THIRTEENTH GUAM LEGISLATURE 1976 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Bill No. 820, "An Act to repeal Chapters I and II of Title XXII of the Government Code of Guam, to repeal Sections 21205, 21210, 21212, and 21513, to amend Subsection (4) of Section 21503 and Section 21206 of said Code, and to add a new Chapter I to Title XXI of said Code, to establish a Public Utilities Commission", which was heretofore passed and thereafter on July 14, 1976, returned to the Legislature without the approval of the Governor was, in accordance with the Organic Act of Guam, reconsidered by the Legislature and after such reconsideration the Legislature did on the 10th day of August, 1976, agree to pass said bill notwithstanding the objections of the Governor by a vote of two-thirds of all the members thereof, to wit: by a vote of 15 members.

Joseph 7. Qua Joseph F. ADA Speaker

ATTESTED:

Concepcion aux Bas	10H	•			1
CONCEPCION CRUZ GARRET	P	·			
This Act was received by August , 1976 at	the Governor	o'clock	P	day (of .M.

RUTH F. WON PAT Assistant Staff Officer Governor's Office

Public Law 13-179

THIRTLENTH GUAM LEGISLATURE 1976 (SECOND) Regular Session

Bill No. 820

Introduced	by	C. I. S. As
	A A	

AN ACT TO REPEAL CHAPTERS I AND II OF TITLE XXII OF THE GOVERNMENT CODE OF GUAM, TO REPEAL SECTIONS 21205, 21210, 21212, AND 21513, TO AMEND SUBSECTION (4) OF SECTION 21503 AND SECTION 21206 OF SAID CODE, AND TO ADD A NEW CHAPTER I TO TITLE XXI OF SAID CODE, TO ESTABLISH A PUBLIC UTILITIES COMMISSION.

BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:
Section 1. Chapters I and II of Title XXII of the
Government Code of Guam are hereby repealed. All references
in the Codes of Guam to the Board on Utility Rates not expressly amended or deleted by this Act shall be deemed references to the Public Utilities Commission created hereby.

Section 2. Sections 21205, 21210, 21212 and 21513 of the Government Code of Guam are hereby repealed.

Section 3. Subsection (4) of Section 21503 of the Government Code of Guam is hereby amended to read as follows:

through the Public Utilities Commission, reasonable rates and charges for electric service at least adequate to cover the full cost of such service, and collect money from customers using such service, all subject to any contractual obligation of the Board to the holders of any bonds, enter into covenants to increase rates or charges from time to time as may be necessary pursuant to any such contractual obligation; and refund rates and charges collected in error in accordance with regulations prescribed by the Board."

Section 4. Section 21206 of the Government Code of Guam is hereby amended to read as follows:

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"Section 21206. Powers. The Agency shall have the power, duty and responsibility for the administration and operation of all water and other utility services now furnished by the government of Guam or hereafter by the Agency, except electric power which has been transferred to the exclusive control and operation of the Guam Power Authority, and telephone service. Such powers shall include the authority to make a monetary charge, approved by the Public Utilities Commission, to all persons, firms corporations and governments, including the government of Guam, to whom public utility services are furnished by the Agency."

Section 5. A new Chapter I is hereby added to the Government Code of Guam to read as follows:

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"CHAPTER I

Public Utilities Commission

Section 21000. Definitions. As used in this
Chapter:

person, including any individual, corporation, partnership, government agency, or government department that may own, control, operate, or manage, as owner, lessee, trustee, receiver, or otherwise, whether under a franchise, charger, license, articles of incorporation, statute, or otherwise, any plant or equipment, or any part thereof, directly or indirectly for public use, for the transportation of passengers or freight, or the conveyance or transmission of telephone or telegraph messages, or the furnishing of facilities for the transmission of intelligence by electricity by land or water or air

within Guam or between points within Guam, or for the production, conveyance, transmission, delivery, or furnishing of light, power, heat, cold, water, gas, or furnishing of light, power, heat, cold, water, gas, or oil, or for the storage or warehousing of goods, or the disposal of sewaye; provided that the term (1) means and includes any person, insofar as such person owns or operates an aerial transportation enterprise as a common carrier; (2) means and includes any person, insofar as such person owns or operates a private sewer company or sewer facility; (3) includes persons owning or operating taxicabs and passenger buscs; (4) shall not include common carriers transporting only freight on the public highways, unless operating within localities or along routes or between points which the Commission finds to be inadequately serviced without regulation under this Chapter; (5) shall not include persons engaged in the business of warehousing or storage unless the Commission finds that regulation thereof is necessary in the public interest; and (6) shall not include the business of any carrier by water unless the Commission finds that regulation thereof is necessary in the public interest.

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- (b) 'Commission' means the Public Utilities Commission.
- 'Taxicab' means any motor vehicles for hire having seating accommodations for seven (7) or less passengers used in the movement of passengers on the public highways at prescribed rates or charges.

'Passenger Bus' means any motor vehicle 1 for hire having seating accommodations for eight (8) 2 or more people used in the movement of passengers 3 on the public highways at prescribed rates of charge. 5 Section 21001. Public Utilities Commission; number, 6 appointment of Commissioners. 7 There shall be a Commission of five (5) 8 members, to be called Commissioners, who shall be 9 nominated and, by and with the advice and consent 10 of the Legislature, appointed by the Governor. 11 terms of such members shall be for four (4) years; 12 provided, that the Governor may reduce the terms of 13 those initially appointed so as to provide, as 14 nearly as can be, for the expiration of an equal 15 number of terms at intervals of one (1) year. 16 A vacancy occurring in the membership of 17 the Commission during a term shall be filled for the . 18 unexpired term thereof by the Governor. 19 The Governor may remove or suspend for 20 cause any member of the Commission after due notice 21 22 and public hearing. (d) Members shall elect their chairman. 23 Each of the members shall receive compen-24 sation at the rate of Fifty Dollars (\$50.00) per 25 day while actually engaged in the performance of his 26 duties as Commissioner, and such reasonable traveling 27 expenses as may be incurred in the discharge of 28 29 his duties. (f) No person owing any stock or bonds of any 30 public utility, or having any interest in, or 31 deriving any renumeration from any public utility, 32

shall be appointed to or hold an office on the Commission, or be appointed or employed by the Commission.

Section 21002. Employment of assistants. The Commission shall appoint and fix the salary of an Administrative Director who shall have such duties and responsibilities as the Commission shall direct. The Director may appoint and employ such clerks, stenographers, agents, engineers, accountants, and other assistants for the Commission, as may be necessary, and define their powers and duties. The Commission may retain and fix the compensation of an attorney for the Commission. The attorney general and his assistants shall act as attorneys for the staff of the Commission.

Section 21003. Annual report. The Commission shall prepare and present to the Governor, in the month of January in each year, a report respecting its actions during the preceding fiscal year, together with its recommendations respecting legislation, copies of which reports shall be furnished by the Governor to the Legis-lature.

Section 21004. General powers and duties. The Commission shall have the general supervision hereinafter set forth over all public utilities, and shall perform the duties and exercise the powers imposed or conferred upon it by this Chapter.

The Commission in the discharge of any of its duties or the exercise of any of its powers, except a final determination affecting a public utility or utilities, may act through one or more of its members designated by the Commission for this purpose, provided that the designation of one Commissioner for the purpose shall require the consent of the utility or utilities concerned.

The Commission Section 21005. Investigative powers. and each Commissioner shall have the power to examine into the condition of each public utility, the manner in which it is operated with reference to the safety or accommodation of the public, the safety, working hours, and wages of its employees, the fares and rates charged by it, the value of its physical property, the issuance by it of stocks and bonds, and the disposition of the proceeds thereof, the amount and disposition of its income, and all its financial transactions, its business relations with other persons, companies, or corporations, its compliance with all applicable territorial and federal laws and with the provisions of its franchise, charter, articles of incorporation, and enabling legislation, if any, its classifications, rules, regulations, practices, and service, and all matters of every nature affecting the relations and transactions between it and the public or persons or corporations. Any investigation may be made by the Commission of its own motion, and shall be made when requested by the public utility to be investi-. gated, or upon a sworn written complaint to the Commission, setting forth any prima facie cause of complaint. A majority of the Commission shall constitute a quorum.

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Section 21006. Public Utilities to furnish information. Every public utility shall at all times, upon request, furnish to the Commission all information that it may require respecting any of the matters concerning which it is given power to investigate, and shall permit the examination of its books, records, contracts, maps, and other documents by the Commission, or any of its members, or any person authorized by it in writing to make such examination, and shall furnish the Commission with a

complete inventory of its property in such form as the Commission may direct.

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section 21007. Report accidents. Every public utility shall report to the Commission all accidents caused by or occurring in connection with its operations and service, and the Commission shall investigate the causes of any accident which results in loss of life, and may investigate any other accidents which in its opinion require investigation.

Section 21003. Commission may compel attendance of witnesses, etc. In all investigations made by the Commission, and in all proceedings before it, the Commission and each Commissioner shall have the same powers respecting administering oaths, compelling the attendance of witnesses and the production of documentary evidence, and examining witnesses, as are possessed by the Superior Court. In case of contempt or disobedience by any person to any order of the Commission or of any Commissioner, or any subpoena issued by it or him, or of the refusal of any witness to testify to any matter regarding which he may be questioned lawfully, the Superior Court, on application by the Commission or a Commissioner, shall compel obedience and punish said person as in case of disobedience of the requirements of a subpoena issued from the Superior Court or a refusal to testify therein. No person shall be excused from testifying or from producing any book, waybill, document, paper, or account in any investigation or inquiry by a hearing before the Commission or any Commissioner, when ordered to do so, upon the ground that the testimony or evidence, book, waybill, document, paper, or account required of him may tend to incriminate him or subject him to penalty or

forfeiture; but no person shall be prosecuted, punished, or subjected to any penalty or forfeiture for or on account of any act, transaction, matter, or thing concerning which he shall under oath have testified or produced documentary evidence. Nothing herein shall be construed as in any manner giving to any public utility immunity of any kind except as may already be conferred by law. The fees and traveling expenses of witnesses shall be the same as allowed witnesses in the Superior Court and shall be paid out of any appropriation available for the expenses of the Commission. All meetings and hearings of the Commission shall be public.

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Section 21009. Rates to be published. The rates, fares, all assessment costs, classifications, charges, and rules of every public utility shall be published by the public utility in such manner as the Commission may require, and copies furnished to any person on request.

Section 21010. Notice of hearings. Whenever an investigation is undertaken by the Commission, reasonable notice in writing of such fact and of the subject or subjects to be investigated shall be given to the public utility concerned, and when based upon complaints made to it as prescribed in Section 21005, a copy of the complaint, and a notice in writing of the date and place fixed by the Commission for beginning the investigation, shall be served upon the public utility and the complainant not less than two (2) weeks before the date designated for the hearing.

Section 21011. Right to be represented by counsel.

At any investigation by or proceeding before the Commission the public utility concerned and any complainant or permitted intervenor shall have the right to be present

and represented by counsel, to present any evidence desired, and to cross-examine any witness who may be called.

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establish fees. The Commission may make rules and establish fees. The Commission may make and amend rules not inconsistent with law respecting the procedure before it, and shall not be bound by the strict rules of the common law relating to the admission or rejection of evidence, but may exercise its own discretion in these matters with a view to doing substantial justice. The Commission may establish and amend a schedule of reasonable fees and costs for copies of papers and records requested by interested parties, and for the filing and serving of papers and documents required of public utilities by this Act. All such fees and costs charged and collected shall be paid into the Treasury of Guam.

Section 21013. May make recommendations and bring suits. If the Commission is of the opinion that any public utility is violating or neglecting to comply with any territorial or federal law, or any provisions of its franchise, charter enabling legislation, or articles of incorporation, if any, or with any rule, regulation or order of the Commission, or that changes, additions, extensions, or repairs are desirable in its plant or service to meet the reasonable convenience or necessity of the public, or to insure greater safety or security, or that any rates, fares all assessment costs, classifications, charges, or rules are unreasonable or unreasonably discriminatory, or that in any way it is doing what it ought not to do, or not doing what it ought to do, it shall in writing inform the public utility of its conclusions and recommendations, shall include in its annual report, and may also publish the same in such manner as it may deem wise. The Commission may examine into any of the matter referred to in Section 21005, notwithstanding that the same way be within the jurisdiction of any court or other body, and when after the examination the Commission is of the opinion that the circumstances warrant, it shall effect the necessary relief or remedy by the institution and prosecution of appropriate proceedings or otherwise before such court or other body, in its own name or in the name of the territory, or in the name or names of any complainant or complainants, as it may deem best.

Section 21014. Regulate rates, etc., hearings, notice of hearings, appeals. (a) All rates, fares, charges, all assessment costs, classifications, schedules, rules and practices made, charged, or observed by any public utility, or by two or more public utilities jointly, shall be just and reasonable and shall be filed with the Commission and no rate, fare, charge assessment cost, classification, schedule, rule, or practice shall be established, abandoned, modified, or departed from except after thirty (30) days' notice to the Commission; provided, however, no rate, fare, assessment cost, or charge shall be increased without the prior approval of the Commission. The notice herein provided for shall plainly state the rates, fares, charges, assessment costs, classifications, schedules, rules, or practices proposed to be established, abandoned, modified, or departed from and the proposed effective date thereof and shall be given by filing the notice with the Commission and keeping it open for public inspection. The Commission shall not approve any increase in rates without

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1 · conducting an advertised public hearing or hearings 2 thereon. No rates shall be increased nor shall any 3 hearings be held unless notice of the hearing, with the purpose thereof and the date, time, and place at which 5 it will open has been advertised not less than once in each of three (3) weeks in a newspaper published in and 6 7 of general circulation in Guam, the first publication 8 being not less than twenty-one (21) days before the 9 hearing and the last publication being not more than 1.0 two (2) days before the scheduled hearing. The applicant 11 or applicants will notify their consumers or patrons of 12 the proposed change in rates and of the time and 13. place of the hearing not less than one (1) week before 14 the date set, the manner and the fact of notification to 15 be reported to the Commission before the date of hearing. 16 The Commission is authorized to use such additional media 17 as radio or television to advise the public if it finds 78 it necessary to do so. The Commission, upon notice to 19 the public utility, may suspend the operation of any 20 proposed rate, fare, charge, all assessment cost, 21 classification, schedule, rule, or practice of any pro-22 posed abandonment or modification thereof or departure 23 therefrom and after a hearing by order regulate, fix, 24 and change all such rates, fares, charges, all assessment 25 costs, classifications, schedules, rules, and practices, 26 so that the same shall be just and reasonable, and pro-27 hibit rebates and unreasonable discrimination between 28 localities, or between users or consumers, under sub-29 stantially similar conditions, regulate the manner in 30 which the property of every public utility is operated 31 with reference to the safety and accommodation of the 32 public, prescribe its form and method of keeping accounts,

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books, and records, and its accounting system, regulate the return upon its public utility property, the incurring of indebtedness relating to its public utility business, and its financial transactions, and do all things in addition which are necessary and in the exercise of such power and jurisdiction all of which as so ordered, regulated, fixed, and changed shall be just and reasonable, and such as shall provide a fair return on the property of the utility actually used or useful for public utility purposes.

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- trades, or business (whether or not incorporated, whether or not organized in Guam, and whether or not affiliated) owned or controlled directly or indirectly by the same interest, the Commission may distribute, apportion, or allocate gross income, deductions, credits or allowances between or among the organizations, trades, or businesses, as if it determines that the distribution, apportionment, or allocation is necessary in order to adequately reflect the income of any such organization, trades, or businessess to carry out the regulatory duties imposed by this Section.
- the provisions of this Chapter which is final, or if preliminary is of the nature that deferral of review pending entry of a subsequent final decision would deprive appellant of adequate relief an appeal shall lie to the Supreme Court in the manner and within the time provided by the rules of court for an appeal from a judgment of the Superior Court. The appeal shall not of itself stay the operation of the order appealed from, but the Supreme Court may stay the order after a hearing upon a motion

therefor, and may impose such conditions as it may deem proper as to giving a bond and keeping the necessary accounts or otherwise in order to secure a restitution of the excess charges, if any, made during the pendency of the appeal in case the order appealed from should be sustained, reversed, or modified in whole or in part.

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- When complaint has been made to the Commission concerning any rate for any product or commodity furnished or service performed by any public utility, and the Commission has found, after investigation, that the public utility has charged an unreasonable, excessive, or discriminatory amount therefor in violation of any of the provisions of this Chapter, the Commission may order that the public utility make due reparation to the complainant therefor and to all members of his class if said class has been established, with interest from the date of collection if no discrimination will result from such reparation. No order for the payment of reparation upon the ground of unreasonableness shall be made by the Commission in any instance wherein the rate in question has, by formal finding, been declared by the Commission to be reasonable, and no assignment of a reparation claim shall be recognized by the Commission except assignment by operation of law as in cases of death, insanity, bankruptcy, receivership, or order of court.
- (e) If the public utility does not comply with the order for the payment of reparation within the time specified in the order made under Subsection (d) above, suit may be instituted in the Superior Court to recover the payment within one (1) year from the date of the order, and not after.

Section 21015. Issuance of securities. A public utility may, on securing the prior approval of the Commission, and not otherwise, issue stocks and stock certificates, bonds, notes, and other evidences of indebtedness, payable at periods of more than twelve (12) months after the date thereof, for the following purposes and no other namely: For the acquisition of property or for the construction, completion, extension, or improvement of or addition to its facilities or service, or for the discharge of lawful refunding of its obligations or for the reimbursement of moneys actually expended from income or from any other moneys in its treasury not secured by or obtained from the issue of its stocks or stock certificates, or bond, notes, or other evidences of indebtedness, for any of the aforesaid purposes except maintenance of service, replacements, and substitutions not constituting capital expenditure in cases where the corporation has kept its accounts for such expenditures in such manner as to enable the Commission to ascertain the amount of moneys so expended and the purposes for which the expenditures were made, and the sources of the funds in its treasury applied to the expenditures. As used herein, 'property' and 'facilities', means property and facilities used in all operations of a public utility whether or not included in its public utility operations or rate base. A public utility may not issue securities to acquire property or to construct, complete, extend or improve or add to its facilities or service if the Commission determines that the proposed purpose will have a material adverse effect on its public utility operations.

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All stock and every stock certificate, and every bond, note, or other evidence of indebtedness of a public utility not payable within twelve (12) months, issued without an order of the Commission authorizing the same, then in effect, shall be void.

Section 21016. Acquirement of stock of another public utility. No public utility shall purchase or acquire, take or hold, any part of the capital stock or other interest of any other public utility organized or existing under or by virtue of the laws of Guam, without having been first authorized to do so by the order of the Commission. Every assignment, transfer, contract, or agreement for assignment or transfer of any stock or other interest by or through any person or corporation to any corporation or otherwise in violation of this Section shall be void and of no effect; and no such transfer shall be made on the books of any public utility. Nothing herein shall be construed to make illegal the holding of stock or other interest lawfully acquired before the effective date of this Chapter.

section 21017. Merger and consolidation of public utility. No public utility shall sell, lease, assign, mortgage, or otherwise dispose of or encumber the whole or any part of its road, line, plant, system, or other property necessary or useful in the performance of its duties to the public, or any franchise or permit, or any right thereunder, nor by any means, directly or indirectly, merge or consolidate with any other public utility with—out first having secured from the Commission an order authorizing it so to do. Every such sale, lease, assign—ment, mortgage, disposition, encumbrance, merger, or consolidation, made other than in accordance with the order of the Commission shall be void.

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Section 21022. Application to interstate or foreign commerce. This Chapter and every provision there-of shall apply to commerce with foreign nations or to interstate commerce except insofar as such application is not permitted under the Constitution and laws and treaties of the United States or the Organic Act of Guam and the laws of Guam.

Section 21023. Inapplicability of Administrative Adjudication Law. Chapters I, II, and III of Title CXV of the Government Code of Guam (the Administrative Adjudication Law) shall have no applicability to this Chapter.

Section 21024. Operating costs of Commission; Reversion of unused balance of appropriation to treasury. It is the intention of the Legislature that the Commission shall operate on a self-sustaining basis, therefore the Commission is authorized to establish by rule and order that a percentage of the gross income of each public utility regulated under this Chapter shall be paid by such public utility into the Treasury of Guam for the purpose of payment of the necessary operating expenses of the Commission, such percentage to be uniformly applied to the public utilities involved. Additional payments may be ordered by the Commission against any specific public utility regulated hereunder in rate cases or other such complex matters and proceedings which require the Commission to secure the services of technical or professional individuals or firms for preparation and hearing of such matters and proceedings. Any balance from the initial funding appropriation for the Commission by the Legislature which may exist after the time the public utilities remit

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pursuant to order of the Commission shall revert to the Unappropriated Surplus of the Treesury of Guam.

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other provision of law no rate charge for any public utility shall become effective without the approval of the Commission. Notwithstanding any other provision of law to the contrary, every public utility's authority, procedure, conduct, and activities shall be subject to and controlled by the Commission pursuant to the provisions of this Chapter. In this respect a public utility shall comply with this Chapter in addition to complying with any other condition or obligation imposed upon it by law."

Section 6. This Act shall take effect thirty (30) days after the appointment of the Commissioners by the Governor in accordance with Section 5 of this Act, which Section to that extent shall take effect immediately upon approval of the bill by the Governor.

Section 7. In addition to every other responsibility imposed upon the Commission by Chapter I of Title XXII of the Government Code, it shall within one-hundred eighty (180) days of the effective date of this Act conduct a review of the rates of every public utility to determine whether they are just and reasonable and to take such actions thereon as it may deem appropriate.