*\*NOTHING FOLLOWS\*\*\*\*\*

*THIS INFORMATION MAY BE LIMITED TO A LOCAL CRIMINAL OFFENSE ONLY AND IS NOT INTENDED FOR USE FOR ANY LOCAL, STATE, OR FEDERAL LAW ENFORCEMENT AGENCY.*

**By Direction: angela**

  
**Sen. STEPHEN C. IGNACIO**  
**Chief of Police**

The absence of an original GUAM POLICE seal invalidates this police clearance.  
REVISED 04/26/19





# Senator William A. Parkinson

Chairperson, Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health Insurance

December 5, 2023

## MEMORANDUM

**TO:** All Honorable Senators, Stakeholders and Media

**FROM:** Senator William A. Parkinson

**SUBJECT:** FIRST NOTICE of Public Hearings – Wednesday December 13, 2023 beginning at 9:00AM

*Håfa Adai!*

Please be advised that the Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance, and Universal Health Insurance will conduct public hearings on Wednesday December 13, 2023 at 9:00AM at the Public Hearing Room in the Guam Congress Building. The committee will hear and accept testimonies of the following item:

### AGENDA FOR 9:00AM:

**Resolution No. 234-37 (LS) – “RELATIVE TO EXPRESSING THE SUPPORT OF THE PEOPLE OF GUAM FOR THE REPUBLIC OF THE PHILIPPINES' LEGITIMATE AND HISTORICAL CLAIM TO THE WEST PHILIPPINE SEA, REAFFIRMING THE CRUCIAL ROLE OF INTERNATIONAL LAW, AND ACKNOWLEDGING THE INVALUABLE TIES AND COMMON HISTORY BETWEEN GUAM AND THE PHILIPPINES.”**

- I.** The Reappointment of **Joseph M. McDonald** to serve as a Commissioner (**Community At-Large Representative**), Public Utilities Commission (PUC).
- II.** The Reappointment of **Dr. Jeffrey C. Johnson** to serve as a Commissioner (**Business Representative**), Public Utilities Commission (PUC).
- III.** The Reappointment of **Peter B. Montinola** to serve as a Commissioner (**Telecommunications Representative**), Public Utilities Commission (PUC).



# Senator William A. Parkinson

*Chairperson, Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health Insurance*

If you are interested in participating in the Public Hearing to provide testimony, please contact the Office of Senator William A. Parkinson via electronic mail at [senatorparkinson@guamlegislature.org](mailto:senatorparkinson@guamlegislature.org) or call 671-989-1101 no later than **Tuesday December 12, 2023** for guidance.

In compliance with the Americans with Disabilities Act (ADA), individuals requiring assistance or accommodations should contact the Office of Senator William A. Parkinson at 671-989-1101 or email at [senatorparkinson@guamlegislature.org](mailto:senatorparkinson@guamlegislature.org).

The hearing will broadcast on local television, GTA Channel 21, Docomo Channel 117, and stream online via *I Liheslaturan Guåhan's* live feed on YouTube <https://www.youtube.com/@GuamLegislatureMedia>. A recording of the hearing will be available online via Guam Legislature Media on YouTube after the hearing.

We are looking forward to your participation!

Respectfully,

Senator William A. Parkinson  
Chairperson



Senator Will Parkinson <senatorparkinson@guamlegislature.org>

**FIRST NOTICE of Public Hearings – Wednesday December 13, 2023 beginning at 9:00AM**

3 messages

Senator Will Parkinson <senatorparkinson@guamlegislature.org>

Tue, Dec 5, 2023 at 11:55 AM

To: phnotice@guamlegislature.org, Ed Pocaigue <sgtarms@guamlegislature.org>, Audio / Video <av@guamlegislature.org>, mis@guamlegislature.org  
Bcc: Senator Will Parkinson <senatorparkinson@guamlegislature.org>

December 5, 2023

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**FROM: Senator William A. Parkinson**

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We are looking forward to your participation!

--  
Respectfully,

	<p><b>Office of Senator William A. Parkinson   37th Guam Legislature</b>  <i>Chairperson, Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance, and Universal Health Insurance</i></p> <p>–          Suite 905, DNA Building, 238 Archbishop FC Flores St, Hagåtña, 96910, Guam          671-989-1101  <a href="mailto:senatorparkinson@guamlegislature.org">senatorparkinson@guamlegislature.org</a></p>
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**2 attachments**

 **Res. No. 234-37 (LS).pdf**  
1181K

 **MEMO-First PH Notice - 12-05-23.pdf**  
433K

Ed Pocaigue <sgtarms@guamlegislature.org>

Tue, Dec 5, 2023 at 12:01 PM

To: Senator Will Parkinson <senatorparkinson@guamlegislature.org>

Hafa Adai=)

Noted and Posted on Calendar.

[Quoted text hidden]



*Si Yu'os Ma'åse'*

**Edward S. Pocaigue, Jr.**

Sergeant at Arms

37th Guam Legislature  
*I Mina'trentai Siette na Liheslaturan Guåhan*

Tel: (671) 969-3514

Email: [sgtarms@guamlegislature.org](mailto:sgtarms@guamlegislature.org)

"Disclaimer: This message is intended only for the use of the individual or entity to which it is addressed and may contain information which is privileged, confidential, proprietary, or exempt from disclosure under applicable law. If you are not the intended recipient or the individual responsible for delivering the message to the intended recipient, you are strictly prohibited from disclosing, distributing, copying, or in any way using this message. If you have received this communication in error, please notify the sender and immediately delete any copies you may have received. Thank you."

**Senator Will Parkinson** <[senatorparkinson@guamlegislature.org](mailto:senatorparkinson@guamlegislature.org)>  
To: [lpalomo@guampuc.com](mailto:lpalomo@guampuc.com)


Wed, Dec 6, 2023 at 9:34 AM

*Hafa Adai,*

We received your confirmation email. FYI notice of the Reappointment Hearing is attached. Thank you very much.

[Quoted text hidden]

**2 attachments**

 **Res. No. 234-37 (LS).pdf**  
1181K

 **MEMO-First PH Notice - 12-05-23.pdf**  
433K


# FIRST NOTICE of Public Hearings – Wednesday December 13, 2023 beginning at 9:00AM

 PRINT

**FIRST NOTICE of Public Hearings – Wednesday December 13, 2023 beginning at 9:00AM**

**PUBLIC HEARING**



 **Posted on:** 12/05/2023 12:25 PM

 **Posted by:** Keith Taliugyan

 **Public Hearing Date:** 12/13/2023 09:00 AM


 **Department(s):** GUAM LEGISLATURE (/notices?department\_id=92)

 **Division(s):** OFFICE OF SENATOR WILLIAM A. PARKINSON (/notices?division\_id=273)

 **Notice Topic(s):** PUBLIC HEARING (/notices?topic\_id=74)

 **Types of Notice:** PUBLIC HEARING (/notices?type\_id=7)

 **For Audience(s):** PUBLIC (/notices?public=1)

 **Share this notice**

December 5, 2023

### **MEMORANDUM**

**TO: All Honorable Senators, Stakeholders and Media**

**FROM: Senator William A. Parkinson**

**SUBJECT: FIRST NOTICE of Public Hearings – Wednesday December 13, 2023 beginning at 9:00AM**

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- II. The Reappointment of **Dr. Jeffrey C. Johnson** to serve as a Commissioner (**Business Representative**), Public Utilities Commission (PUC).
- III. The Reappointment of **Peter B. Montinola** to serve as a Commissioner (**Telecommunications Representative**), Public Utilities Commission (PUC).

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We are looking forward to your participation!



# Senator William A. Parkinson

Chairperson, Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health Insurance

December 11, 2023

## MEMORANDUM

**TO:** All Honorable Senators, Stakeholders and Media

**FROM:** Senator William A. Parkinson

**SUBJECT:** SECOND NOTICE of Public Hearings – Wednesday December 13, 2023 beginning at 9:00AM

*Håfa Adai!*

Please be advised that the Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance, and Universal Health Insurance will conduct public hearings on Wednesday December 13, 2023 at 9:00AM at the Public Hearing Room in the Guam Congress Building. The committee will hear and accept testimonies of the following item:

### AGENDA FOR 9:00AM:

**Resolution No. 234-37 (LS) – “RELATIVE TO EXPRESSING THE SUPPORT OF THE PEOPLE OF GUAM FOR THE REPUBLIC OF THE PHILIPPINES' LEGITIMATE AND HISTORICAL CLAIM TO THE WEST PHILIPPINE SEA, REAFFIRMING THE CRUCIAL ROLE OF INTERNATIONAL LAW, AND ACKNOWLEDGING THE INVALUABLE TIES AND COMMON HISTORY BETWEEN GUAM AND THE PHILIPPINES.”**

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*Chairperson, Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health Insurance*

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We are looking forward to your participation!

Respectfully,

Senator William A. Parkinson  
Chairperson



**SECOND NOTICE of Public Hearings – Wednesday December 13, 2023 beginning at 9:00AM**

6 messages

Senator Will Parkinson &lt;senatorparkinson@guamlegislature.org&gt;

Mon, Dec 11, 2023 at 8:48 AM

To: phnotice@guamlegislature.org, Ed Pocaigue <sgtarms@guamlegislature.org>, Audio / Video <av@guamlegislature.org>, mis@guamlegislature.org  
Bcc: Senator Will Parkinson <senatorparkinson@guamlegislature.org>, lpalomo@guampuc.com

December 11, 2023

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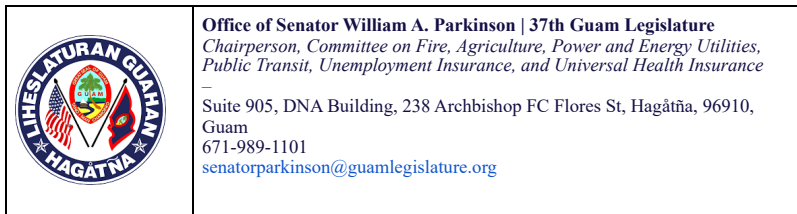
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We are looking forward to your participation!

--

Respectfully,

**2 attachments**

**MEMO-SECOND PH Notice - 12-11-23.pdf**  
432K

**Res. No. 234-37 (LS).pdf**  
1181K

Riyo Anne Reyes &lt;rareyes@guampdn.com&gt;

Mon, Dec 11, 2023 at 9:58 AM

To: Senator Will Parkinson &lt;senatorparkinson@guamlegislature.org&gt;

Hafa Adai,

Received, thank you.

Kind Regards,

**Riyo Anne Reyes**  
News Assistant



[rareyes@guampdn.com](mailto:rareyes@guampdn.com)

[www.guampdn.com](http://www.guampdn.com)

---

**From:** Senator Will Parkinson <[senatorparkinson@guamlegislature.org](mailto:senatorparkinson@guamlegislature.org)>  
**Sent:** Monday, December 11, 2023 8:48 AM  
**To:** [phnotice@guamlegislature.org](mailto:phnotice@guamlegislature.org); Ed Pocaigue <[sgtarms@guamlegislature.org](mailto:sgtarms@guamlegislature.org)>; Audio / Video <[av@guamlegislature.org](mailto:av@guamlegislature.org)>; [mis@guamlegislature.org](mailto:mis@guamlegislature.org)  
**Subject:** SECOND NOTICE of Public Hearings – Wednesday December 13, 2023 beginning at 9:00AM

December 11, 2023

**MEMORANDUM**

**TO:** All Honorable Senators, Stakeholders and Media

**FROM:** Senator William A. Parkinson

**SUBJECT:** **SECOND NOTICE of Public Hearings – Wednesday December 13, 2023 beginning at 9:00AM**

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We are looking forward to your participation!

--  
Respectfully,

	<p><b>Office of Senator William A. Parkinson   37th Guam Legislature</b>  <i>Chairperson, Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance, and Universal Health Insurance</i></p> <p>–          Suite 905, DNA Building, 238 Archbishop FC Flores St, Hagåtña, 96910, Guam          671-989-1101  <a href="mailto:senatorparkinson@guamlegislature.org">senatorparkinson@guamlegislature.org</a></p>
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To unsubscribe from this group and stop receiving emails from it, send an email to [phnotice+unsubscribe@guamlegislature.org](mailto:phnotice+unsubscribe@guamlegislature.org).

**Senator Will Parkinson** <senatorparkinson@guamlegislature.org>  
To: "guamfcg@gmail.com" <guamfcg@gmail.com>, pcgagana@gmail.com

Mon, Dec 11, 2023 at 10:38 AM


Hafa Adai,


Please see attached notice for **Resolution No.234-37(LS)**.

----- Forwarded message -----  
**From: Senator Will Parkinson** <senatorparkinson@guamlegislature.org>

[Quoted text hidden]  
[Quoted text hidden]  
[Quoted text hidden]

**2 attachments**

 **MEMO-SECOND PH Notice - 12-11-23.pdf**  
432K

 **Res. No. 234-37 (LS).pdf**  
1181K

**Filipino Community of Guam** <guamfcg@gmail.com>  
To: Senator Will Parkinson <senatorparkinson@guamlegislature.org>  
Cc: pcgagana@gmail.com

Tue, Dec 12, 2023 at 1:51 PM

Acknowledging receipt of this email. Thank you!  
[Quoted text hidden]

**Fred Horecky** <horeckylaw@teleguam.net>  
To: Senator Will Parkinson <senatorparkinson@guamlegislature.org>, phnotice@guamlegislature.org, Ed Pocaigue <sgtarms@guamlegislature.org>, Audio / Video <av@guamlegislature.org>, mis@guamlegislature.org  
Cc: Lou Palomo <lpalomo@guampuc.com>, Colleen Chlarson <cchlarson@guampuc.com>

Tue, Dec 12, 2023 at 3:19 PM

Dear Senator Parkinson:

I am the Chief Administrative Law Judge for the Guam Public Utilities Commission. I submit the enclosed written testimonies in support of the reappointments of Joseph M. McDonald, Peter B. Montinola, and Jeffrey C. Johnson as Commissioners of the Guam Public Utilities Commission.

I will also present oral testimony. Thank you

Sincerely,

Fred Horecky  
Chief Administrative Law Judge  
Guam Public Utilities Commission  
c/o Law Office of Frederick J. Horecky  
643 Chalan San Antonio, Ste. 102B  
Tamuning, Guam 96913  
(w)646-8274/5  
(f) 646-8403  
horeckylaw@teleguam.net

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**From:** Senator Will Parkinson <senatorparkinson@guamlegislature.org>  
**Sent:** Monday, December 11, 2023 8:48 AM  
**To:** phnotice@guamlegislature.org; Ed Pocaigue <sgtarms@guamlegislature.org>; Audio / Video <av@guamlegislature.org>; mis@guamlegislature.org


[Quoted text hidden]

[Quoted text hidden]

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[Quoted text hidden]

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 **2023-12-12 TESTIMONIES IN SUPPORT OF THE REAPPOINTMENTS OF JEFFERY C. JOHNSON, JOSEPH M. McDONALD, AND PETER B. MONTINOLA AS COMMISSIONERS TO THE GUAM PUBLIC UTILITIES COMMISSION.pdf**  
239K

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**Senator Will Parkinson** <senatorparkinson@guamlegislature.org>  
To: Fred Horecky <horeckylaw@teleguam.net>

Tue, Dec 12, 2023 at 3:29 PM

Hafa Adai,

Acknowledging receipt of this email. Thank you.

[Quoted text hidden]

# SECOND NOTICE of Public Hearings – Wednesday December 13, 2023 beginning at 9:00AM

 PRINT

**SECOND NOTICE of Public Hearings – Wednesday December 13, 2023  
beginning at 9:00AM**

**PUBLIC HEARING**



📅 **Posted on:** 12/11/2023 08:49 AM

👤 **Posted by:** Keith Taliugyan

📅 **Public Hearing Date:** 12/13/2023 09:00 AM

🏢 **Department(s):** GUAM LEGISLATURE (/notices?department\_id=92)

🏢 **Division(s):** OFFICE OF SENATOR WILLIAM A. PARKINSON (/notices?division\_id=273)

🔍 **Notice Topic(s):** PUBLIC HEARING (/notices?topic\_id=74)

📌 **Types of Notice:** PUBLIC HEARING (/notices?type\_id=7)

👥 **For Audience(s):** PUBLIC (/notices?public=1)

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December 11, 2023

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# Senator William A. Parkinson

Chairperson, Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health Insurance

## AGENDA

### Confirmation Hearings

Wednesday December 13, 2023 at 9:00 a.m.

Public Hearing Room, Guam Congress building

**Resolution No. 234-37 (LS)** – William A. Parkinson / Jesse A. Lujan / Dwayne T.D. San Nicolas / Joe S. San Agustin / Roy A. B. Quinata / Tina Rose Muña Barnes  
“RELATIVE TO EXPRESSING THE SUPPORT OF THE PEOPLE OF GUAM FOR THE REPUBLIC OF THE PHILIPPINES' LEGITIMATE AND HISTORICAL CLAIM TO THE WEST PHILIPPINE SEA, REAFFIRMING THE CRUCIAL ROLE OF INTERNATIONAL LAW, AND ACKNOWLEDGING THE INVALUABLE TIES AND COMMON HISTORY BETWEEN GUAM AND THE PHILIPPINES.”

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# Senator William A. Parkinson

Chairperson, Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health Insurance

## CONFIRMATION HEARING SIGN-IN SHEET

Wednesday, December 13, 2023 – 9:00 AM

Public Hearing Room, Guam Congress Building

Reappointment of **Joseph M. McDonald (Community At-Large Representative)**, **Dr. Jeffrey C. Johnson (Business Representative)**, and **Peter B. Montinola (Telecommunications Representative)**, all to serve as Commissioner for Guam PUC.

NAME:	AGENCY/ ORGANIZATION	POSITION	TESTIMONY	CONTACT INFORMATION
1. J. McDonald	PUC	SUPPORT <input checked="" type="checkbox"/> OPPOSE <input type="checkbox"/>	WRITTEN <input type="checkbox"/> ORAL <input type="checkbox"/>	
2. Peter Montinola	PUC	SUPPORT <input checked="" type="checkbox"/> OPPOSE <input type="checkbox"/>	WRITTEN <input checked="" type="checkbox"/> ORAL <input checked="" type="checkbox"/>	
3. Fred Horecky	PUC	SUPPORT <input checked="" type="checkbox"/> OPPOSE <input type="checkbox"/>	WRITTEN <input checked="" type="checkbox"/> ORAL <input checked="" type="checkbox"/>	
4. Jeff Johnson	PUC	SUPPORT <input type="checkbox"/> OPPOSE <input type="checkbox"/>	WRITTEN <input type="checkbox"/> ORAL <input checked="" type="checkbox"/>	
5.		SUPPORT <input type="checkbox"/> OPPOSE <input type="checkbox"/>	WRITTEN <input type="checkbox"/> ORAL <input type="checkbox"/>	
6.		SUPPORT <input type="checkbox"/> OPPOSE <input type="checkbox"/>	WRITTEN <input type="checkbox"/> ORAL <input type="checkbox"/>	
7.		SUPPORT <input type="checkbox"/> OPPOSE <input type="checkbox"/>	WRITTEN <input type="checkbox"/> ORAL <input type="checkbox"/>	
8.		SUPPORT <input type="checkbox"/> OPPOSE <input type="checkbox"/>	WRITTEN <input type="checkbox"/> ORAL <input type="checkbox"/>	
9.		SUPPORT <input type="checkbox"/> OPPOSE <input type="checkbox"/>	WRITTEN <input type="checkbox"/> ORAL <input type="checkbox"/>	
10.		SUPPORT <input type="checkbox"/> OPPOSE <input type="checkbox"/>	WRITTEN <input type="checkbox"/> ORAL <input type="checkbox"/>	



# Law Office of Frederick J. Horecky

643 Chalan San Antonio, Suite 102B  
Tamuning, Guam 96913

FREDERICK J. HORECKY

Telephone: (671) 646-8274-75

Facsimile: (671) 646-8403

E-mail: horeckylaw@teleguam.net

December 12, 2023

Senator William A. Parkinson  
Chairperson, Committee on Fire, Agriculture,  
Power and Energy Utilities, Public Transit,  
Unemployment Insurance, and Universal Health Insurance  
37<sup>th</sup> Guam Legislature  
Suite 905, DNA Building  
238 Archbishop FC Flores St.  
Hagåtña, Guam 96910

**Re: Testimony in Support of Reappointment of Joseph M. McDonald as a  
Commissioner of the Guam Public Utilities Commission**

Dear Chairperson Parkinson:

I am the Chief Administrative Law Judge of the Guam Public Utilities Commission ("PUC") and have had the opportunity to observe Commissioner McDonald's performance as a Commissioner with the PUC for more than 15 years. I submit this testimony in support of the reappointment of Joseph M. McDonald as a Commissioner of the Guam Public Utilities Commission.

Commissioner McDonald has served as a Commissioner on the Guam Public Utilities Commission from April 14, 1999, to the present, a period of 24 years. His service has been exemplary. He has carried out the duties on the Commission with dedication and attentiveness. He has an excellent record of attendance at meetings. He is a hardworking, experienced Commissioner. He is the longest serving Commissioner in the history of the Guam Public Utilities Commission.

Commissioner McDonald has demonstrated a keen ability to balance the interests of the utilities and ratepayers. Regarding the implementation of the System Development Charge for the Guam Waterworks Authority, he was instrumental in the development of the Guidelines approved by the PUC. He insisted that all persons who build or purchase a single-family home or dwelling, occupied as their primary residence, must be able to amortize payment of the System Development Charge. Previously, only low- and moderate-income residents were able to

Reappointment of Commissioner  
Joseph M. McDonald to the PUC  
December 13, 2023  
Page 2

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amortize the SDC. Commissioner McDonald firmly believed that all residents, regardless of income, could avail themselves of the amortization option.

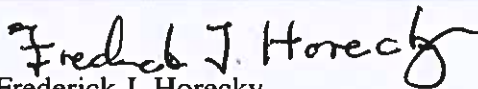
During prior Guam Power Authority rate proceedings, Commissioner McDonald recognized that there had been various problems with implementation of the Guam Power Authority's cost of service study; certain demand charges implemented by the Guam Power Authority had been erroneously calculated and harmed small businesses. Some demand customers saw their power bills double. As a result of Commissioner McDonald's inquiry into the matter, GPA realized that errors had been made in the implementation of demand charges. GPA thereafter corrected the erroneous demand charges. Commissioner McDonald was the first person to publicly bring this matter to the attention of the Commission.

Commissioner McDonald has been fair-minded, calm and balanced in his approach to his duties and responsibilities as a Commissioner. On occasion he has voted against utility rate increases. At the same time, when circumstances have justified, Commissioner McDonald has indicated a willingness to increase rates to meet the legitimate obligations of the utilities.

In several recent dockets involving the Guam Power Authority and the Guam Solid Waste Authority, Joe has focused on issues concerning estimated timelines for the delivery of bucket trucks and refuse trucks. This can be a critical issue when the utilities are operating without sufficient equipment. Commissioner McDonald has questioned the management of those utilities to ensure that the equipment purchased has adequate warranties for the protection of ratepayer investments.

Mr. McDonald's reappointment to the PUC is essential to ensure that the Commission continues to effectively set rates and carry out its utility regulatory functions. His institutional knowledge of both the PUC and the utilities is greatly needed on the Commission. I urge the members of the Committee, as well as all Senators, to support the reappointment of Mr. McDonald as a Commissioner to the Guam Public Utilities Commission. Thank you for your consideration of this testimony.

Sincerely,

  
Frederick J. Horecky  
PUC Chief Administrative Law Judge



# GUAM POWER AUTHORITY

ATURIDÁT ILEKTRESEDÁT GUÅHAN  
P.O.BOX 2977 • HAGÁTÑA, GUAM U.S.A. 96932-2977

December 13, 2023

Honorable William A. Parkinson  
Senator

Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment  
Insurance and Universal Health Insurance

*I Mina' trentai Siette na Liheslaturan Guåhan*

DNA Building, STE 905  
238 Archbishop Flores St.  
Hagåtña, Guam 96910

**RE: Support of Reappointment of Mr. Joseph M. McDonald to PUC**

**Hafa Adai Chairman Parkinson,**

Guam Power Authority is in full support of the Reappointment of Mr. Joseph M. McDonald to serve as a Commissioner (Community At-Large Representative), Public Utilities Commission (PUC).

I have had the pleasure of working with Mr. McDonald throughout his tenure on the PUC. He is a dedicated professional who works hard to ensure that ratepayers are protected. He is quite capable of making difficult decisions to ensure that the ratepayers are provided reliable energy at the lowest rate possible.

Mr. McDonald has a wealth of experience on the PUC which provides continuity of decisions on current plans and objectives for the Guam Power Authority that would certainly benefit ratepayers in the near and long term future. This includes the commissioning of the new 198 MW Ukudu Power Plant and the mandate to achieve 50% renewables by 2035 and 100% by 2045. Mr. McDonald has been instrumental in making these types of difficult decisions in the best interest of both the utility and ratepayers.

In closing, I thank Mr. McDonald for accepting his reappointment and ask the Legislature for their earliest confirmation.

Si Yu'os Ma'ase

John M. Benavente, P.E.  
General Manager

**Law Office of  
Frederick J. Horecky**

643 Chalan San Antonio, Suite 102B  
Tamuning, Guam 96913

**FREDERICK J. HORECKY**

Telephone: (671) 646-8274-75

Facsimile: (671) 646-8403

E-mail: horeckylaw@teleguam.net

December 19, 2023

Senator William A. Parkinson  
Chairperson, Committee on Fire, Agriculture,  
Power and Energy Utilities, Public Transit,  
Unemployment Insurance, and Universal Health Insurance  
37<sup>th</sup> Guam Legislature  
Suite 905, DNA Building  
238 Archbishop FC Flores St.  
Hagåtña, Guam 96910

**Re: Supplemental Testimony of Guam Public Utilities Chief Administrative Law Judge  
Frederick J. Horecky in Support of the Reappointment of Joseph M. McDonald, Peter  
B. Montinola, and Jeffery C. Johnson as Commissioners of the Guam Public Utilities  
Commission**

Dear Chairperson Parkinson:

Thank you for conducting the public hearing on the reappointment of the above Commissioners to the Guam Public Utilities Commission ["PUC"]. I submit this testimony in response to an issue that you raised at the hearing. During the hearing you suggested that the business class air fare paid for by the PUC for Administrative Law Judges and Commissioners for Commission travel was in violation of Public Law 36-54. This Public Law contains a provision which indicates that the Government of Guam may not purchase first class or business class fare, but only authorizes the purchase of coach or economy fare.

When you referenced Public Law 36-54 at the public hearing, neither I nor the Commissioners were aware of its provisions. I have now had the opportunity to review Public Law 36-54:

1. Public Law 36-54 is inapplicable to the Guam Public Utilities Commission. The Law does not prevent the Commission from purchasing business class airfare tickets for Commissioners, Administrative Law Judges, on or off island consultants, or employees, or from reimbursing the cost of business air fare tickets.



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2. The Public Law is “[A]n Act making **Appropriations** for the operations of the Executive, Legislative, and Judicial Branches of the Government of Guam for Fiscal Year ending September 30, 2022.
  3. There is no reference to the Guam Public Utilities Commission in Public Law 36-54. The law does not make any appropriations to the PUC. The PUC does not now receive appropriations from the Guam Legislature, nor has it ever received any appropriation from the Guam Legislature. It does not operate on general fund revenues. The PUC is funded entirely through rate revenues of the utilities and private funds of telecom companies. No operating funds of the PUC are from sources appropriated by the Legislature in Public Law 36-54 or in any other public law.
  4. The only funds to which Public Law 36-54 applies are those appropriated by the Legislature in FY2022. The subject matter of the Act is appropriations made by the Act: Section 1 provides that “This Act shall be known as the “General Appropriations Act of 2022. Except as otherwise provided by this Act, **the appropriations made by this Act** shall be available to pay for Fiscal Year 2022 obligations incurred on or after October 1, 2021 but not later than September 30, 2022. If **any appropriation in this Act** is found contrary to federal law, all other portions of this Act shall remain valid.”
  5. Section 5, relating to business class travel, is set forth in Chapter XIII of the Act, Administrative Provisions, Part I- **SPENDING CONTROLS ADMINISTRATIVE PROVISIONS**. Section 1 of Chapter XIII makes it clear that **the provisions of Chapter XIII, including the prohibition on business class travel in Section 5, only apply to funds appropriated by the Act**. Section 1 of Chapter XIII states: “Government -Funded Travel Prohibited. **Funds appropriated by this Act shall not be expended** for off-island travel or per diem expenses by government employees and officials, except for...” [seven exceptions for which government travel is permitted are listed.]
  6. Chapter XIII states “spending controls” on funds appropriated by the Act. The prohibition in Section 5 on the government of Guam purchases of business class airfare only applies to funds appropriated by the Act. Since no funds are appropriated in the Act to the Guam Public Utilities Commission, the restriction on purchases of business class airfare in Section 5 does not apply to the PUC. The restriction on “government of Guam” purchases of business class airfare only applies to funds appropriated to the government in the Act and expenditures of appropriated funds.
  7. It should also be noted that these administrative provisions in an Appropriation Act have never been enacted into statutory provisions of Guam Law. There is no current statute which precludes the PUC from purchasing business class airfare.
  8. In addition, even were Section 5 applicable to the PUC, the prohibition of Business Class Airfare in Section 5, Chapter XIII, is not applicable to Administrative Law Judges,

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Consultants, or Commissioners of the PUC under the doctrine of “**Expressio unius (est) exclusio alterius.**” This Latin phrase means that “the express mention of an item excludes others.” The Supreme Court of Guam has recognized the maxim of statutory construction that “Expressing one item of an associated group or series excludes another left unmentioned.” **People v. Garcia**, 2017 Guam 13 [11].

9. Section 5 states that the government of Guam is authorized to purchase only coach or economy airfare, and further adds: “**Any employee** electing to upgrade their airline seat shall be required to either use their personal mileage or pay the incremental difference in the cost.” Under the Expressio Unius doctrine or rule of statutory construction, the express mention of “employee”, and the omission of reference to any other classes such as consultants or public officials, establishes the legislative intent that the prohibition in Section 5 on business class airfare only applies to “employees.” The PUC has authorized business class airfare for consultants and Commissioners and is not in violation of Section 5.
10. The whole purpose of the travel and fare class restrictions in Public Law 36-54 is to preserve and save funds that are appropriated by the Act. This rationale has no applicability to the PUC as no funds are appropriated to it under the Act. Applying the fare class restriction to PUC would not save any appropriated funds.
11. There have been General Appropriation Acts after Public Law 36-54: Public Law 36-107 for FY2022 and Public Law 37-42 for FY 2023. These subsequent Public Laws contain identical language as in Public Law 36-54 concerning government purchase of business class airfare. For the same reasons as stated herein, none of these subsequent public laws are applicable to the PUC.
12. The PUC has had Travel Rules, Regulations and Policies in effect for nearly thirty years, since 1994. The Rules were updated by the PUC effective May 1, 2019. The Rules authorize business class fare for Commissioners, Staff, and **persons rendering service to the PUC.** Such Rules providing for business fare travel are not in violation of any law or applicable rules of Guam.
13. At the public hearing, a concern was raised by the Chairperson as to whether travel cost had to be “apportioned” when the trip included both official and private business. While travel must be by “a usually traveled and direct route”, **Indirect Travel is authorized**, provided that such travel is not an additional expense to the PUC. Section 11 of the Travel Rules). The PUC has not violated this Rule.
14. PUC has different travel needs than other government entities and must be treated differently regarding travel rules and regulations. The PUC retains off-island contractors through competitive procurements that are nationally recognized experts in utility regulation in the United States. PUC currently retains five such firms, Daymark Energy

- 
- Advisors, Concentric Energy Advisors, Georgetown Consulting Group Inc, Municipal Solid Waste Consultants, and Aslan Consulting LLC. In rate proceedings involving GPA, GWA, the Port Authority, Guam Solid Waste Authority, and telecommunications companies, these consultants are often required to fly to Guam for participation.
15. In procurement bids, PUC consulting companies have demanded business class travel as a part of their consulting contracts. If the Legislature prevents PUC from providing business class travel to its off-island consultants, such prohibition will impinge upon the ability of PUC to hire its consultants and to adequately undertake and resolve rate proceedings of the utilities. PUC will have difficulty in ensuring that consultants participate in on island rate proceedings.
  16. In accordance with the Organic Act of Guam, the Guam Public Utilities Commission is “an **independent rate making authority**” of the government of Guam. “Independence” means flexibility to determine its own rules and operating procedures.
  17. Any restriction by the Legislature upon PUC’s ability to provide business class airfare to its consultants will violate its independence under the Organic Act of Guam. It is not appropriate for the Legislature to interfere with the Travel Rules of the PUC.
  18. Prior Legislatures have recognized the independence of the PUC. Public Law No. 26-18, enacted on May 31, 2001, stated in Section 1, Legislative Findings and Intent” “*I Liheslaturan Guahan* finds that a strong public interest is served by maintaining a strong independent Public Utilities Commission of Guam (“Commission”), which is **independent of the Executive and Legislative Branches**. Federal legislation, which authorized the transfer of the U.S. Navy’s electric power assets to the Guam Power Authority (“GPA”) under the GPA-Navy customer service agreement, was conditioned on Guam’s creation of an **independent public utilities commission**. Moreover, **GPA’s bond indenture agreements require the existence of an independent Commission.**”
  19. For true independence to exist, the Legislature should not undertake to control the Commission’s operations. Under the GPA Bond Covenants, Sections 6.17 and 6.20, the Government of Guam, including **the Guam Legislature, has pledged “to maintain the rights, powers and duties of the...Guam Public Utilities Commission...”** and that it would not “**substantially impair the powers, duties or effectiveness of the Public Utilities Commission thereunder in relation to the Authority or its rates.**”

Supplemental Testimony  
Reappointment of PUC Commissioners  
to the Guam Public Utility Commission  
December 19, 2023  
Page 2

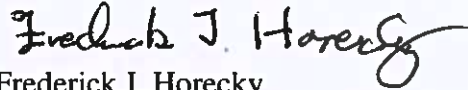
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The Guam Public Utilities Commission has not violated Public Law 36-54 or any other law or rule in providing business class fare to its consultants.

Notwithstanding this Testimony, the Chairman of the Public Utilities Commission Jefferey Johnson has agreed to place the matter of the PUC Travel Rules, Regulations and Policies on the agenda for the PUC meeting for January 25, 2023, for review and consideration.

I request that this Testimony be placed in the record of these proceedings. Thank you for your consideration of this testimony.

Sincerely,



Frederick J. Horecky  
PUC Chief Administrative Law Judge





# Senator William A. Parkinson

Chairperson, Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health Insurance

## COMMITTEE VOTE SHEET

Nomination of **Joseph M. McDonald** to serve as a  
**Commissioner (Community At-Large- Representative)** on the **Public Utilities Commission (PUC)**,  
to serve a term of **Six (6) Years**; November 1, 2023, to October 31, 2029

COMMITTEE MEMBERS	SIGNATURE/ DATE SIGN	TO DO CONFIRM	TO NOT CONFIRM	TO REPORT OUT ONLY	TO ABSTAIN	TO PLACE IN INACTIVE FILE
Senator William A. Parkinson Chairperson	 January 22, 2024			✓		
Senator Frank F. Blas, Jr. Vice. Chairperson	E-vote 1/22/24			✓		
Senator Joe S. San Agustin Member						
Vice Speaker Tina Rose Muña Barnes Member	E-vote 1/22/24	✓				
Senator Amanda L. Shelton Member						
Senator Roy A.B. Quinata Member	E-vote 1/22/24	✓				
Senator Dwayne San Nicolas Member	E-vote 1/22/24	✓				
Senator Jesse A. Lujan Member	E-vote 1/22/24	✓				
Speaker Therese M. Terlaje Ex-officio Member						



Senator Will Parkinson &lt;senatorparkinson@guamlegislature.org&gt;

**REQUEST FOR E-VOTE: Committee Report on the Re-Appointment of Joseph M. McDonald.**

6 messages

Senator Will Parkinson &lt;senatorparkinson@guamlegislature.org&gt;

Mon, Jan 22, 2024 at 9:22 AM

To: "Office of Senator Frank Blas, Jr." <office@senatorfrankblas.com>, Senator Jesse Lujan <senatorlujan@guamlegislature.org>, Senator Therese Terlaje <senatorterlajegum@gmail.com>, Senator Dwayne San Nicolas <senatorsannicolas@guamlegislature.org>, "Honorable Joe S. San Agustin" <senatorjoessanagustin@gmail.com>, Vice Speaker Tina Rose Muña Barnes <senatormunabarnes@guamlegislature.org>, Senator Roy Quinata <officeofsenatorquinata@guamlegislature.org>, Office of Senator Shelton Guam Legislature <officeofsenatorshelton@guamlegislature.org>

Bcc: Senator Will Parkinson &lt;senatorparkinson@guamlegislature.org&gt;

Hafa Adai Committee Members,

Please see the attached Committee Report on the Re-Appointment of **Joseph M. McDonald** to serve as a Commissioner (Community At-Large- Representative) Public Utilities Commission.**After review, please respond with the appropriate action as indicated on the vote sheet:**


- To Do Confirm;
- To Not Confirm;
- To Report Out Only;
- To Abstain; or
- To Place in Inactive File.


Your attention to this matter is greatly appreciated. Should you have any questions or concerns, please do not hesitate to contact me.

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Respectfully,

**Keith Taliugyan**  
Committee Director

	<p><b>Office of Senator William A. Parkinson   37th Guam Legislature</b> Chairperson, Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance, and Universal Health Insurance</p> <p>Suite 905, DNA Building, 238 Archbishop FC Flores St, Hagåtña, 96910, Guam 671-989-1101 <a href="mailto:senatorparkinson@guamlegislature.org">senatorparkinson@guamlegislature.org</a></p>
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 **COMMITTEE REPORT - Re-Appointment -McDonald.pdf**  
8764K

Senator Dwayne San Nicolas &lt;senatorsannicolas@guamlegislature.org&gt;

Mon, Jan 22, 2024 at 9:46 AM

To: Senator Will Parkinson <senatorparkinson@guamlegislature.org>  
Cc: "Office of Senator Frank Blas, Jr." <office@senatorfrankblas.com>, Senator Jesse Lujan <senatorlujan@guamlegislature.org>, Senator Therese Terlaje <senatorterlajegum@gmail.com>, "Honorable Joe S. San Agustin" <senatorjoessanagustin@gmail.com>, Vice Speaker Tina Rose Muña Barnes <senatormunabarnes@guamlegislature.org>, Senator Roy Quinata <officeofsenatorquinata@guamlegislature.org>, Office of Senator Shelton Guam Legislature <officeofsenatorshelton@guamlegislature.org>

Hafa Adai!

To Do Confirm.



**Office of Senator Dwayne T.D. San Nicolas**  
*Committee on Emergency Response, Military and Veteran Affairs, Border Safety and Mayors Council*

I Mina'trentai Siette Na Liheslaturan Guahan | 37th  
Guam Legislature  
Telephone: 671-989-4400  
Email: [senatorsannicolas@guamlegislature.org](mailto:senatorsannicolas@guamlegislature.org)  
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238 Archbishop Flores St. Hagatna, Guam 96910

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Senator Roy Quinata &lt;officeofsenatorquinata@guamlegislature.org&gt;

Mon, Jan 22, 2024 at 9:52 AM

To: Senator Will Parkinson <senatorparkinson@guamlegislature.org>  
Cc: "Office of Senator Frank Blas, Jr." <office@senatorfrankblas.com>, Senator Jesse Lujan <senatorlujan@guamlegislature.org>, Senator Therese Terlaje <senatorterlajegum@gmail.com>, Senator Dwayne San Nicolas <senatorsannicolas@guamlegislature.org>, "Honorable Joe S. San Agustin" <senatorjoessanagustin@gmail.com>, Vice Speaker Tina Rose Muña Barnes <senatormunabarnes@guamlegislature.org>, Office of Senator Shelton Guam Legislature <officeofsenatorshelton@guamlegislature.org>

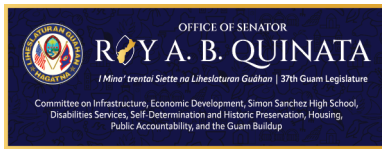
To do confirm.


On Mon, Jan 22, 2024 at 9:22 AM Senator Will Parkinson &lt;senatorparkinson@guamlegislature.org&gt; wrote:

[Quoted text hidden]

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Si Yu'os Ma'åse',



 (671)472-4826 (GUAM)



*Gumai pribilehu yan konfedensia este siha na mensåhi. Solo spesiåtmente para hågu ma entensioña pat ma aturisa para unrisibi. Sen prubidu kumu ti un ma aturisa para manribisa, na'setbe, pat mandespåtcha. Yanggen lachi rinisibu-mu nu este na mensåhi, put fabot ago' guatu gi l numa'huyong gi as [officeofsenatorquinata@guamlegislature.org](mailto:officeofsenatorquinata@guamlegislature.org) yan despues destrosa todú siha l kopian mensåhi. Si Yu'os ma'åse'.*

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Office of Senator Frank Blas, Jr. <[office@senatorfrankblas.com](mailto:office@senatorfrankblas.com)>

Mon, Jan 22, 2024 at 10:05 AM

To: Senator Roy Quinata <[officeofsenatorquinata@guamlegislature.org](mailto:officeofsenatorquinata@guamlegislature.org)>

Cc: Senator Will Parkinson <[senatorparkinson@guamlegislature.org](mailto:senatorparkinson@guamlegislature.org)>, Senator Jesse Lujan <[senatorlujan@guamlegislature.org](mailto:senatorlujan@guamlegislature.org)>, Senator Therese Terlaje <[senatorterlajegum@gmail.com](mailto:senatorterlajegum@gmail.com)>, Senator Dwayne San Nicolas <[senatorsannicolas@guamlegislature.org](mailto:senatorsannicolas@guamlegislature.org)>, "Honorable Joe S. San Agustin" <[senatorjoessanagustin@gmail.com](mailto:senatorjoessanagustin@gmail.com)>, Vice Speaker Tina Rose Muña Barnes <[senatormunabarnes@guamlegislature.org](mailto:senatormunabarnes@guamlegislature.org)>, Office of Senator Shelton Guam Legislature <[officeofsenatorshelton@guamlegislature.org](mailto:officeofsenatorshelton@guamlegislature.org)>

To Report Out Only

[Quoted text hidden]

Senator Jesse Lujan <[senatorlujan@guamlegislature.org](mailto:senatorlujan@guamlegislature.org)>

Mon, Jan 22, 2024 at 10:34 AM

To: "Office of Senator Frank Blas, Jr." <[office@senatorfrankblas.com](mailto:office@senatorfrankblas.com)>

Cc: "Honorable Joe S. San Agustin" <[senatorjoessanagustin@gmail.com](mailto:senatorjoessanagustin@gmail.com)>, Office of Senator Shelton Guam Legislature <[officeofsenatorshelton@guamlegislature.org](mailto:officeofsenatorshelton@guamlegislature.org)>, Senator Dwayne San Nicolas <[senatorsannicolas@guamlegislature.org](mailto:senatorsannicolas@guamlegislature.org)>, Senator Roy Quinata <[officeofsenatorquinata@guamlegislature.org](mailto:officeofsenatorquinata@guamlegislature.org)>, Senator Therese Terlaje <[senatorterlajegum@gmail.com](mailto:senatorterlajegum@gmail.com)>, Senator Will Parkinson <[senatorparkinson@guamlegislature.org](mailto:senatorparkinson@guamlegislature.org)>, Vice Speaker Tina Rose Muña Barnes <[senatormunabarnes@guamlegislature.org](mailto:senatormunabarnes@guamlegislature.org)>

To Do Confirm

Si Yu'os Ma'åse',



**Senator Jesse A. Lujan**

Vice Chair, Committee on Maritime Transportation, Air Transportation, Parks, Tourism, Higher Education, and the Advancement of Women, Youth, and Senior Citizens

**37th Guam Legislature**

I Mina'trentai Siette Na Liheslaturan Guåhan

259 Martyr St. Suite 101A, Calvo-Arriola Building

Hågatña Guam 96910

**Office:** (671)969-6525

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Vice Speaker Tina Rose Muña Barnes <[senatormunabarnes@guamlegislature.org](mailto:senatormunabarnes@guamlegislature.org)>

Mon, Jan 22, 2024 at 1:23 PM

To: Senator Jesse Lujan <[senatorlujan@guamlegislature.org](mailto:senatorlujan@guamlegislature.org)>

Cc: "Office of Senator Frank Blas, Jr." <[office@senatorfrankblas.com](mailto:office@senatorfrankblas.com)>, "Honorable Joe S. San Agustin" <[senatorjoessanagustin@gmail.com](mailto:senatorjoessanagustin@gmail.com)>, Office of Senator Shelton Guam Legislature <[officeofsenatorshelton@guamlegislature.org](mailto:officeofsenatorshelton@guamlegislature.org)>, Senator Dwayne San Nicolas <[senatorsannicolas@guamlegislature.org](mailto:senatorsannicolas@guamlegislature.org)>, Senator Roy Quinata <[officeofsenatorquinata@guamlegislature.org](mailto:officeofsenatorquinata@guamlegislature.org)>, Senator Therese Terlaje <[senatorterlajegum@gmail.com](mailto:senatorterlajegum@gmail.com)>, Senator Will Parkinson <[senatorparkinson@guamlegislature.org](mailto:senatorparkinson@guamlegislature.org)>

to do confirm

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# Senator William A. Parkinson

Chairperson, Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health Insurance

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## COMMITTEE REPORT DIGEST

### I. OVERVIEW

The Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health Insurance, convened a confirmation hearing on **Wednesday, December 13, 2023, at 9:00 a.m** in *I Liheslatura's* Congress Building in the Public Hearing Room. The item on the agenda was the consideration of the Re-Appointment of **Joseph M. McDonald to serve as a Commissioner (Community At-Large Representative), Public Utilities Commission (PUC)**, and whose appointment history is as follows:

- Appointed by **I Maga'håga Lourdes A. Leon Guerrero** on **October 12, 2023** to **serve a term of Six (6) years; from November 1, 2023, to October 31, 2029;**
- Appointment packet forwarded to *I Liheslatura* on **October 17, 2023;**
- Appointment packet forwarded to this committee for public consideration on **October 18, 2023.**

#### **Public Notice Requirement:**

Notices were disseminated to all senators and all local media outlets on **Tuesday, December 5, 2023** and again on **Monday December 11, 2023.** Notices was also available on the Guam legislature's website and the Government of Guam public notice portal.

#### **Senator Present:**

Senator William A. Parkinson – Chairman  
Jesse A. Lujan – Committee Member  
Christopher M. Dueñas-  
Telo T. Taitague-

#### **Appearing before the Committee:**

Dr. Jeffrey C. Johnson  
Joseph M. McDonald  
Peter B. Montinola  
Frederick J. Horecky

#### **Written testimonies Submitted:**



# Senator William A. Parkinson

*Chairperson, Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health Insurance*

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Frederick J. Horecky –

John M. Benavente -

## II. SUMMARY OF TESTIMONY AND DISCUSSION

The Public Hearing was called to order at 9:0 a.m.

**Chairman Parkinson:** *Håfa Adai* and good morning to you and to the people of Guam. Today is Wednesday, December 13, 2023. This confirmation hearing will be conducted by myself Senator William A. Parkinson Chairman of the committee on fire, agriculture, power and energy utilities, public transit, unemployment insurance, and universal health insurance. This hearing is called to order and the time is 9:50.

**Chairman Parkinson:** Notice of this confirmation hearing was disseminated to all local media outlets on Tuesday, December 5<sup>th</sup>, 2023 and the second notice was also shared to all local media on Monday, December 11<sup>th</sup>, 2023. Notice of this hearing was also posted and available on the Guam Legislature's website and the Government of Guam Public Notice Portal.

**Chairman Parkinson:** At this time the committee will hear testimonies and discussion on the reappointment of following individuals. The Reappointment of Joseph M. McDonald to serve as Commissioner (Community At-Large Representative), Public Utilities Commission (PUC). The Reappointment of Dr. Jeffrey C. Johnson to serve as a Commissioner (Business Representative), for the Public Utilities Commission and the Reappointment of Peter B. Montinola to serve as a Commissioner (Telecommunications Representative), Public Utilities Commission (PUC). All three individuals will serve a term of six years as PUC Board of Commissioner.

**Chairman Parkinson:** I would like to welcome my colleagues who are joining us today. To my right I have Senator Jesse Lujan and Senator Chris Duenas and to my left I have Senator Telo Taitague. Thank you all for joining us this morning. We will hear testimony from those who joined us today as well from the nominee themselves. Whoever wants to start please state your name for recordkeeping purposes.

Committee Report Digest:

Confirmation Hearing- Re-Appointment of Joseph M. McDonald

December 13, 2023 @ 9:00 a.m. YouTube Link: <https://www.youtube.com/watch?v=QLIF9J5Bb5c>

**Frederick Horecky -Attorney PUC:** Good morning Senators, Senator Taitague, Chairperson Parkinson, Senator Lujan and Senator Duenas. My name is Fred Horecky and I'm the Chief Administrative Law Judge for the Guam Public Utilities Commission. Before addressing my testimony I wanted to mention that the Commission is in some respects in a unfortunate position because it's commissioners continue to serve through different administrations. There's no courtesy resignation for the commissioners of the PUC. The great benefit from that which is really exceptional in in the Government of Guam if you think about it. But we have commissioners here before you today that are seeking reappointment that have 24 years, 17 years, and 11 years of experience and I think that is probably unparalleled in terms of government service with regard to all boards and commissions. Of course, there's some classified employees that have careers that may be longer but this has been a good thing for the Guam Public Utilities Commission because it provides continuity it provides commissioners that are really experienced at what the Public Utilities Commission does. Which is regulations of rates regulatory supervision over certain contracts and other aspects of the public utilities. I have filed testimony supporting the appointments of each of these three gentlemen and I will just briefly highlight some of the things that I've said in the testimony if you have further questions. I'll be glad to entertain those. Commissioner McDonald, Joseph McDonald has served for 24 years. He's the longest serving member of the Commission in its history and he has provided exemplary service to the commission. He's performed his duties with dedication. He attends nearly every meeting that we've had and he's been hardworking and in particular what he's brought to the commission is fairness objectivity. He's a good listener he also knows what issues need to be pointed out what what's important for the commission and I use as an example the system development charge for the Guam Waterworks Authority and in that matter Commissioner McDonald insisted that all persons who build or purchase a single-family home or dwelling occupied as their primary residence must be able to amortize payments of the system



Committee Report Digest:

Confirmation Hearing- Re-Appointment of Joseph M. McDonald

December 13, 2023 @ 9:00 a.m. YouTube Link: <https://www.youtube.com/watch?v=QLIF9J5Bb5c>

development charge. Previously only low- and moderate-income residents were able were able to amortize those costs. During the Guam Power Authority rate proceedings on occasion Commissioner McDonald has recognized that there have been problems with implementation of GPA's cost of service study and certain demand charges implemented by GPA had been erroneously calculated and harmed small businesses. As a result of his inquiry GPA realized that errors had been made in the implementation of the demand charges. GPA thereafter corrected the erroneous demand charges. Commissioner McDonald in general has been very fair-minded he has supported LEAC or rate increases when they are justified but also voted against utility rate increases that have not been fair, reasonable and just. In recent dockets involving the Guam Power Authority and the Guam Solid Waste Authority. He has asked a lot of important questions about delivery of trucks, bucket trucks for GPA and trash trucks for GSWA and these have involved ascertaining when the delivery dates are for the different trucks because that's very important in ascertaining whether the utility has enough trucks, when they'll be delivered and what further action needs to be made to make sure that the utilities have sufficient equipment. He also questioned the warranties on that equipment to make sure that the rate payers and is protected. So, in concluding on Mr. McDonald, I suggest that his reappointment is essential to ensure that the commission continues to effectively set rates on its and exercise its utility functions his institutional knowledge of both the PUC and utilities is greatly needed on the commission. So, I would urge you Senators as members of this committee and the Legislature to support Commissioner McDonald's reappointment.

**Frederick Horecky -Attorney PUC:** As to Chairman Jeffrey Johnson he has served with a commission for 17 years and most of that has been as Chairman and I would say that he has been a true leader on the commission. He shaped the reorganization of the commission in its early years in the mid-2000s by doing a number of things requiring that consultant positions on the commission go out to procurements and this has resulted in a lot more local



Committee Report Digest:

Confirmation Hearing- Re-Appointment of Joseph M. McDonald

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consultants with the commission. Rather than off Island commissions consultants. He reorganized procedures of the commission requiring month meetings which enabled the commission to catch up on its considerable backload at the time and he has in general taken a lot of steps that have streamlined commission procedures for scheduling rate making processes collaborative working relationships with the utilities and efforts to make the regulatory responsive more a regulatory process more responsive to rate payers and the public and that too is by holding public meetings for important things such as the new 198 megawatt power plant. A number of public hearings were held although technically they were not required under the law. Chairman Johnson has provided the intellectual and policy leadership to work with the Commissioners and I always think back to one particular example which is the GWA rate case. The last major five-year rate case where he pretty much single-handedly brought the commissioners together. He formulated holdings for that case or what were the important aspects so I think that his leadership particularly in working with the other commissioners and making sure the commission functions as a cohesive body is greatly needed and for that reason, I certainly would again request your support for Chairman Johnson and his reappointment and that his leadership is really crucial again to the commission continuing to perform its duties and functioning properly. Oh I'm sorry oh there it is and finally but not least certainly is the reappointment of Commissioner Peter Montinola and I have had an opportunity to follow Peter's career with the commission he has now been a commissioner for 11 years and he had a background in Telecom but in the 11 years. He's developed a very keen understanding of the other utilities their needs how they should function how rate a case proceeding should go forward and he has served diligently with dedication in that period. He has worked on various aspects of regulatory matters. He's learned a lot about the regulatory process and he's well versed in regulatory oversight supervision matters. He's a very active participant in the meetings. He asks detailed questions from utility

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representatives and for example on a GPA Bond refunding he asked for specific figures on the amount of savings that GPA would garner because of the bond issuance and he also asked a lot of questions in terms of the GPA procurement for the new Power Plant as to which bidders would be selected and how they would be evaluated so he's had a keen understanding of the procurement process too and that recently came up again in a recent meeting where PUC was considering the contract with Hanwha for the one of the new solar plants and in that case based on the circumstances Commissioner Montinola was concerned about the procurement process and it basically involves a matter where Hanwha had been given a contract many years ago hadn't really performed and then again now was being considered again that matter is still pending before the PUC by the way but it indicates the sensitivity that Commissioner Montinola has to certain issues and procurement has been a strength of his. So, in general I would say that he has asked very good questions about the utilities. We need a member that will always inquire and question what the utilities are doing. It had been said sometimes in the past that the PUC could be a rubber stamp for the utilities but that is not true at all at this point in history and our commissioners all of them actually ask very good questions and the commission often takes positions that are not in accord with what the utilities would like so that's the role of the PUC Commissioner Montinola and all of our three gentlemen here seeking reappointment today ensure that the Public Utilities Commission is independent and performs the ratemaking function and regulatory function that is required under the law. Thank you for considering my testimony and I urge you all to support the reappointment of the three individuals.

**Dr. Jeffery Johnson -PUC:** I'll go next. I'm Dr. Jeff Johnson, I've been on the commission for about 17 years now. Prior to that I served on the Guam Dental Board for about 3, 4 years also and on these various government bodies, I've been supporting by four separate Governors and administrations of both sides of the political aisle so that as Mr. Horecky

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pointed out that is one nice thing about our commission is its long-term continuity so we don't lose valuable intellectual insight as to what a lot of these matters are. I'll just we have annual reports every year that go over all the details about what our commission performs I think the latest one is about 14 pages long that I could refer you to reviewing if you're interested. We do send it copies of it to the Legislature but I'll just add a couple of things we've done recently that might be of interest are when we had the pandemic recently which was really hard on our community. We collaboratively worked with GPA and helped reduce the rates for a prolonged period of time. GPA was in a rears up to the point of about \$47 million which is about as far as they can go before they internally have cash flow problems with purchasing fuel and whatnot and then that helped provide relief for a couple of years until the policy makers you folks could come in and start providing some extra relief with the \$100 a month stipend also. Another thing that's been done recently that's probably not on the radar that much, I part-time. I am a beekeeper also and one of the considerations that was going on here is the bees get involved in a lot of the utility infrastructure both in the power poles a lot of these concrete poles have holes in them and they're hollow and the bees find a great predilection to find that to be a home so they get up in those power poles quite frequently. They also get in a lot of the buildings for both GWA and GPA so we've established a working group within GPA and the beekeepers that when we find bees that are out there that are potentially causing a problem somewhere. They're rescued now and they're brought into a home and given to a fellow beekeeper. Rather than just sprayed like they were in the past so that's kind of a nice little added benefit in the community here too. I'm hoping to see in the coming 6 years that we do deliver this new power plant. There's been a lot of problems with typhoons and the pandemic and so forth getting in the way and delaying it otherwise it probably would all already be up and running right now but hopefully if all goes well over the course of the next two years. We'll have that up and running along with some extra solar farms and batteries and so forth and I

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foresee that about 2 to 3 years down the road with GPA specifically we're going to have a pretty nice system. It's hard to see that right now with all the load shedding and so forth but I think we're going to have a system here on Guam that'll be the envy of many jurisdictions everywhere. So I would just call for a little bit of patience with GPA and allow and you have provided some bills recently Senator Parkinson that I hope get passed that can help them in the short term alleviate some of these loadshedding blues that we're going through right now. GWA, we have a lot of things going forward with them. Now they've done quite a lot already and they have a consent decree that's coming forward soon with EPA again that they'll need to deliver a lot of projects on certain time tables and we'll need to collaboratively work with them to help meet that and yes that does involve rate increases and so we're going to be seeing some rate increases with GWA. There's no real way around that. I mean if we were just to say no we would probably fall into federal receivership so these are things that are necessary for the community and will benefit the community but it will definitely involve some rate increases and I would just like to close with saying that I wholeheartedly support my fellow commissioners to my left here to serve again too. They're wonderful gentlemen and they've served the commission quite well. Thank you.

**Joseph McDonald -PUC:** Yeah, I'll go next my name is Joseph McDonald. I'm a member of the Public Utilities Commission, Public At-Large member. I've been on the commission for 20 plus years, over 5 administrations. I currently also work at beverage wholesaler Island Beverage and I also have often volunteered my time for several sporting organizations way back to NFL and basketball leagues and Red Cross and so I guess if that question comes why 20 years volunteering it's I still volunteer outside. With the utilities, yeah GPA we definitely excited for anxious for the new Power Plant and *Ukudu* commission but you know the delays of Typhoon Mawar and you know we're faced with load shedding as we speak and Senator Parkinson your Bill 201 and 206, this load shedding we're experiencing

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there's plans and there's plans with GPA and there's plans with this Legislature and you know we got close to 100 megawatts. We're trying to get online by May we got the emergency procurement of 40 megawatts, we got Yigo CT, in February 20 megawatts, we got a *Manangan* and Caterpillar 17 megawatts should be in April, and then 201 addresses the Yigo Diesels which should be on and but procurement issues that'll add another 20, 25 megawatts. Waterworks definitely the equipment is old there's 580 miles of lines underground and all of them need to be upgraded some have and some are in process and not only do they need to be upgraded you know there's you know there's we're bringing in solar we're bringing in batteries. There the new requirements of water requirements on insurance for all this battery which fire suppression is going to be a big uptick in requirement. You're not going to have the same ISO score as today. If you have multiple more batteries in cars and energy storage you know they're going to be need to upgrade their system and yeah we're not going to be able to avoid rate increases with water yeah. So, I just wanted to point that out you know not only the lines are owed the technology is coming and you know there the requirements on water is going to be harder than it is today you know as that technology comes. Solid Waste their fleet was old and they had five they still currently using 5 trucks that are over 11 years old there's 5 trucks that are delivering this year. I believe 3 electric trucks got delivered already and another 2 is this month on the larger capacity. So I also support Chairman Johnson and Chairman Commissioner Montinola and Merry Christmas Senator Parkinson, Senator Lujan, Senator Duenas, and Taitague. Thank you.

**Peter Montinola- PUC:** *Håfa Adai*, first I want to say that this has to be the coldest room in Guam. Fred, thank you for the kind words. *Håfa Adai* Chairman Parkinson and Honorable Senators. I am here today to express my sincere and unwavering commitment to continue serving on the Public Utilities Commission and to request your support for my reappointment for another six-year term. Having dedicated the past 12 years to this crucial role,



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I believe that my experience, expertise, and passion for public service uniquely positions me to continue contributing to the success and effectiveness of the commission. Over the course of my tenure, I have actively participated in the PUC's mission of ensuring fair and just practices within the utility sector with a particular focus on rate setting oversight for key entities such as Guam Power Authority, Guam Waterworks Authority, Guam Port Authority, Guam Solid Waste Authority and Telecom providers. My commitment to upholding the highest standards of transparency accountability and public interest has guided my decision-making process and actions as a commissioner. Here are a few highlights of my accomplishments during my time on the PUC. Effective rate setting oversight. I have played a pivotal role in the commission's efforts to establish and maintain fair and unreasonable rates fair and reasonable rates for essential services such as electricity and water. This has involved rigorous analysis stakeholder engagement and a commitment to balancing the needs of consumers with the financial sustainability of the utilities. Collaborations with stakeholders. I have fostered positive and collaborative relationships with key stakeholders including utility companies, consumer advocacy groups, and governmental bodies by promoting open communication and cooperation. I have worked to create a regulatory environment that benefits all parties involved. Adaptation to technological advances in an era of rapid technological advancements. I have been proactive in ensuring that the PUC remains at the forefront of regulatory practices. This includes staying informed about emergency trends. Emerging trends in the utility sector exploring innovative approaches to rate setting, and addresses the challenges and opportunities presented by advancement in tech and telecommunications and lastly, financial stewardship. Recognizing the financial implications of utility services on consumers and businesses. I have prioritized sound financial stewardship in the decision-making process. This has involved thorough financial reviews cost benefit analysis and a commitment to finding efficiencies without compromising the quality of

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services provided. My experience and dedication to the PUC's mission combined with a deep understanding of the intricacies of rate setting for GPA, GWA, Port Authority, GSWA, and Telecom position me as a valuable asset to the commission for another term. I am confident that with your support. I can continue to contribute to the commission goals and ensure the well-being of our community. I would be honored to discuss my candidacy further and address any questions or concerns you may have during the reappointment process. Thank you for considering my request and I look forward to the opportunity to continue serving the people of Guam through the Public Utilities Commission. *Si yu'os ma'åse'* and for the record Peter Montinola to wining resident JC commissioner.

**Chairman Parkinson:** Beat me to it.

**Peter Montinola PUC:** Sorry.

**Chairman Parkinson:** Alright, now I will open up the floor to my colleagues to ask questions if they have any, we'll start with my colleague to my right Senator Jesse Lujan.

**Senator Lujan:** Thank you Mr. Chairman. Thank you very much. Morning gentlemen morning Senator Horecky, Dr. Johnson, Mr. McDonald, and Mr. Montinola. You know it's refreshing to hear the opening of course Mr. Horecky or Attorney Horecky's comments to have folks in front of us that don't have to campaign for their positions and to have again the continuity in folks that serve and again Mr. McDonald serving having been the longest serving commissioner is actually. As a matter of fact, I think when you first served first, I think I was serving my first Legislature from the 27th way back then and when we were talking about new forms of energy renewables. Solar was still a dream at the time. Now we have now we have it it's running some of our electricity out here in Guam but you know again it's refreshing to see that because we can still have the public now pressure the Governor and Legislature to appoint qualified members to the commission instead of

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people who want to run for the office and go out there and campaign and maybe not the best of campaign promises that may be out there but it's refreshing to see that as well and that it's that it's working. The unfortunate thing with that is the only thing we hear about PUC is when the CCU comes to you guys for you know the rate increases right with that so maybe we can do a better job in their marketing efforts to make sure you know again what else they do other than just looking at the you know rate increases and things of that nature but let me go back to you know and Dr. Johnson you made a good point here, you're a beekeeper as well and you say some of the bees going out into the these polls, I think that's another added argument we can put forth to Congressman Moylan as we as we work with Congress to try to put our for our power poles under or put them underground and to put that because I never thought about that bees now. Okay so you know bees and snakes will add the bees to the snakes and all that to again give our argument to because we're working actually. We had resolution on that to supporting his efforts to try to get again you know with the military buildup and the vulnerability of our power and water out here. We're asking the federal government again to help subsidize you know great amounts for again lines to go underground and all that because it's going to take a lot of money. Let me ask this this question here in regards to the situation this and maybe Attorney Horecky can answer this but there is a lawsuit currently with the situation up with the wastewater treatment and the property between at a private owner and GWA and it's looking like the private entity who owns that property has got the upper hand and that lawsuit if that continues to prevail how will that affect the again the rate payers because it would be the rate payers that would have to pay for that and I mean if this prop if we continue to stay on that property. There's a back pay and things of that nature so how would that affect again rates?

**Frederick Horecky- Attorney PUC:** Senator Lujan that lawsuit in my mind and the PUC by the way is not involved.



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**Senator Lujan:** No, I know.

**Frederick Horecky- Attorney PUC:** But it no it's a potentially very disturbing situation. Now of course it it's difficult to predict how a lawsuit will work out and probably this suit will be going for many years but let's say a worst case possibility where it turns out that GWA didn't own a portion of the land or has to pay the land owner suing for compensation. I think it's quite possible that rates could triple for the rate payers. I mean we don't have any exact analysis of this but just looking in a general way at hundreds of millions of dollars right now GWA's total annual budget probably runs in the area of 120 million and I've heard estimates that if GWA had to purchase the land from the land owner it could cost a couple hundred million. So again it may be possible that something like a tripling of rates could occur but depends who you've talked to, how the case will go. Talked to GWA personnel. They think they have some very excellent legal arguments and still believe that they will prevail and of course the other side feels the same way too so the PUC will again continue its operations and function and see what happens with that suit and were there any adverse outcome. I'm sure the PUC will take again cautious reasonable steps to try to address the situation but we'll have to see how the case develops long term.

**Senator Lujan:** And the reason why I ask this as well is because I know when the power company goes out even utilities. Where there's water or power that goes out to the bond market that you know in regards to how they're going to pay back of course and then you know they'll say well these the rate increase is based on this but I know also the bond market also comes back and says you know we you have to be very and I'm sure the commission looks at this be careful because you're just you know you can't put your rates up this high and then you won't have people subscribing to utilities or water you know between the salaries that that people make out here and based on your rates and all that right that you know you got to keep them within the level of affordability for folks and so that's what worries me in regards to

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again a lawsuit where the private entity may prevail and you said it could it could triple and so if it does triple and we on market again for whatever infrastructure we have to enhance alongside this, that our water rates will not only triple because of the of that lawsuit but of the infrastructure situation that we have to enhance as well and so we could triple times two it. You know and so that's my concern. I mean again it's not the PUC's function but there's a potential that this is you know as they come you know again to increase the rates because of course bond markets and all that but rate increase is based on it's just a lawsuit. They don't they don't have to come to you. You know we'll price our people out of water and power well or water at least.

**Frederick Horecky- Attorney PUC:** You're correct the PUC always tries to consider both the interests of the utility and the rate payers and that was evident. The last rate matter that the commission covered for GWA was the true up proceeding last year to determine what the rates would be for this year FY 2024 GWA had requested a 27% increase. The PUC ultimately approved a 16.7% increase. Recognizing that there were legitimate concerns that GWA had but again it it's always a balancing process it has to be fair to the rate payers too and in every rate case both the commissioners and the PUC staff take into account the interests of both and I think the commission and the consultants view both kind of the utility side and the rate payer side is something that must be considered in every decision about rates.

**Senator Lujan:** As we move to energy transition because now we have solar. What is feasible what new forms of energy is feasible for Guam. Now we have solar and all that we're burning new. I think new fuel now but what is feasible for Guam. I mean we've heard about hydroelectric and things of that nature but what is really real and feasible for our Island?

**Dr. Jeffery Johnson- PUC:** Well probably the path in which we are heading is probably the most feasible. We're going to have a new power plant up, up north that is going to be able to be dual fuel so we have the option of either

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burning natural gas or ultra low sulfur diesel and then we're adding hopefully more and more solar plants. You know we've had a few issues with that because of procurement challenges and whatnot in the past. We've lost a few a couple of bids so but we'll probably have a significant amount of solar on the island and a large number of batteries too and the batteries will be of a variety right now the batteries that we have in the system are basically there to help with frequency interruptions. Cloud cover comes over a solar farm spikes up and down and the batteries help cover the differential between that but in the future, we're probably going to be adding batteries that'll be load shifting batteries that'll help pull the energy in during the course of the day and then lay there until 6:00 to 10:00p.m. When we have the peak and then provide power at that time that's a significantly more complex battery situation than the frequency ones but we're going to have a very complex system in marring all this stuff together. I don't foresee that we're going to be losing the new Power Plant anytime soon. I think we're going to have a marriage between the two for some time to come. Hydroelectric is probably not feasible on Guam because we just don't have the right sort of geography for that you're probably aware of the one wind turbine that we received on a federal grant it's fairly small I think it's 100 KW and it's down a lot of the time. We live in a rough environment, equipment has a hard time being maintained and operable through our type of heat and humidity considerations here. So, wind is probably and we're not really in the right sort of wind zone here anyway. So, wind is probably not going to be a significant factor for Guam. So I think it's going to be solar and fuel for the time being and one other thing I'll add and it could be a little controversial is as time goes by we might find that these SMRs these small modular reactors could be a significant attractive option for Islands such as ours and I know there's one bill that's come forward that would pretty much acts any potential nuclear power in the future and I wrote a letter on behalf of saying you might want to hold off on that because we don't we don't want to say no to something that might be beneficial for us and might be actually

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a very good technology and very safe so that's another option that might come forward over the next couple of decades that could be very attractive. So, I see it as those three things primarily.

**Senator Luajn:** One of the things Doc is this I mean I knew the know the new power plant can burn two different kinds of fuel right one LPG I think right.

**Dr. Jeffery Johnson- PUC:** Yeah, it would burn natural gas. LPG would be the delivery not LPG but LNG.

**Senator Lujan:** Yeah okay. What's the difference between the two?

**Dr. Jeffery Johnson- PUC:** LNG is the condensed version for transportation okay so they can bring a large amount of product from port to port.

**Senator Lujan:** Okay.

**Dr. Jeffery Johnson- PUC:** And then natural gas is what the power plant would actually burn so it has to be re-gassed so the LNG produces a large volume of natural gas.

**Senator Lujan:** Okay you know the you were talking about of course this reactors but going to Solid Waste you know we only have so much land and we have to look at alternatives it's time to come to reality and you know these. I mean that land is going to be. I don't know what the life is at this point but we definitely have to as you were saying you don't want to rule out of course nuclear power. I don't either. It's something we have to put on the table yeah it's you know but again nuclear reactors now are not like they were when they were first we first came out. Neither is incineration at this point but this is what we're faced. I mean again years back and we were only talking about we were only think about the feasibility of solar. Now we have solar so these are the things that are real that are before us that we have to look at the reality of again. Our land mass and we you know our land mass is not growing and so that being said we want to increase our population more and if we do that, we're going to need more land and now we're build

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building more vertical as more so than horizontal because of land issues and so have you guys looked at again, the alternatives to solid waste and what we can do to. Yeah because I know there's a bill that that says no incineration but you know have you guys revisited that and made some recommendations or again.

**Dr. Jeffery Johnson -PUC:** We're not the policy makers but personally I would strongly support having an incinerator to reduce the ability to load up too many too much of the landfill too quickly I think it would be a useful tool. It's been very controversial thing for many years of course and it's up to the policy makers ultimately make that decision. Now if it's done the amount of power it produces is not the real benefit and I'll have to be honest it's going to be expensive power.

**Senator Lujan:** Sure.

**Dr. Jeffery Johnson- PUC:** But the beauty of it is because it's a very a smaller component of the overall power produced. That larger expense within GPA won't affect the bill that much but it's going to help the Solid Waste Authority out tremendously and the billing on the solid waste side. So having those two intermarried together and having a proper incinerator running that's clean it's not going to pollute the environment. That's going to help a lot we only have 212 square miles here between solar farms and landfills. We could run out of space here over the next few decades so we have to be mindful of that. So we haven't taken an official stance within the PUC but I think the commissioners overall would probably be favorably disposed to that if it's done correctly.

**Senator Lujan:** Well thank you for that because and I mean it's refreshing to hear again from non-politicians again there's stance and you know because you guys are the experts and what you say you know we have to listen to because you guys are the experts in the in these areas and thank you for being a non-politician and expressing forth again. You know the realities and



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your thoughts and going into the into the future because again like I said years ago Mr. McDonald first came in we were just dreaming about solar. Oh wow really solar yeah. Really you know now we have that and so 20 years from now see we're talking about this where are we going to be at 20 years from now and we're definitely have I mean we're going to be faced by that and it'll be again this body maybe not this particular body but the body, the Legislature will have to be the folks making decisions and it's based on your expertise that we have to be guided on but thank you very much I totally support again Dr. Johnson's reconfirmation, Mr. McDonald's and of course Mr. Montinola's confirmation and he's my neighbor, lives right behind me so you know so when his power is on I look back there okay we're good I'm going to get mine on pretty soon okay but thank you very much and thank you very much for your testimony. This morning and again Merry Christmas to you and your families okay.

**Dr. Jeffery Johnson -PUC:** Thank you Senator, Merry Christmas.

**Chairman Parkinson:** Before I recognize my next colleague, I just want to read into the record a response we got by Joint Region Mariana's legal opinion because we ourselves had some questions regarding Bill 151-37. So we just wanted to share what we received from Joint Region Marianas.

**Chairman Parkinson:** After extensive legal review by Joint Region Mariana's lawyers, it is our belief that federal law specifically the Atomic Energy Act of 1954, preempts Bill 151-37. The Bill's preamble makes clear that the stated intent of the Bill is ensuring the protection of Guam against the radiation hazards posed by the construction and operation of Nuclear power plants. Though commendable, the Supreme Court made clear that the Federal Government has exclusive jurisdiction over the construction and safe operation of Nuclear Power plants in the United States. As stated by the U.S. Supreme Court in *Pacific Gas & Electric Co. v. State Energy Resources Conservation and Development Commission Et. Al.* AEC, however, was given exclusive jurisdiction to license the transfer, delivery, receipt,

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acquisition, possession, and use of nuclear materials. Upon these subjects, no role was left for the States. Emphasis Added. The AEA however left the states and territories the power to regulate the local production of electricity. As stated by the Supreme Court in PGE: “while the safety of nuclear technology was the exclusive business of the Federal Government, state power over the production of electricity was not otherwise displaced The Court goes on to summarize the dual role of regulation over nuclear energy. From the passage of the Atomic Energy Act in 1954, through several revisions, and to the present day, our legal counsel has noted that Congress has preserved the dual regulation of nuclear-powered electricity generation. The Federal Government maintains complete control of the safety and "nuclear" aspects of energy generation; the States exercise their traditional authority over the need for additional generating capacity, the type of generating facilities to be licensed, land use, ratemaking, and the like because the field of approving and regulating the construction and safe operation of nuclear power plants is exclusively in the hands of the Federal Government, Guam cannot prohibit the Federal Government from constructing or operating a nuclear power plant on Federal land as long as the power plant does not provide power outside the Federal property. This means that Bill 151-37 cannot prevent the DoD from constructing or operating nuclear fission power plants, small modular reactors (SMRs), or Nuclear Microreactors so long as these facilities are not connected to the public utilities grid A more complete legal review will depend on the final language of the Bill, but as it is currently written, it is JRM’s legal view that Bill 151-37 will have no effect on our operations, activities, or interests. Furthermore, it is JRM’s legal opinion that Bill 151-37 as written is preempted by federal law. Regardless of the prior legal analysis, we would also like to reiterate that the US Navy has been a customer of the Guam Power Authority (GPA) for many years and has no plans to stop having GPA be the source of primary power for Navy installations in Guam. On July 15, 2022, the U.S. Navy renewed its commitment to remain a GPA customer. It

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agreed that GPA would continue to serve as the primary power provider to Navy installations on Guam until 2032. This new agreement also allows the Navy to transfer power assets including substations and transmission and distribution lines to GPA at no additional cost. Since we plan to remain a GPA customer, we only see an impact from this statute as a customer of GPA. It is our understanding that GPA is not exploring the use of nuclear power for the production of power in Guam at this time, but it would be beneficial to hear from GPA or the CCU directly regarding the Guam Defense System and the potential use of micro-reactors, as stated by the lead scientist running Project Pele in his interview with the Pacific Island Times, Project Pele is not being considered for deployment in Guam or the CNMI. In addition, the MDA is not including nuclear micro-reactors into the GDS architecture. For these reasons, it is my belief that this bill would not have an impact on the Guam Defense System. Based on the above stated legal analysis, outside of prohibiting GPA from using state of art nuclear technology for the production of zero-carbon primary power for all of Guam, and prohibiting DoD from providing electricity from any future DoD nuclear power plants to the local utilities, we do not see any immediate effect to DoD mission in Guam.

**Chairman Parkinson:** And so that's the statement we received from Joint Region Marianas and I just wanted to share that for the record since it came up during Senator Lujan's comments and with that I'd like to return the floor to Senator Lujan if that adds any context or questions to his position.

**Senator Lujan:** Yes, it does, yes it does. I was just talking to my colleague Senator Duenas. I was going to say Merry Christmas Dr. Johnson. No I mean and yes absolutely that's right and yeah I mean yes we have to look at alternatives you know may not be feasible at this point and of course the military is looking at it but at some point we have to look at realities. Face the realities and you know it is what it is. We can say it's not a reality right now but can we say that for 10, 15, 20 years from now and we can't again



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walk around and bury our heads in the sand as times have changed, technologies change. You know you know the again you know you look 20, 30 years back you know only a few doctors did open heart surgeries. Now they do them on a daily basis you get open heart surgery you're up and walking and a day or two you know it's been refined it's been it's been bettered you know so technology is the same way. It's constantly changing and so that that being said I'm glad that we've Chairman here read again statement from Joint Region Marianas regarding that and yeah we move forward absolutely. Thank you very much Joint Regions Marianas for that statement. Thank you again gentlemen. Thank you very much.

**Chairman Parkinson:** Thank you Senator Lujan. At this time, I'd like to recognize Senator Duenas for any questions or comments he has.

**Senator Duenas:** *Si yu'os Ma'åse'* Mr. Chairman and certainly a warm welcome to Attorney Horecky, Dr. Johnson, our Chairman as well as Commissioners McDonald and Montinola. I'd like to associate my comments with my good colleague Senator Lujan. I think he had a very thorough level of questioning and I also am a very strong supporter of waste energy as well as alternative energies. You know Attorney Horecky, I think you have really made a great point so far in the testimony that's come forward of why this continuity in this particular case under the PUC. is so valuable Dr. Johnson I mean I think what's been demonstrated so far is the fact that you go beyond just your regulatory scope and look at alternatives and it means to me that your deliberations as a check and balance to the utilities as well as the CCU is well founded. You know I wanted to make a mention Dr. Johnson I not only support openly waste energy, I took my time and due diligence to go to a plant in Spokane, Washington. Very controversial over 22 years ago when they embarked on this mission as part of the Clean Water Act resolutions and very controversial in the community but to date they have not only repaid every penny of their expenses from that well operating waste energy plant but are currently selling up to 14 megawatts daily to

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jurisdictions within Washington State as well as Oregon and so you're right it's not necessarily always a going to be a high return but integrated with the utilities is something that I think then and I think you're spot on in terms of the issue with regard to what Senator Lujan brought up. We are going to have to address the capability to continue to put waste in our land going forward so I just thank you all for you know thinking along those lines outside of just your regulatory process. One small note as well just kind of an anecdote to my visit to the Spokane plant. One of our tour one of the tour guide amenities to visualizing this was to go outside and to look up into the stats and we had to determine whether or not the plant was running or not and most of us that were on the tour said it's not running and it was running that's how clean the emission is coming forward and we had to look a little closer and all we really saw was a slight change in kind of the visual of the clarity of the air but absolutely clear and he said in your power plant in Guam he said one minute of your operation would shut this thing down just because the emission is absolutely zero when it comes to that technology. So I don't really have any questions but I want to see if I can give you an assignment if you have not already reviewed and maybe from the legal perspective as well. I've introduced the Bill 175-37 and this is to first and foremost correct an injustice in law right now where by and it deals with waste water so let me get there, I'll get there quickly. It's really an injustice between states and parental subdivisions. Senator Lujan is a co-sponsor of this bill. It really is a first of all major effect on affordable housing. Many in the states right now are held to a different standard when it comes to being able to use septic systems to build on their property and so many land owners right now cannot realize building their home because they're discriminated against in terms of what happens at EPA when their application goes in. Where it intersects with what your folks do is it's going to the law now is going to require and the mitigation to this issue is type four treatment systems to sewage. It is done all throughout Japan a Fuji clean system is one of the most popular in in in in Japan and it's done all around

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the world really this type four treatment system and I bring this up because Mr. McDonald was mentioning and many of you are mentioning the issues with GWA and line loss as well as cross contamination from sewage outflow and so this type four system actually before we can get an upgraded sewer system and more systems brought in really will revolutionize in terms of treatment and reduction of any particular particles of affluent and things that affect our aquafer so I'm going to ask you to please take a close look at that it is supported qualified support right now from Chairman Simon Sanchez there is a dispute over the eventual lot size. He is willing to go up to a quarter acre a lot. The bill calls for 900 square meters but we'll debate that when it comes forward. There will be a public hearing soon but it will be on your radar simply because it will intersect with the issues surrounding waste water and waterworks forward-going plans but right now there's so many land owners that that are that are not going to see infrastructure for decades that that their last hope to realize building a home in this expensive environment is to be able to use the property to the highest and best use. So Attorney Horecky I don't know if you've had a chance to review it yet but I'm going to be writing a letter to you when the public hearing is scheduled and ask for your testimony and to work closely with the CCU and with GWA to review this proposal as it like I said it will have an effect you know maybe in some rate areas but as far as environmentally I think you're going to find that this is going to be a very friendly system and it's going to correct an injustice in law. So, I'm going to ask you to take a look at that. I do have just one general question that I think all of you might be able to give us a little bit more insight as I close you certainly have my support you all seem to be doing a wonderful job and it's a basic question and it just basically speaks to what is your approach and your thought process when of course your main regulatory function is to be primarily a check and balance to the utilities and to that proposal. I just wanted each of one of you to share with us what is your thought process when you go into deliberating proposals such as rate increases and other interactions with your counterparts.

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**Peter Montinola- PUC:** Yeah, first I'd like to respond to that but I forgot to also say that for the record I do support commissioner McDonald and Commissioner Johnson for their reappointment too. I know, I know sorry I realized that later. Yeah, so and any one any of the issues that come before us I think it's really just trying to balance the needs of the consumer and versus the you know the sustain financial sustainability of the utility or the health of the utility. So, and that's the juggling act that we that's always before us right so as stakeholders. We don't want our rates to go up either because we go home to have to explain this to our wives right or our spouses and as businesses same thing we don't we don't want those to go up but we also want to make sure that the utility is around all of them to support us in an environmental and a and a clean way so that's my response. Thanks.

**Joseph McDonald- PUC:** Yes, on reviewing rate requests. Yeah, I definitely look at their ask and you know their justification and did they do everything to you know to avoid the rate increase you know whether did they apply for all grants that's available did you know are they are they're looking for any other any other ways to save and funding sources.

**Dr. Jeffery Johnson -PUC:** Okay I'll have to be honest at times we're a little too hard on the utilities and as an example I'll go to GWA our consultant and their consultant to put it mildly don't share Christmas cards with one another. So in the last 5 year rate case you probably noticed in the fifth year we just gave them a relatively large rate increase 16.7. But if you look back at the previous four years we gave them 5, 5, 0, and 5 at a time when they really have a lot of needs and I mean we all have to be honest the whole system basically needs to be replaced. They've made some good strides we've got some wonderful infrastructure projects to show for it. If you go up and look at some of the northern wastewater treatment plant or the ones down south in Umatac and Agat, Santa Rita. Even the feds are almost brought to tears when they walk through those sites because they're magnificent. They're really state-of-the-art top line so we probably overdid

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it with GWA in the previous four years which is why we had to play a little bit of catchup on the fifth year. So I would say we there's a lot of things to balance and one of the things we always go to all the time is what the average consumer or some of the lower cost consumers how it's going to affect them. So that's one of the first line items that we look at in any rate case but we still have to do a lot of these things. I mean there's just no getting around it so it is a very delicate balance it's both an art and science. There's no clear-cut right answer at any single point in time if we overreach one way or another we try to rebalance it later on and it's just a continual process of trying to keep a collaborative relationship going forward and working with the utilities without any undo animosity. Right now on GWA I'm talking with the GM over there Miguel quite a bit on the upcoming 5-year rate case to try to make sure we don't have as many of the acrimonious debate that we had in the previous one so.

**Senator Duenas:** Thank you Mr. Chairman and in closing you know Dr. Johnson, Chairman, Johnson I share your optimism. I also have spent a lot of time with CCU members as well as GPA management holding them you know their feet to the fire you know when are we getting to that that point of that 10, 14, 16 cent kilowatt hour and they're very confident that in the coming years it's so terrible that we've had the delays we've had but I tell you know I tell constituents when I meet with them I'd say bear with bear with them right now help is on the way and if that doesn't happen then I will be the first one to stand up and said you sold us a bill of goods but I do see the work that's being done and I do visit regularly just to make sure that I can keep the constituents that hound me on the issues that are prevalent right now. That I've been in their face and in their meetings you know but I do share your optimism and once again Chairman, as well as Attorney Horecky, I just think you cannot make a better case for what it means to have a consistent very strong board and I want to thank the Governor for her wisdom to reappoint every one of you. I'm not I'm not sure that all of you have exchanged Christmas cards either but I think the wisdom in making

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sure that your reappointments have been done is something that to be recognized and so thank you for accepting also the appointment each and every one of you. Thank you Mr. Chairman.

**Chairman Parkinson:** Thank you Senator Duenas at this time I'd like to recognize my colleague Senator Taitague for any comments or questions she has.

**Senator Taitague:** Thank you Mr. Chair. Good afternoon gentlemen Fred and of course the nominees to be reappointed you're here to be asked to stay in your positions as commissioners. I didn't realize Mr. McDonald you have been there for 20 years is that correct? That's quite a bit of time and Mr. Johnson, Dr. Johnson 17, Peter I guess you're the youngest one here. The baby here at 11 years and Mr. Horecky, I know that you your testimony when you first came out you talked about you know continuity and keeping them in play but you know there is a Harvard Business Review report that came out and it basically says you know new Directors will bring a fresh perspective and new skills and they may be more likely than established members to challenge and raise previous unasked questions. It was also mentioned that companies that replace three or four directors over three year period outperform their peers suggesting an optimal amount of turnover it also suggests more boards miss the optimal zone in our study board turnovers fell outside of about two-third of the time. So you know though I believe in continuity and I believe that board members that serve for at least you know 11 years, it's a good amount of time but I also believe in bringing you know fresh perspectives to a board and I just think that you know there's time when an individual needs to step aside and allow the next generation to come up with these new ideas new technology and see what they can do to put their hand in it so my question to Mr. McDonald is do you plan on stepping down after this you know serving 26 years this is for now we'll put you in at 26 years on the board.

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**Joseph McDonald- PUC:** After this term I might, I might relocate in six years but I don't see myself relocating in the next 5, 6 years.

**Senator Taitague:** Well, you're young enough you know to keep going but it's not about age it's about perspective you know it's about new and fresh ideas a next generation. I mean I myself ready to go out to pasture soon you know and then we'll enjoy that time when I do retire but I think it's an important agency or I call it an agency because by law by federal law the PUC is put in place and by Guam Code Annotated. It's also put in place that it's a very important commission in our government and at the same time many people feel that you know it's not just the CCU that they're all upset about. It's actually the PUC because the PUC is the one that approves these rate increases. It's CCU that brings it to the PUC so you know more people are starting to realize the importance of the PUC and its decisions and how our cost of living goes up because of it. Now you know to what more does the PUC do to ensure to try and keep the cost down and my question would be I guess Dr. Johnson since you are the Chairman. Correct? Okay what other types of research and data does the PUC do to ensure you know every aspect of mechanisms are put into place or ideas to keep the rates down. You guys meet once a month am I is that correct? Once a month, oh by the way before I forget if you meet once a month okay your stipend is \$1,000 per board member to sit on that sits on the board correct. If you have a special meeting, do you get an additional thousand whenever you have a special meeting or is it's just a cap? Mr. Horecky is it just

**Frederick Horecky -Attorney PUC:** Yes, it's a cap it's a monthly, it's a monthly amount so even where there are two meetings or more there there's no addition.

**Senator Taitague:** Okay and then I will get back to that question Dr. Johnson but because you meet that amount of time once a month, does that also mean when you have your special meetings it all depends on like if there was an emergency that comes out that that you do meet or is it called how is it how



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do you determine a special meeting that's called. Okay sorry I'm going every which way.

**Dr. Jeffery Johnson- PUC:** Okay Senator.

**Senator Taitague:** And if you can get a little bit closer Dr. Johnson. They're going to see they're going to already come to you and ask you to speak closer to the mic just move it forward to you a little bit more if you can. It's very hard to hear and here with the echo.

**Dr. Jeffery Johnson- PUC:** Yeah, we do have special meetings relatively frequently sometimes we have to move off the regular meeting date which is generally the last Thursday of the month because we won't have a quorum. Commissioners are off island or so forth sometimes there's time dependent necessities of the utility to get something done in a timely fashion so there are some months when we have more than one meeting we have two or three meetings on some months. So that's the purpose of the special meetings it's a little more difficult because we have to send notices out to a large amount of entities to inform them of the change date but if it's necessary we do that.

**Senator Taitague:** And Dr. Johnson your all three of you actually your appointments ended expired November. How were you be able to have you met after that time period how's that work has have they been able to make quorum all intact because it says November the end of it was like November 1<sup>st</sup>. It's supposed to start your time yeah oh turn on your mic Fred.

**Frederick Horecky- Attorney PUC:** Yeah to clarify on the appointment so the commissioner's term the six years right it ends on a date but in the law there's also a I believe it's a 2 month extension plus 1 legislative day which means in a month another month essentially. So basically the term would usually extend about 3 months beyond the apparent termination date.

**Senator Taitague:** Okay Dr. Johnson I will get back to you on that question on research what PUC does for research if you just allow me to try to keep

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this in order since you know on your website you have the agenda. I haven't seen the minutes of the meeting you know where it's all written out you just have the agenda on the website is there another location because if you go to your website it just shows the agenda but it doesn't say which by the way your website is very well put together. I look at meetings agenda and minutes. Okay but I don't see like, I don't see the minutes for the November 30th and I don't see the one for December 19th which oh that's coming up but the went for November I haven't seen it.

**Frederick Horecky -Attorney PUC:** Yeah so generally the minutes should all be on our website the more recent meetings it generally takes a month you know so if there's a November meeting at the next meeting in December. If the minutes are ready they will be considered then but sometimes the in meetings that are particularly lengthy or complicated it could take a couple of months or more but we're pretty prompt about preparing minutes and having them reviewed by the commission where possible always and usually at the next meeting so those should be on the website.

**Senator Taitague:** I'm going to try and talk to each one of you and give you questions. You know I know it all pertains to all of you but feel free to chime in if you have something you want to talk even if I ask Peter for instance audits for GWA, PUC, GWA and GPA and the port do you review the audits that come out of these agencies that you oversee?

**Peter Montinola- PUC:** Well yeah Senator yes to answer your question we do receive beyond the meetings or the single meetings that you're talking about on the monthly basis as well as the special meetings there are prior to those meetings we have all the dockets that come before us so not only are we working during the meetings but which could be 5 hour sessions. We're also reviewing all the consultant reports the financial reports all the whatever they're proposing for that particular agenda item. So yes we try to like read through everything as we can.

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**Senator Taitague:** Yeah so you look at all the audits. Did you see the audit for the Port Authority of Guam? It was done since you guys been there for quite some time there was an audit for the Port Authority and the Attorney, the Office of a Public Auditor actually chimed in on some of the discretions that they were doing over at the Port. You know providing salaries to individuals who had no longer worked at the Port but giving them increments you know while they retired and then coming back. Did you happen to see that report do you follow through with these indiscretions on these audits and question the agencies?

**Peter Montinola- PUC:** On that particular if comes before the PUC during the meetings and if it's on the docket then yes we will review it and to answer your question I mean and even though the three-year terms or the five-year terms you're talking about. We six-year terms but we're also staggered terms so for bringing in the new bodies we have Commissioner Doris Brooks and as well as commissioner Pedro Guerrero that was recently appointed. So they bring a fresh approach to the to the commission as well. Commissioner Brooks is our CPA at large for the for commissioner so we rely on her testimony as well when it comes to reviewing the audits to kind of like set the give us some kind of direction on it.

**Senator Taitague:** Well I hope you guys take more of an interest in these audits that come out you know and chime in.

**Peter Montinola -PUC:** Sure.

**Senator Taitague:** More often you know just to review them on top of all the other things that you do I appreciate that too as well. Salary increases that happen at GWA and GPA you review those as well? Anyone please.

**Frederick Horecky -Attorney PUC:** Can I address a point on that so right now there's a staffing study that we're working on for GWA and when there is a rate case yes always the commission does review the staffing levels of the utility. So right now with the GWA since they have a five-year case

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coming up GWA and the PUC are in the process of issuing an RFP for a consultant to conduct a detailed staffing study because one of the things that the PUC has to do before it grants a rate increase is to review the staffing and to determine whether it's appropriate or not. So that process is going on right now with GWA.

**Dr. Jeffery Johnson- PUC:** Okay I would also add Senator that I don't remember which Legislature it was but some time ago more than 10 years ago, it was granted to both GWA and GPA to attain salaries up to the 50th percentile of stateside salaries in the utilities. Presently, I think they're probably around the 15th or 20th percentile and they were given the license to do that over about a 5 year period of time with which is long since passed and the reason they haven't attained that to this date is because we've restricted them we haven't allowed the rates to cover that type of increase so we've worked slowly over time with them to start bringing them up to that legal standard that's been given to them by statute already.

**Senator Taitague:** What was the reaction from PUC when GPA gave themselves salaries that was done not through the open government law or the it was like enclosed meeting and that was the whole thing that the Attorney General came out what did the

**Dr. Jeffery Johnson- PUC:** Pretty obvious we wouldn't. We didn't support that.

**Senator Taitague:** Okay so what do you do in those as the PUC the regulatory agency what do you do when something like that happens?

**Dr. Jeffery Johnson- PUC:** Well that was taken care of as it transpired. We didn't really have to do much of anything they pulled that back.

**Senator Taitague:** But do you guys send a letter to them and tell them hey you know you guys got to stay in check here. You know and it's not just going to be the next time it's not going to be a slap in the hand.

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**Frederick Horecky- Attorney PUC:** Generally, the PUC does not control the salaries of employees the only time the PUC really gets to evaluate salaries or expenditures on employees is in a rate case and it is at that time yes always there is a review of the overall salary and expenditure level of the utility. In fact in last rate case that that was a not a major issue but the PUC did support some reduction in the amount that had been requested for salaries so that is something generally it's only with a rate case.

**Senator Taitague:** I do understand that Fred that you don't have that control but my concern is the process in which it happened in discretions things that were done that was illegal. I mean this is a part where the PUC needs to step in and send a letter and do say something because we do rely on you completely to oversee these utility agencies. You know by law you're put in place you know to oversee you're the check and balances for utilities so I appreciate next time something like that happened that the PUC put out a statement that you do not you know accept this type of you know process as the PU to oversee that. So I appreciate that if you know be more involved on what's going on with GPA and GWA even the other Port Authority as well but moving on I'm trying to hurry because, I'm sorry you have been here all morning and I know you're very busy schedule. So audit review thank you Peter. So that being said Mr. McDonald how do you feel about this bill coming up with the CCU you know abolishing the CCU the proposal for that and if that does happen to abolish the CCU and this is coming from the Attorney General as well as you know as our good Chairman but the Attorney General is calling for this and if it does become abolished, what do you need at the PUC to add that because once they're gone they do a lot of the grunt right of the work and then it comes to you but if they're gone, what are you guys going to need to oversee this? To give that same kind of attention the CCU gave?

**Joseph McDonald- PUC:** To address that question abolishing the CCU. I think they are needed whether they are the CCU elected or CCU appoint it

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or just rebrand it as a Board of Directors. I think they're the asset for an oversight board with the with the management of the utilities is needed but is it needed as an elected position as CCU appointed position or Board of Directors but.

**Senator Taitague:** You think they're needed?

**Joseph McDonald- PUC:** I think they're needed.

**Senator Taitague:** Okay Mr. McDonald. I mean Mr. Dr. Johnson your perspective in the event it is abolished what would the PUC need to continue the work that you do.

**Dr. Jeffery Johnson- PUC:** Well the work route would remain the same at this point in time it just a matter of as Mr. McDonald stated whether it would be an appointed board or an elected board. We still need some sort of we're not the managing board of the utilities. We handle the rate structure. So the utilities are still going to require some kind of management board whether appointed or elected.

**Senator Taitague:** Okay Peter.

**Peter Montinola- PUC:** Yeah same response. They would need you know with know we attend like the National Regulators Utilities Commissioner Association. The and it's once a once a year and looking at all the other PUCs out there they have full compliments of not only just commissioners but full staff and they're complete full-time entity. Yeah, full-time job. So, for us we have the PUC is a rate site oversight commission and so the operations the HR issues all the internal workings of the utilities belong to the management. So, whether or not it's the CCU or Board of Directors. Each one of them has some kind of body governing body for policy and for operations.

**Senator Taitague:** Okay so you're saying CCU or Board of Directors either or I'd leave that to the press of the Legislature but it would serve whether it's a CCU or a Board of Directors. It would serve a purpose kind of like GIDA



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and other areas Port Authority of Guam you know to have that same mentality. Speaking of regulations do you oversee federal guidelines and regulations is that maybe I'll go to Fred Horecky on that. There are federal guidelines that you have to follow well Guam has to follow. Is that you know studied on every regularly and

**Frederick Horecky- Attorney PUC:** Yes on occasion.

**Senator Taitague:** And are the boards well aware of these regulations?

**Frederick Horecky- Attorney PUC:** Where there is an applicable law. For example with solid waste recently they did some procurements that were under from the federal GSA and there's both local and federal law allowing the government of Guam to use the federal contractor when there's a 10% threshold. So if the federal bid I guess is 10% less than the local bid, GSWA can go through the federal contract.

**Senator Taitague:** And Fred you provide this all this information on a regular basis to the commission on new regulations and federal guidelines. Correct.

**Frederick Horecky- Attorney PUC:** Oh ones that we're aware of and ones that affect our docket. So when there's a docket we prepare a report there'll be a consultant report on any matter which all the commissioners view.

**Senator Taitague:** What about insurance coverage who decides on that let's say the Port Authority goes out for insurance and GWA etc. Does a PUC have to agree to that insurance company or do you make that decision or they just bring it to you and say this is our choice?

**Dr. Jeffery Johnson- PUC:** They bid it out and then we approve it in the end but especially if it's over a threshold of what we review for the port I believe what are we at 750,000 or a million? A million so any contracts over a million are reviewed by the PUC.



**Senator Taiatague:** Okay over a million dollars. Okay and then you decided since I have you on the Mike Dr. Johnson the last thing I have question I have regarding this whole Hanwha, is that how you pronounce it hanwha? Okay you mentioned in the newspaper that you said that shift solar power would be a good tool was the comment that you made. Can you kind of explain you know the whole situation with the hanwha and why would you say something like this when here is obviously a contract that was put into place for 60 megawatts then now, they're down to 40. I know you're you the board is very I mean the commission is very concerned about this whole thing. I mean this procurement red flags on the field big time on this that's happening and I don't know if you can speak on the matter because it might be you know under investigation or what's going on but can you at least if you can't speak on it at least tell me what did you mean in your comment about shift solar power would be a good tool.

**Dr. Jeffery Johnson- PUC:** Okay I think you're referring to load shifting. So the way the new contract that they're offering GPA is structured is a 41 megawatt from the original 60 megawatt solar field and then a battery that would. What is the size of the battery again Fred? Was it 300 megawatts? I can't remember the size of the battery but it was a significant battery much larger than what was in the original contract. So what the battery offers within the contract is the ability to shift the load to the 6 to 10 p.m. peak which we don't have anything like that right now and that's our most significant issue right now with such a thin reserve margin of power. We can't GPA can't sustain when one or two of the major power plants are down they have to go to load shedding. So if we had a significant size battery that can hold the energy from what the solar field collects during the day and it's not releasing it into the system during the day it's holding it and then it releases it at night that's the load shift. So they're shifting that load from the daytime when it's being received to the evening when it's being consumed. That's what it means.

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**Senator Taitague:** That's what you're referring to basically not the contract can you speak on the contract?

**Dr. Jeffery Johnson- PUC:** Not right now because. We we're still thinking it over it does there are a lot of red flags with it at this stage they've been dragging their feet a long time on this they felt they couldn't do it anymore because of the raise the rising cost of what the transmission line that would be necessary to bring it into the grid. They were going to have to build a 115-kilovolt line which is a rather expensive venture with this new way that they would offer the service. They can bring it down to a 34.5 kilovolt line which means they don't have to build the large transmission line they were originally going to build so they can GPA can still make good use of this and the cost that it's coming in at is actually quite attractive. I mean if it weren't I think we would have just rejected it outright right off the bat but it's tempting because it is still very attractive. We have a large bid out for solar right now for upwards of 300 megawatts and I think there's possibly five proponents out there I don't know the details on all that yet but in the end this one could probably come to market sooner than the others and it price-wise it may be as attractive or more attractive than the others. So we don't want to make a rash decision yet on it at this time we're still it's still under consideration but we haven't made a final determination.

**Senator Taitague:** In the event Mr. Horecky, in the event they are not able to deliver and this it's all obvious you know you need to back out. It does the company Hanwha are they bonded?

**Frederick Horecky- Attorney PUC:** Yes.

**Senator Taitague:** And can you call in the bond?

**Frederick Horecky- Attorney PUC:** There's a security deposit of I believe \$4.5 million and GPA is indicated actually even during the past few years. I know GPA was considering defaulting the company and keeping the deposit but the deposit will still be there so under the new agreement it's

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continued over and if there is a default and there are some strict provisions in the contract for example that require Hanwha to have these solar panels here on Guam by a certain date. Other performance requirements that security deposit will still be available and could be taken by GPA.

**Senator Taitague:** If you call it a security deposit you know I thought it was a bond of some sort.

**Frederick Horecky- Attorney PUC:** Well hey call they called it it's yeah. It's a similar thing that's what they called it they called it a security deposit or something like that but the it's like a it's like a bond except it's their money and it's already in GPA's hands.

**Senator Taitague:** But that could be called in at any time correct considering the situation that's at hand.

**Dr. Jeffery Johnson- PUC:** It's already in their in GPA.

**Senator Taitague:** That's good to hear. Has anyone missed a commission meeting? Anybody sitting.

**Dr. Jeffery Johnson- PUC:** I think we all have very good attendance records at this point in time over the years.

**Senator Taitague:** Have you missed any?

**Dr. Jeffery Johnson- PUC:** Have I missed any yeah, I've missed some.

**Senator Taitague:** Okay when you miss one do you still get paid the \$1,000 stipend? Even if you miss a meeting?

**Dr. Jeffery Johnson- PUC:** Right.

**Senator Taitague:** Is that part of the law?

**Frederick Horecky- Attorney PUC:** It is. That the law provides and we've looked at this.

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**Senator Taitague:** So if you missed two meetings in a row you still get paid the stipend?

**Frederick Horecky- Attorney PUC:** Under the law, you would so the law itself actually the PUC kind of used as a form the same law with the CCU and what the law says is that the commissioner either CCU or PUC is paid a monthly amount. It says monthly and it doesn't it does not speak to or not whether a meeting was attended or not which actually we've had discussions about and you know have some concern about that.

**Senator Taitague:** Well can you can you adjust that yourself in house.

**Frederick Horecky- Attorney PUC:** No.

**Senator Taitague:** Okay so it has to be done by Legislation.

**Frederick Horecky- Attorney PUC:** It's a law.

**Senator Taitague:** Okay well Mr. Chair I thank you for the opportunity but most especially I thank you gentlemen for taking the time out of your busy schedules your lives and your time with your family to actually sit on this board but I do feel this you know very strongly about you know bringing fresh perspective you know changing up the board at a certain time and that was by you know the Harvest Business review the reports that I've read. You know it's important I mean nothing stops you from coming back taking a break and then coming back again to bring that new perspective so again I thank you so much for your time and serving and serving our community *si yu'os ma'åse'* Mr. Chair.

**Chairman Parkinson:** Thank you Senator Taitague.

**Senator Taitague:** Alright I just got a few housekeeping questions, won't be too long. Public Law 36-54, Chapter 13, Section 5 states that notwithstanding any provision of law rule or regulation to the contrary the government of Guam shall not purchase first class or business class airfare. They shall be authorized to purchase only coach or economy airfare this law was passed

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on September 11, 2021. Later on, November 8 to 12, 2021. Chief Administrative Law Judge for the Public Utilities Commission Fred Horecky attended a mediation course at the National Judicial College in Reno, Nevada. This is a 4-day conference. He requested reimburse of \$5,363 61 for a Business Class ticket on United Airlines from Guam to Las Vegas, Nevada. This flight left Guam on November 3<sup>rd</sup>, 2021 and returned to Guam on November 17<sup>th</sup>, 2021. This was a 14-day trip. Chairman Johnson did you approve Mr. Horecky's travel?

**Dr. Jeffery Johnson- PUC:** Yes, I did.

**Senator Taitague:** Were you aware of the public law which made it illegal to purchase business class airfare?

**Dr. Jeffery Johnson- PUC:** No I was not.

**Senator Taitague:** Section 9 of the PUC's travel rule regulations and policy state authorized official travel days. The number of days that shall be authorized for official travel shall be the total number of days required to travel by air via the most direct route to and from the point or points specified in the travel authorization including any reasonable layover days at transfer points plus the number of days necessary to transact the required official business. Every effort should be made to reserve complete flight schedules well in advance to avoid lengthy delays or layover at transfers points. Do you believe that Mr. Horecky's travel complied with this policy?

**Frederick Horecky- Attorney PUC:** I think Mr. Horecky's travel on behalf of the commission is always very valuable. We've been very fortunate to have Mr. Horecky and the commission for the past 16 years and without him I can't imagine where we would be at this juncture.

**Chairman Parkinson:** There are five other travel reports listed on the Guam PUC website. They do not contain a breakdown of the cost of travel were any of these business class travel?: \

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**Frederick Horecky- Attorney PUC:** Possibly they were.

**Chairman Parkinson:** Who attended the American Association of Port Authority seminar in December of 2021?

**Frederick Horecky- Attorney PUC:** Is that you Pete?

**Chairman Parkinson:** Your travel reports do not contain a cost breakdown of your travel what was the cost of your travel and accommodations for the seminar?

**Peter Montinola- PUC:** That was about 4, 4,800.

**Chairman Parkinson:** Were business class tickets purchased for the seminar?

**Peter Montinola- PUC:** Yes, they were.

**Chairman Parkinson:** The seminar was on December 7th to 9. What day did you depart Guam and what day did you arrive back on Guam?

**Peter Montinola- PUC:** I'd have to double check that.

**Chairman Parkinson:** Alright and who attended the American Waterworks Association seminar on August 15 to 17th 2023?

**Peter Montinola- PUC:** Is that August? Might have been Mrs. Brooks but I'm not sure.

**Chairman Parkinson:** Alright and was business class traveled use to attend that seminar?

**Peter Montinola- PUC:** Possibly.

**Chairman Parkinson:** Okay. I share some of my colleague Senator Telo's concerns with long tenure ships because I find it lets people get a little too comfortable and sometimes the thinking stagnates a little bit in this case, I think we can work on better documentation being available on the websites for transparency's sake. So in 2022 the PUC approved LEAC increase from



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17.1 cents per kilowatt hour to 31.8 cents per kilowatt hour, nearly double. This has had a catastrophic effect on the cost of living cost of living on Guam as energy cost have soared that rate has come down since but the CCU has recently approved the rate increase of the LEAC. Which the PUC has not yet acted on. In light of recent trends in the cost of oil do you support a rate increase when it comes to the LEAC?

**Dr. Jeffery Johnson- PUC:** Do we support an increase in LEAC? When it come shouldn't address that? Yeah it's before us we don't we don't we don't have a decision on.

**Frederick Horecky- Attorney PUC:** I'll address that because I'm the MJ in charge of that very matter right now and it is before me we have a consultant that's reviewing GPA's proposal we're about to issue some discovery and of course we are very aware that fuel prices have gone down since GPA filed its a petition and its petition relied upon November fuel prices. So one thing that we always do at the PUC, this matter will be before the commission not this month but in the January meeting we always require the utility 10 days before our 10 days before the meeting to take the 5 day average before that of fuel prices and submit it to us so before the PUC would rule on that petition it will have an updated fuel pricing. We do this in every LEAC proceeding that comes before us. We make sure that the fuel prices used are the current accurate prices and that that will be done in this case too.

**Chairman Parkinson:** Thank you for that answer we I have introduced Bill 142-37 would increase the allowable non-residential capacity for solar power from 100 kilowatts to 500 kilowatts as you know several Business Leaders came out and supported this bill however Mr. Horecky submitted testimony against the bill on behalf of the PUC subsequently this bill has been amended in committee so that the solar generated and excess of 100 kilowatts up to 400 kilowatts would not be eligible for net metering which businesses have also supported. The goal of Bill 142-37 is to allow businesses to be resilient and self-reliant and in control of their own energy production. This

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amendment also addresses many of the concern in Mr. Horecky's letter. Especially related to the cost to other rate payers. Have you taken a look at the amended version of the bill and would you be willing to submit testimony on the amended version?

**Frederick Horecky- Attorney PUC:** Okay since I submitted the testimony. I haven't seen the amended bill so I'm not familiar with it but I think I in the testimony the concerns about increasing to 500 kilowatts for the businesses was stated and I still feel there are a lot of issues there about the impact on GPA system, how it's going to affect the grid, whether GPA can handle that potentially large influx. There are other problems about net metering in general and one is of course they shift the burden from non from non-net metering customers basically bear the cost of the net metering. So that's another matter that's currently under review by the commission. We received a petition recently by GPA to review the net metering program to review the one-to-one compensation to net metering customers and that is a matter that actually will take a number of months to address because the commission will have its consultants review it but there are a lot of issues about the net metering program impact on the power grid cost whether it's fair to the net metering customers and we the PUC will be taking a comprehensive review on that. We're in the process of lining up a consultant to assist the commission. I don't anticipate that will be completed for many months. It's a complex docket and also there will be a number of public hearings undoubtedly to see where we go on that but GPA for years has been asking that the compensation for net metering be changed from full compensation or retail rate down to the avoided cost or value of solar rate. So again, these are complex issues but they're ones that the PUC is addressing and considering.

**Chairman Parkinson:** So okay so you have not seen the amended 142-37?

**Frederick Horecky- Attorney PUC:** No, I haven't.

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**Chairman Parkinson:** Okay after you've seen it, would you be willing to give public submit testimony on the amended version?

**Frederick Horecky- Attorney PUC:** Always the PUC in any legislation affecting the utilities. We are always willing to submit testimony and we usually have sometimes we have to determine whether all bills need a testimony but important bills such as the one changing the commercial limit up to 500 KW yes we felt that was important enough to address so if the bill is still being considered in a different form and there's another public hearing likely we would we would submit testimony.

**Chairman Parkinson:** Okay the public hearing, the testimony has been heard for the bill already. However, we have amended we have amended the bill based on public testimony so you know part of what we do here as legislators is we use bills as a way to have a dialogue with the public and so as this bill changes and evolves we'd like to have to continue to hear feedback from the PUC so that we can sharpen this legislation. So it works out for everybody. Rate payer and stakeholders alike. The PUC recently approved GPA's request for 40 megawatt of new power generation. The PUC also wrote recently asking me to expedite the procurement of this new power generation. I have since introduced Bill 206-37 as suggested by the PUC. Have you had a chance to look at that bill and what are your thoughts on Bill 206 and 201? 201 is the maintenance overhaul and operation of the *Yigo, Pulantat* and *Talo'fo'fo'* diesel generation generators and the 206 is for the new power temporary power generation.

**Dr. Jeffery Johnson- PUC:** Yeah, Senator we've already submitted testimony for 201 and within that testimony we also supported doing the temporary 40 megawatts of power too. We suggested I think that maybe it could be included in one bill but I think you're going to be doing it in two.

**Chairman Parkinson:** Yeah we'll be introducing them into just because I thought between existing assets versus complete new assets even though

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they use the same mechanism they were substantially different enough that they should be two separate bills. I don't believe we're having a December session right this month so we'll be looking to get them on as soon as possible at the earliest January session as we can. So please bear with me as we go through the holiday season but we are trying to get these through as fast as we can.

**Dr. Jeffery Johnson- PUC:** Thank you.

**Chairman Parkinson:** Alright and with that if there are no further questions or comments this concludes our discussion on the confirmation hearing of Joseph M. McDonald, Dr. Jeffrey Johnson and Peter Montinola. All individuals if confirmed will serve as Board of Commissioner at Guam PUC. The committee on fire, agriculture, power and energy utilities, public transit, unemployment insurance, and universal health insurance will continue to accept written testimony on today's hearing within five business day from today. Which would be mailed to my office at 238 Archbishop Flores Street, Suite 905 at the DNA building in *Hagåtña*. You may also send your written testimony to my office via email [senatorparkinson@guamlegislature.org](mailto:senatorparkinson@guamlegislature.org) Thank you everyone for coming today. Thank you for my colleagues for your support and your questions. It's been a very enlightening hearing. With that, everyone drive home safe have a very Merry Christmas and Happy New Year.

### III. FINDINGS AND RECOMMENDATION

- All discussion, testimonies presented to and received by the committee affirm support for the reappointment of Joseph M. McDonald to serve as a commissioner (Community At-Large Representative), for Public Utilities Commission (PUC).
- The Committee on Fire, Agriculture, Power and Energy Utilities, Public Transit, Unemployment Insurance and Universal Health

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Insurance hereby report on the reappointment of Joseph M. McDonald to serve as a commissioner (Community At-Large- Representative) for Public Utilities Commission (PUC) with the recommendation Report Out Only