


I MINA' BENTE NUEBI NA LIHESLATURAN GUÅHAN  
2007 (FIRST) Regular Session

Bill No. 128 (EC)

Introduced by:

J. A. Lujan 

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**"THE HONESTY IN UTILITY RATE SETTING ACT" TO  
REQUIRE LEGISLATIVE APPROVAL OF ANY POWER OR  
WATER UTILITY RATE INCREASE IN EXCESS OF FOUR (4)  
PER CENT**

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

2 **Section 1.** Legislative Intent. The Consolidated Commission on  
3 Utilities has failed to represent the interests of the people of Guam in its  
4 ongoing governance and supervision of management of the Guam Power  
5 Authority and Guam Waterworks Authority, causing inefficiencies, waste  
6 and possibly illegal diversion of public resources to be recovered from  
7 ratepayers in the form of increased rates for services. In the absence of  
8 effective enforcement of law and responsible stewardship of the public  
9 trust, increased scrutiny of rate increases is warranted, to be carried out by  
10 responsive representative officials.

1           **Section 2.** Paragraph (4) of §8104, Title 12 Guam Code Annotated, is  
2 amended to read:

3           “(4) Establish and modify from time to time, with approval of the  
4 Public Utility Commission, reasonable rates and charges for electric service  
5 at least adequate to cover the full cost of such service, including the cost of  
6 debt service, and collect money from customers using such service, all  
7 subject to any contractual obligation of the Board to the holders of any  
8 bonds; and refund charges collected in error, provided, that for base rate  
9 increases of four (4) per cent or more within any eighteen (18) month  
10 period, approval of *I Liheslaturan Guåhan* shall be required prior to  
11 transmittal to the Public Utilities Commission.”

12           **Section 3.** Paragraph 14104(d) of Title 12, Guam Code Annotated, is  
13 amended to read:

14           “(d) to establish and modify from time to time, with the approval of  
15 the Public Utilities Commission and *I Liheslaturan Guåhan* when  
16 modifications are four (4) per cent or more within any eighteen (18) month  
17 period, reasonable rates and charges for the water and waste water services

1 adequate to recover the full cost of providing such services, and to collect  
2 money from customers using such services (~~The Authority shall establish~~  
3 ~~and modify from time to time, with the approval of the Public Utilities~~  
4 ~~Commission, reasonable rates and charges for servicing of debt obtained to~~  
5 ~~undertake capital improvements of water and wastewater facilities.);”~~

6       **Section 4.** Paragraph 14112(a) of Title 12, Guam Code Annotated, is  
7 amended to read:

8       “(a) Rates for Services. The Authority shall apply to the Public  
9 Utilities Commission (“PUC”) for approval for its rates for its services,  
10 provided, that for increases of four (4) per cent or more within any eighteen  
11 (18) month period, approval of *I Liheslaturan Guåhan* shall be required prior  
12 to transmittal to the PUC. In order to obtain such approval, the Authority  
13 must demonstrate to the PUC and *I Liheslatura* that:

14       (1) there is a public need for the services being provided, and

15       (2) the Authority’s provision of said services benefits the  
16 community.”

1           **Section 5.** Subsection 12015(a) of Title 12, Guam Code Annotated, is  
2 amended to read:

3           “(a) All rates, charges, assessments, and costs made or charged by  
4 any public utility shall be just and reasonable and in conformance with  
5 public law, and shall be filed with the Commission; and no rate, charge or  
6 assessment cost shall be established, abandoned, modified, departed from  
7 or changed without a public hearing and the prior approval of the  
8 Commission and, in the case where a proposed base rate increase is four (4)  
9 per cent or more within any eighteen (18) month period, by *I Liheslaturan*  
10 *Guåhan*. The Commission, upon notice to the public utility, may suspend  
11 the operation of any proposed rate, charge or assessment cost, or any  
12 proposed abandonment or modification thereof or departure therefrom,  
13 and after a public hearing by order regulate, fix and change all such rates,  
14 charges, General Lifeline Rates, or assessment costs so that the same shall  
15 be just and reasonable, and may prohibit rebates and discrimination  
16 between localities, or between consumers, under substantially similar  
17 conditions.”

1        Any rates charged and paid in excess of that allowed by law shall be  
2        refunded to the rate payers at any time requested by the rate payers within  
3        twelve (12) years of said unlawful charge, plus any costs and attorney's  
4        fees incurred to obtain said refund."