



OFFICE OF THE GOVERNOR  
GUAM

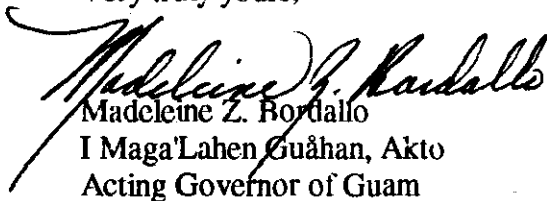
JUL 09 2001

The Honorable Joanne M. S. Brown  
Legislative Secretary  
I Mina Bente Sais na Liheslaturan Guåhan  
Twenty-Sixth Guam Legislature  
Suite 200  
130 Aspinal Street  
Hagåtña, Guam 96910

Dear Legislative Secretary Brown:

Enclosed please find Substitute Bill No. 028 (COR) entitled: "AN ACT TO ADD §§12001.1 AND 12001.2, AND TO AMEND §12016, ALL OF TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE CREATION OF A RATEPAYERS' BILL OF RIGHTS" which was vetoed and subsequently overridden by i Liheslatura Guåhan, the Legislature. This legislation is now designated as **Public Law No. 26-23**.

Very truly yours,

  
Madeleine Z. Bordallo  
I Maga'Lahen Guåhan, Akto  
Acting Governor of Guam

Attachment: copy attached for signed bill or overridden bill  
original attached for vetoed bill

cc: The Honorable Antonio R. Unpingco  
Speaker

OFFICE OF THE LEGISLATIVE SECRETARY  
ACKNOWLEDGMENT RECEIPT

Received By 

Time 10:12 A

Date 7/10/01

0302

**MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN**  
**2001 (FIRST) Regular Session**

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

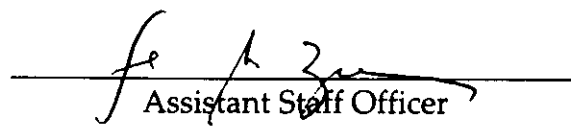
This is to certify that Substitute Bill No. 28 (COR), "AN ACT TO ADD, §§12001.1 AND 12001.2, AND TO AMEND §12016, ALL OF TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE CREATION OF A RATEPAYERS' BILL OF RIGHTS," returned without approval of *I Maga'láhen Guåhan*, was reconsidered by *I Liheslaturan Guåhan* and after such consideration, did agree, on the 5<sup>th</sup> day of July, 2001, to pass said bill notwithstanding the veto of *I Maga'láhen Guåhan* by a vote of Twelve (12) members.

  
\_\_\_\_\_  
ANTONIO R. UNPINGCO  
Speaker

Attested:

  
\_\_\_\_\_  
JOANNE M.S. BROWN  
Senator and Legislative Secretary

-----  
This Act was received by *I Maga'láhen Guåhan* this 6<sup>th</sup> day of July,  
2001, at 9:25 o'clock P.M.

  
\_\_\_\_\_  
Assistant Staff Officer  
*Maga'láhi's Office*

Public Law No. 26-23

**MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN**  
**2001 (FIRST) Regular Session**

**Bill No. 28 (COR)**

As substituted by the Committee  
on Rules, General Governmental  
Operations, Reorganization and Reform,  
and Federal, Foreign and General Affairs  
and as amended on the Floor.

Introduced by:

Mark Forbes  
J. M.S. Brown  
J. F. Ada  
T. C. Ada  
F. B. Aguon, Jr.  
E. B. Calvo  
F. P. Camacho  
M. C. Charfauros  
L. F. Kasperbauer  
L. A. Leon Guerrero  
K. S. Moylan  
V. C. Pangelinan  
A. L. G. Santos  
A. R. Unpingco  
J. T. Won Pat

**AN ACT TO ADD §§12001.1 AND 12001.2, AND TO  
AMEND §12016, ALL OF TITLE 12 OF THE GUAM  
CODE ANNOTATED, RELATIVE TO THE CREATION  
OF A RATEPAYERS' BILL OF RIGHTS.**

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

2           **Section 1.** Section 12001.1 is hereby *added* to Chapter 12 of Title 12 of  
3 the Guam Code Annotated to read as follows:

1           **"Section 12001.1.       Ratepayers' Bill of Rights.** *I Liheslaturan*  
2 *Guåhan* finds that the services provided by Public Utilities are basic  
3 necessities that the residents of Guam must receive in order to function  
4 in modern life. *I Liheslaturan Guåhan* also finds that because residents  
5 have very little choice in purchasing these basic necessities, they are  
6 held captive to the rates and rate increases of the Public Utilities. Any  
7 rate increase therefore diminishes the amount of hard-earned wages  
8 residents have to spend on other basic necessities, such as food, shelter  
9 and clothing, as well as the amount of hard-earned wages they have to  
10 set aside for retirement, college, emergencies or a family business.

11           While *I Liheslaturan Guåhan* recognizes that over a long period of  
12 time, an increase in utility rates is inevitable, such rate increases must be  
13 made out of absolute necessity, and *only* after every cost-cutting effort  
14 has been made and every other available option has been exhausted. *I*  
15 *Liheslaturan Guåhan* intends to make it clear that it does *not* want to  
16 interfere with the ability of the Public Utilities Commission to regulate  
17 and set rates for the Public Utilities, but *I Liheslaturan Guåhan* also  
18 intends to make it abundantly clear that no Public Utility shall submit a  
19 proposal for a rate increase without first giving the people of Guam  
20 more than ample opportunity to exercise their fundamental rights as  
21 ratepayers. Those fundamental rights of the ratepayers include:

- 22                       (1) the right to receive clear and adequate notice of any  
23                       proposed rate increase;

1           (2) the right to be fully informed about and to fully  
2 evaluate any proposed rate increase, as well as the finances of a  
3 Public Utility; *and*

4           (3) the right to give input and participate in any proposed  
5 rate increase.

6           It is these basic rights which the Ratepayers' Bill of Rights  
7 seeks to uphold."

8           **Section 2.** Section 12001.2 is hereby *added* to Chapter 12 of Title 12 of  
9 the Guam Code Annotated to read as follows:

10           **"Section 12001.2.       Proposed Public Utility Rate Increases.**

11           (a) Sections 12001.1 through 12001.2, which shall be  
12 known as the Ratepayers' Bill of Rights, shall in no way restrict  
13 the powers of the Public Utilities Commission ("Commission")  
14 granted in this Chapter to regulate or set rates for a Public Utility.  
15 The Ratepayers' Bill of Rights sets conditions *only* on the manner  
16 in which a Public Utility shall submit a proposed rate increase to  
17 the Commission. No Public Utility, as defined in §12000 of this  
18 Chapter, with the *exception* of the Guam Memorial Hospital, may  
19 submit a proposed rate increase to the Commission before  
20 complying with the mandates of this Section. This Section shall  
21 *not* apply to the Guam Memorial Hospital.

22           (b) A Public Utility shall publish notice of any proposed  
23 rate increase in a newspaper of general circulation, as defined in  
24 §8104 of Chapter 8 of Title 5 of the Guam Code Annotated, *Open*

1           *Government Law*, at least three (3) months *before* submitting it to the  
2 Commission. The published notice shall include the Public  
3 Utility's intention to submit a proposed change in its rates in three  
4 (3) month's time, its current utility rate, the proposed rate, the  
5 amount of increase *and* a justification for the increase.

6           (c) A Public Utility shall mail a notice to every ratepayer  
7 *at least one* (1) month *before* submitting a rate change proposal to  
8 the Commission. The notice shall state the Public Utility's  
9 intention to submit a proposal to increase its rates in one (1)  
10 month's time, its current utility rate, the proposed rate, the  
11 amount of increase *and* a justification for the increase.

12           (d) The Public Utilities Commission ('PUC') shall  
13 annually conduct a study comparing the staffing pattern and  
14 manpower levels of the Public Utilities under their purview to the  
15 staffing patterns and manpower levels of *at least* four (4) other  
16 utilities in the United States Mainland which provides similar  
17 services to a comparable number of customers.

18           The first such study mandated herein shall begin *no less than*  
19 sixty (60) days after the effective date of this Act. The PUC shall  
20 publish the results of such studies in a newspaper of general  
21 circulation, as defined in §8104 of Chapter 8 of Title 5 of the Guam  
22 Code Annotated, *Open Government Law*. The studies shall be  
23 made available to residents attending the public hearings on the  
24 proposed rate increase. The PUC must, in determining approval

1 of any proposed rate increase, take into account the results of such  
2 studies and order reductions or other adjustments in the  
3 operations of the Public Utility requesting a rate adjustment, as  
4 recommended or suggested by such studies, *prior to* granting  
5 approval for a rate increase.

6 It is the intention of *I Liheslaturan Guåhan* that the PUC  
7 mandate reductions in unnecessary levels or areas of expenditure  
8 in Public Utilities *prior to*, or in conjunction with, approval of any  
9 rate increase. Any Public Utility that has received an order from  
10 the PUC to reduce expenditures in any area of operations shall  
11 comply with such order, and failure to do so is a grounds for  
12 disapproval of a rate increase proposal.

13 (e) A Public Utility, *at least* one (1) month before  
14 submitting a rate increase proposal to the Commission, shall  
15 publish on a World Wide Web ('Web') page, available through the  
16 Internet, all the information provided in its public notices required  
17 by this Section. The Web page shall also include a message board,  
18 or an electronic mail address, by which the public can submit its  
19 opinions, testimony and any reactions to the proposed rate  
20 increase or to the information provided on the Web page."

21 **Section 3.** Section 12016 of Chapter 6 of Title 12 of the Guam Code  
22 Annotated is hereby *amended* to read as follows:

23 "Section 12016. Public Hearings. The Commission shall  
24 hold *at least* three (3) public hearings on any change in proposed rates or

1 charges. One (1) of the public hearings shall be held in a location in  
2 Northern Guam, one (1) of the public hearings shall be held in a location  
3 in Central Guam, and one (1) of the public hearings shall be held in a  
4 location in Southern Guam. The notice of public hearing herein  
5 provided for shall plainly state the rates, charges or assessment costs  
6 proposed to be established, abandoned, modified or departed from, and  
7 the proposed effective date thereof.

8 No hearings shall be held *unless* notice of the hearing, with the  
9 purpose stated thereof and the date, time and place at which it will be  
10 held has been advertised *not less than* once in each of three (3) weeks in a  
11 newspaper of general circulation on Guam, the first publication being  
12 *not more than* twenty-one (21) days before the scheduled hearing, and  
13 the last publication being *not less than* two (2) days before the scheduled  
14 hearing.

15 The Public Utility shall notify its consumers of the proposed  
16 change in rates in the normal billing process *not less than* three (3) weeks  
17 before the date set for the public hearing. The Commission may use  
18 additional media, such as radio or television, to advise the public *if* it  
19 finds it necessary to do so. The Commission shall also accept written  
20 testimony on the proposed rate increase from the public *after* the public  
21 hearings have been conducted."

22 **Section 4. Effective Dates.** This Act shall be effective *immediately* upon  
23 its passage.



1           **Section 5. Severability.**    *If* any provision of this Act or its  
2 application to any person or circumstance is found to be invalid or contrary to  
3 law, such invalidity shall *not* affect other provisions or applications of this Act  
4 which can be given effect without the invalid provisions or application, and to  
5 this end the provisions of this Act are severable.

*Q. Overlander*

# I MINA' BENTE SAIS NA LIHESLATURAN GUAHAN

2001 (FIRST) Regular Session

Date: 7/5/01

## VOTING SHEET

*Vetoed*

S Bill No. 28

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

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

26-23

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT
ADA, Joseph F.	✓				
ADA, Thomas C.	✓				
AGUON, Frank B., Jr.	✓				
BROWN, Joanne M. S.	✓				
CALVO, Eddie B.					✓
CAMACHO, Felix P.	✓				
CHARFAUROS, Mark C.	✓				
FORBES, Mark	✓				
KASPERBAUER, Lawrence F.	✓				
LEON GUERRERO, Lourdes A.					✓
MOYLAN, Kaleo S.	✓				
PANGELINAN, Vicente C.	✓				
SANTOS, Angel L.G.	✓				
UNPINGCO, Antonio R.	✓				
WON PAT, Judith T.					✓

TOTAL

12

3

CERTIFIED TRUE AND CORRECT:

\_\_\_\_\_  
Clerk of the Legislature

\* 3 Passes = No vote  
EA = Excused Absence



CARL T.C. GUTIERREZ  
GOVERNOR OF GUAM

JUN 13 2001

The Honorable Joanne M. S. Brown  
Legislative Secretary  
I Mina'Bente Sais na Liheslaturan Guåhan  
Twenty-Sixth Guam Legislature  
Suite 200  
130 Aspinal Street  
Hagåtña, Guam 96910

OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	<u>[Signature]</u>
Time	<u>2:30 P.M.</u>
Date	<u>6/13/01</u>

Dear Legislative Secretary Brown:

Enclosed please find Substitute Bill No. 028 (COR) entitled: "AN ACT TO ADD §§12001.1 AND 12001.2, AND TO AMEND §12016, ALL OF TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE CREATION OF A RATEPAYERS' BILL OF RIGHTS" which I have vetoed.

Communication from bond counsel concerning the provisions of this legislation indicates that the legislation is a potential covenant default under the Guam Power Authority's bond indentures, because it restricts the powers of the Public Utilities Commission to regulate or set rates for a Public Utility. As stated in bond counsel's communication, which is attached: the language in the statute "appears to involve the Commission [PUC] directly in the management of the public utilities, rather than acting as a rate making body," and "appears to remove the discretion of Commission to determine the degree to which reports by private consultants are taken into account in the ratemaking process."

One thing that is very clear in this legislation is that it will definitely and substantially increase the cost to the Guam regulated utilities with no anticipated lower cost to the consumer or ratepayer. The additional studies that this legislation requires the Public Utilities Commission (PUC) to conduct, all which must be paid for by the utilities themselves, are quite costly. The PUC has no independent source of funding as the law mandates that all of its activities and expenses are paid for by Guam's utilities, i.e. Guam's consumers. For example, the last staffing and skills study conducted for the Guam Power Authority cost approximately \$500,000. If the PUC is required to perform these studies annually for all of the utilities that it regulates, the costs the costs to the utilities and consumers will be increased. The annual costs for staffing and manpower studies alone which are mandated by this legislation could run to an annual increase of cost of \$1.2 to 2 Million dollars. There are additional costs incurred by the PUC in this legislation for the additional

0254

dockets (cases), consultants, and so forth, which will also be passed on to the consumers. The requirement of 3 public hearings instead of one will simply multiply the costs. The utilities currently send out separate notices to each and every ratepayer of the upcoming PUC hearings. It is not likely that consumers do not know when a PUC hearing is being held. This legislation substantially increases the cost of utility regulation without showing benefit to the utilities or to the consumer.

This is the second time that this legislation has been passed, however, this later version is slightly different than the first. The first version was Bill No. 474 passed in the 25<sup>th</sup> Guam Legislature and pocket-vetoed.

Bill No. 474, requiring 6 months notice to the public before a utility could approach PUC to ask for a rate increase, was determined to violate bond covenants entered into by the government of Guam which were a basis for the issuance of bonds for the Guam Power Authority in December, 1992. As stated by the PUC legal counsel for Bill No. 474: “. . . the clear intent of the legislation is to hinder and delay the ability of the utilities, including GPA, from seeking rate relief from the PUC, irregardless of the need or the urgency of the need for such relief.” And again, the PUC legal counsel also stated: “PUC’s prior procedural rules called for a 120-day pre-filing notification period. Compliance with this rule was routinely waived or dispensed with because it was deemed too cumbersome in light of the practical realities facing GPA. . . the rule was dropped when the PUC updated its procedures.”

While the above remarks apply to Bill No. 474, the same remarks are applicable to Substitute Bill No. 028. The first review of Substitute Bill No. 028 by the PUC apparently assumed that this bill was identical to Bill No. 474 because their titles are identical. A letter from the PUC states: “The Commission concurs with the concern raised in Mr. Blair’s letter that Bill 28, if enacted into law, would violate GPA’s bond covenants.”

Since the provisions of Substitute Bill No. 028 and Bill No. 474 are not quite the same, Substitute Bill No. 028 was sent back for further review by PUC. A review by PUC legal counsel for Substitute Bill No. 028 states: “. . . although I believe that Bill 28 leaves a lot of issues to be resolved, it is my view that its provisions, if enacted into law, would not substantially interfere with the ability or effectiveness of the PUC in carrying out its existing statutory obligations [and]. . . would not violate GPA’s bond covenants.” Despite these mild views, I believe that Substitute Bill No. 028 would violate GPA’s bond covenants and would increase the costs of regulation to the public.

Substitute Bill No. 028 requires 90 day notice to the public by a utility before the utility can approach the PUC for a rate **change**. This **change** would include a decrease in rates or some other modification, as well as an increase. The bill shifts the task of conducting manpower studies from the utility itself to the PUC, and the task of holding 3 public hearings at different locations on Guam from the utility itself to the PUC. This change is a change without a difference, however, since all of the expenses of the PUC for any of its activities are borne by the utility, and

ultimately the ratepayer. In fact, the increase in cost of examining any of a utility's requests will be substantially increased, with this cost borne by the utility and passed on to the public via the ratepayer.

An examination of both Bill No. 474 and Substitute Bill No. 028 indicates that both pieces of legislation were designed to hold up the process of review of rates. They both limit the PUC's ability to determine the timetable for hearing matters, to determine what evidence is to be considered, and to determine the order in which matters are to be ruled upon for an agency. For example, orders concerning manpower must be made before orders concerning rates, regardless of the circumstances at hand. This statutory interference into the internal processes and procedures of the PUC limits the independence of the PUC in its considerations and rulings and substantially changes the laws in effect at the time of the GPA bond issuance.

The monthly legislative changes to laws concerning Guam's utilities is quite perplexing. In the past month or so we have seen bills which break up a utility into several components, bills changing who and how privatization efforts are considered, bills changing how the PUC conducts its review, bills combining the governing boards of utilities, bills eliminating specific managerial positions within a utility, bills calling for elected utilities boards, and bills changing the enabling statutes of utilities. There is such a frenzy of legislative changes to Guam's utilities laws, just in the last legislative session, that any attempt to run a utility, find out the current state of the law, or even do business with a utility, can only be confusing and prohibitive.

Very truly yours,



Carl T. C. Gutierrez  
I Maga'Lahen Guåhan  
Governor of Guam

Attachment: copy attached for signed bill or overridden bill  
original attached for vetoed bill

cc: The Honorable Antonio R. Unpingco  
Speaker



ORRICK

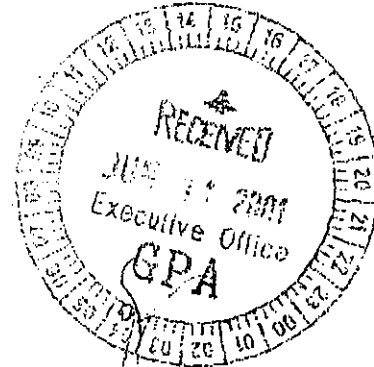
ORRICK, HERRINGTON & BUTCLIFFE LLP  
OLD FEDERAL RESERVE BANK BUILDING  
400 SANSOME STREET  
SAN FRANCISCO, CA 94111-3143  
tel 415-392-1122  
fax 415-773-5759  
WWW.ORRICK.COM

Stanley J. Dirks  
(415) 773-5828

June 10, 2001

*Stanley J. Dirks*  
*6/11/01*  
*cc: CFO*

Edward G. Untalan  
Guam Economic Development Authority  
ITC Building, Suite 511  
590 South Marine Drive  
Tamuning, Guam 96911



Re: Ratepayers' Bill of Rights—Bill No. 28

Dear Mr. Untalan:

You have asked for our view of certain legislation that would add sections 12001.1 and 12001.2 to Chapter 12, Title 12, Guam Code Annotated, and would be known as the "Ratepayers' Bill of Rights". Generally speaking, the proposed statute requires any public utility (other than Guam Memorial Hospital, but including Guam Power Authority), to take certain actions before submitting a rate increase proposal to the Guam Public Utilities Commission (the "Commission"), including publishing and mailing notice of the rate increase proposal, and requires the Commission annually to conduct a comparative study of staffing patterns and manpower levels of the public utilities and to "take into account the results of such studies and order reductions or other adjustments in the operations of the Public Utility requesting a rate adjustment, as recommended or suggested by such studies, prior to granting approval for a rate increase."

The proposed statute may have a laudable public purpose, but, as applied to Guam Power Authority (the "Authority"), I would point out three possible problems. First, it is not clear how the statute would treat a "pass through" component such as a fuel surcharge, under which the applicable rates automatically change from time to time, i.e., both increase and decrease automatically. Second, the first underlined language quoted above appears to involve the Commission directly in the management of the public utilities, rather than acting as a rate making body. Third, the second underlined language appears to remove the discretion of Commission to determine the degree to which reports by private consultants are taken into account in the ratemaking process.



ORRICK

Edward G. Untalan

April 24, 2001

Page 2

As you know, the Authority's bond indenture contains a rate covenant (Section 6.10) that reads in part as follows:

"At all times that any Bonds remain Outstanding, rates and charges for the sale or use of electric energy produced, transmitted, distributed or furnished from the System will be established, fixed, prescribed and collected so that such rates and charges will yield Net Revenues for the next twelve months equal to at least 1.30 times Annual Debt Service on the Outstanding Bonds to be paid from Net Revenues during such period."

This provision is a material element of the security for the repayment of the Authority's revenue bonds. Any material adverse modification of the powers of the Authority to comply with the rate covenant may be a "law impairing the obligation of contracts" in violation of section 5(j) of the Organic Act.

The bond indenture also has a provision (Section 6.20) concerning the Commission that reads as follows:

"The Government hereby pledges to the holders of all Bonds that the Government will not repeal, amend or modify Chapter 12, Title 12, Guam Code Annotated, in any way that would substantially impair the powers, duties or effectiveness of the Public Utilities Commission thereunder in relation to the Authority and its rates. The Authority includes this pledge of the Government in this Indenture as authorized by Section 8113.3 of the Act."

Although the proposed statute recites that it "shall in no way restrict the powers of the Public Utilities Commission . . . to regulate or set rates for a Public Utility", it does exactly that in the language quoted above, and could be treated as a potential covenant default under the bond indenture. Historically, the Commission was created to give the Federal Financing Bank comfort



ORRICK

Edward G. Untalan

April 24, 2001

Page 3

that rates could be raised if needed. I would think that there is a material risk that a court would conclude that the proposed statute impairs the "effectiveness" of the Commission in relation to the Authority.

Very truly yours,

Stanley J. Dirks



**MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN**  
**2001 (FIRST) Regular Session**

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

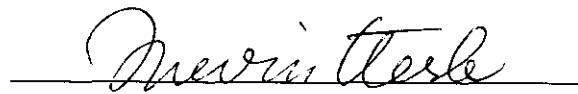
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\_\_\_\_\_  
**ANTONIO R. UNPINGCO**  
Speaker

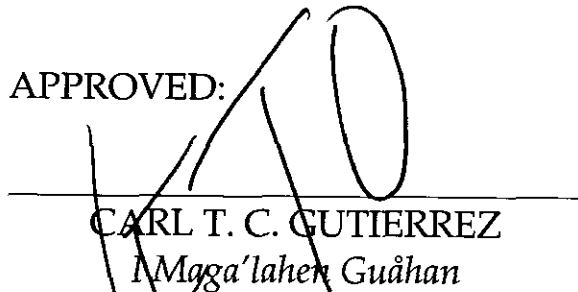
Attested:

  
\_\_\_\_\_  
**JOANNE M.S. BROWN**  
Senator and Legislative Secretary

-----  
This Act was received by I Maga'lahaen Guåhan this 1<sup>st</sup> day of June, 2001,  
at 4:55 o'clock P.M.

  
\_\_\_\_\_  
Assistant Staff Officer  
Maga'lahaen's Office

APPROVED:

  
\_\_\_\_\_  
**CARL T. C. GUTIERREZ**  
I Maga'lahaen Guåhan

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

Public Law No. \_\_\_\_\_

**MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN**  
**2001 (FIRST) Regular Session**

**Bill No. 28 (COR)**

As substituted by the Committee  
on Rules, General Governmental  
Operations, Reorganization and Reform,  
and Federal, Foreign and General Affairs  
and as amended on the Floor.

Introduced by:

Mark Forbes  
J. M.S. Brown  
J. F. Ada  
T. C. Ada  
F. B. Aguon, Jr.  
E. B. Calvo  
F. P. Camacho  
M. C. Charfauros  
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2 *Guåhan* finds that the services provided by Public Utilities are basic  
3 necessities that the residents of Guam must receive in order to function  
4 in modern life. *I Liheslaturan Guåhan* also finds that because residents  
5 have very little choice in purchasing these basic necessities, they are  
6 held captive to the rates and rate increases of the Public Utilities. Any  
7 rate increase therefore diminishes the amount of hard-earned wages  
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12 time, an increase in utility rates is inevitable, such rate increases must be  
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14 has been made and every other available option has been exhausted. *I*  
15 *Liheslaturan Guåhan* intends to make it clear that it does *not* want to  
16 interfere with the ability of the Public Utilities Commission to regulate  
17 and set rates for the Public Utilities, but *I Liheslaturan Guåhan* also  
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19 proposal for a rate increase without first giving the people of Guam  
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21 ratepayers. Those fundamental rights of the ratepayers include:

- 22           (1) the right to receive clear and adequate notice of any  
23           proposed rate increase;

1           (2) the right to be fully informed about and to fully  
2 evaluate any proposed rate increase, as well as the finances of a  
3 Public Utility; *and*

4           (3) the right to give input and participate in any proposed  
5 rate increase.

6           It is these basic rights which the Ratepayers' Bill of Rights  
7 seeks to uphold."

8           **Section 2.** Section 12001.2 is hereby *added* to Chapter 12 of Title 12 of  
9 the Guam Code Annotated to read as follows:

10           **"Section 12001.2.       Proposed Public Utility Rate Increases.**

11           (a) Sections 12001.1 through 12001.2, which shall be  
12 known as the Ratepayers' Bill of Rights, shall in no way restrict  
13 the powers of the Public Utilities Commission ("Commission")  
14 granted in this Chapter to regulate or set rates for a Public Utility.  
15 The Ratepayers' Bill of Rights sets conditions *only* on the manner  
16 in which a Public Utility shall submit a proposed rate increase to  
17 the Commission. No Public Utility, as defined in §12000 of this  
18 Chapter, with the *exception* of the Guam Memorial Hospital, may  
19 submit a proposed rate increase to the Commission before  
20 complying with the mandates of this Section. This Section shall  
21 *not* apply to the Guam Memorial Hospital.

22           (b) A Public Utility shall publish notice of any proposed  
23 rate increase in a newspaper of general circulation, as defined in  
24 §8104 of Chapter 8 of Title 5 of the Guam Code Annotated, *Open*

1           *Government Law*, at least three (3) months *before* submitting it to the  
2 Commission. The published notice shall include the Public  
3 Utility's intention to submit a proposed change in its rates in three  
4 (3) month's time, its current utility rate, the proposed rate, the  
5 amount of increase *and* a justification for the increase.

6           (c) A Public Utility shall mail a notice to every ratepayer  
7 *at least one* (1) month *before* submitting a rate change proposal to  
8 the Commission. The notice shall state the Public Utility's  
9 intention to submit a proposal to increase its rates in one (1)  
10 month's time, its current utility rate, the proposed rate, the  
11 amount of increase *and* a justification for the increase.

12           (d) The Public Utilities Commission ('PUC') shall  
13 annually conduct a study comparing the staffing pattern and  
14 manpower levels of the Public Utilities under their purview to the  
15 staffing patterns and manpower levels of *at least four* (4) other  
16 utilities in the United States Mainland which provides similar  
17 services to a comparable number of customers.

18           The first such study mandated herein shall begin *no less than*  
19 sixty (60) days after the effective date of this Act. The PUC shall  
20 publish the results of such studies in a newspaper of general  
21 circulation, as defined in §8104 of Chapter 8 of Title 5 of the Guam  
22 Code Annotated, *Open Government Law*. The studies shall be  
23 made available to residents attending the public hearings on the  
24 proposed rate increase. The PUC must, in determining approval

1 of any proposed rate increase, take into account the results of such  
2 studies and order reductions or other adjustments in the  
3 operations of the Public Utility requesting a rate adjustment, as  
4 recommended or suggested by such studies, *prior to* granting  
5 approval for a rate increase.

6 It is the intention of *I Liheslaturan Guåhan* that the PUC  
7 mandate reductions in unnecessary levels or areas of expenditure  
8 in Public Utilities *prior to*, or in conjunction with, approval of any  
9 rate increase. Any Public Utility that has received an order from  
10 the PUC to reduce expenditures in any area of operations shall  
11 comply with such order, and failure to do so is a grounds for  
12 disapproval of a rate increase proposal.

13 (e) A Public Utility, *at least* one (1) month before  
14 submitting a rate increase proposal to the Commission, shall  
15 publish on a World Wide Web ('Web') page, available through the  
16 Internet, all the information provided in its public notices required  
17 by this Section. The Web page shall also include a message board,  
18 or an electronic mail address, by which the public can submit its  
19 opinions, testimony and any reactions to the proposed rate  
20 increase or to the information provided on the Web page."

21 **Section 3.** Section 12016 of Chapter 6 of Title 12 of the Guam Code  
22 Annotated is hereby *amended* to read as follows:

23 **"Section 12016. Public Hearings.** The Commission shall  
24 hold *at least* three (3) public hearings on any change in proposed rates or

1 charges. One (1) of the public hearings shall be held in a location in  
2 Northern Guam, one (1) of the public hearings shall be held in a location  
3 in Central Guam, and one (1) of the public hearings shall be held in a  
4 location in Southern Guam. The notice of public hearing herein  
5 provided for shall plainly state the rates, charges or assessment costs  
6 proposed to be established, abandoned, modified or departed from, and  
7 the proposed effective date thereof.

8 No hearings shall be held *unless* notice of the hearing, with the  
9 purpose stated thereof and the date, time and place at which it will be  
10 held has been advertised *not less than* once in each of three (3) weeks in a  
11 newspaper of general circulation on Guam, the first publication being  
12 *not more than* twenty-one (21) days before the scheduled hearing, and  
13 the last publication being *not less than* two (2) days before the scheduled  
14 hearing.

15 The Public Utility shall notify its consumers of the proposed  
16 change in rates in the normal billing process *not less than* three (3) weeks  
17 before the date set for the public hearing. The Commission may use  
18 additional media, such as radio or television, to advise the public *if* it  
19 finds it necessary to do so. The Commission shall also accept written  
20 testimony on the proposed rate increase from the public *after* the public  
21 hearings have been conducted.”

22 **Section 4. Effective Dates.** This Act shall be effective *immediately* upon  
23 its passage.

1           **Section 5. Severability.**    *If* any provision of this Act or its  
2 application to any person or circumstance is found to be invalid or contrary to  
3 law, such invalidity shall *not* affect other provisions or applications of this Act  
4 which can be given effect without the invalid provisions or application, and to  
5 this end the provisions of this Act are severable.



6

# I MINA' BENTE SAIS NA LIHESLATURAN GUAHAN

2001 (FIRST) Regular Session

Date: 5/3/01

## VOTING SHEET

5 Bill No. 28 (COR)

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

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

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT
ADA, Joseph F.	✓				
ADA, Thomas C.	✓				
AGUON, Frank B., Jr.	✓				
BROWN, Joanne M. S.	✓				
CALVO, Eddie B.	✓				
CAMACHO, Felix P.	✓				
CHARFAUROS, Mark C.	✓				
FORBES, Mark	✓				
KASPERBAUER, Lawrence F.	✓				
LEON GUERRERO, Lourdes A.	✓				
MOYLAN, Kaleo S.	✓				
PANGELINAN, Vicente C.					✓
SANTOS, Angel L.G.	✓				
UNPINGCO, Antonio R.	✓				
WON PAT, Judith T.	✓				

TOTAL

14      \_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_      1

CERTIFIED TRUE AND CORRECT:

\_\_\_\_\_  
Clerk of the Legislature

\* 3 Passes = No vote  
EA = Excused Absence



# MINA' BENTE SAIS NA LIHES. ATURAN GUÅHAN

Kumitehan Areklamento, Hinanao Gubetnamenton Hiniråt, Rifotma yan Rinueba,  
yan Asunton Fidiråt, Taotao Hiyong yan Hiniråt

*Senadot Mark Forbes, Gehilu  
Kabisiyon Mayuråt*

Speaker Antonio R. Unpingco  
I Mina' Bente Sais Na Liheslaturan Guåhan  
155 Hesler Street  
Hagåtña, Guam 96910

Dear Mr. Speaker:

The Committee on Rules, General Governmental Operations, Reorganization and Reform, and Federal, Foreign and General Affairs, to which Bill No. 28, was referred, wishes to report its findings and recommendations **TO DO PASS** Bill No. 28, as substituted, "An Act To Require Greater Public Notice, Input And Evaluation Of Public Utility Rate Increase Proposals, To Be Known As The 'Ratepayers' Bill Of Rights'."

The voting record is as follows:

TO PASS

9

NOT TO PASS

0

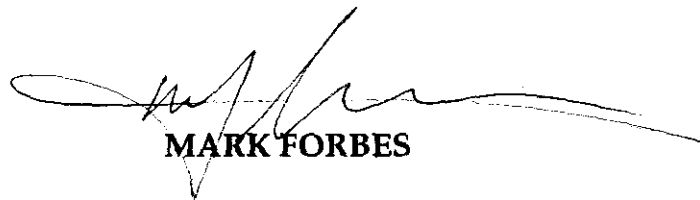
ABSTAIN

0

TO PLACE IN INACTIVE FILE

0

Copies of the Committee Report and other pertinent documents are attached. Thank you and si Yu'os ma'ase for your attention to this matter.

  
MARK FORBES

Attachments



# MINA 'LENTE SAIS NA LIHES' ATURAN GUÅHAN

Kumitehan Areklamento, Hinanao Gubetnamenton Hinirát, Rifotma yan Rinueba,  
yan Asunton Fidirát, Taotao Hiyong yan Hinirát

*Senadot Mark Forbes, Gebilu  
Kabisiyon Mayurát*

07 MAY 2001

## MEMORANDUM

**TO:** Committee Members

**FROM:** Chairman

**SUBJECT:** Committee Report- BILL NO. 28, as substituted, "An Act To Require Greater Public Notice, Input And Evaluation Of Public Utility Rate Increase Proposals, To Be Known As The 'Ratepayers' Bill Of Rights'."

Transmitted herewith for your information and action is the report on Bill No. 28, as substituted, from the Committee on Rules, General Governmental Operations, Reorganization and Reform, and Federal, Foreign and General Affairs.

This memorandum is accompanied by the following:

1. Committee Voting Sheet
2. Committee Report
3. Bill No. 28, as substituted
4. Public Hearing Sign-in Sheet
5. Fiscal Note/Fiscal Note Waiver
6. Notice of Public Hearing

Please take the appropriate action on the attached voting sheet. Your attention and cooperation in this matter is greatly appreciated.

Should you have any questions regarding the report or accompanying documents, please do not hesitate to contact me.

Thank you and si Yu'os ma'ase.

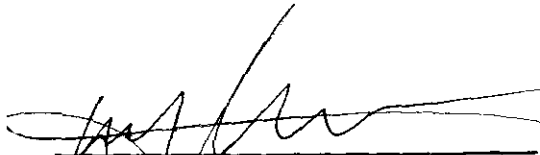
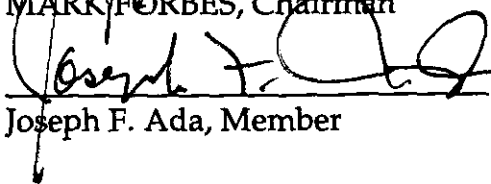
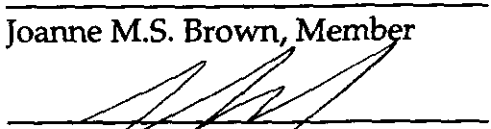
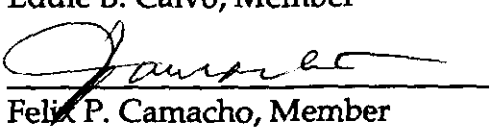
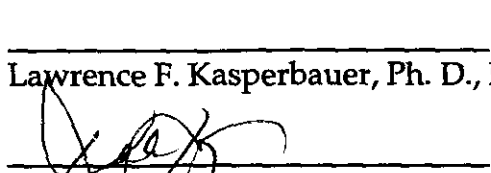
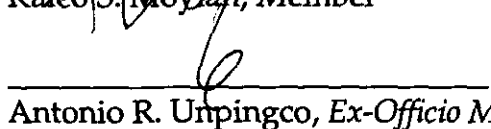
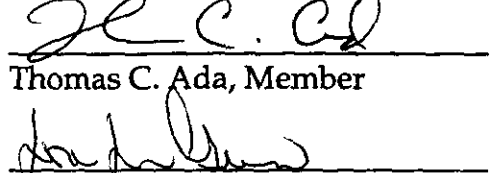
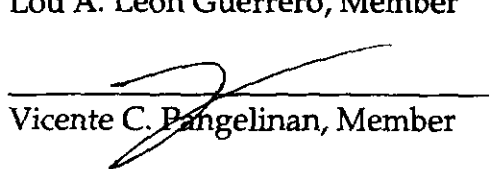
**MARK FORBES**

Attachments

**Committee on Rules, General Governmental Operations, Reorganization and Reform, and Federal,  
Foreign and General Affairs**  
**I Mina' Bente Sais Na Liheslaturan Guáhan**

**Voting Record**

BILL NO. 28, as substituted, "An Act To Require Greater Public Notice, Input And Evaluation Of Public Utility Rate Increase Proposals, To Be Known As The 'Ratepayers' Bill Of Rights'."

	<u>TO PASS</u>	<u>NOT TO PASS</u>	<u>ABSTAIN</u>	<u>INACTIVE FILE</u>
 MARK FORBES, Chairman	✓			
 Joseph F. Ada, Member	✓			
Joanne M.S. Brown, Member				
 Eddie B. Calvo, Member	✓			
 Felix P. Camacho, Member	✓			
Lawrence F. Kasperbauer, Ph. D., Member				
 Kaleo S. Moylan, Member	✓			
Antonio R. Unpingco, Ex-Officio Member				
 Thomas C. Ada, Member	✓			
 Lou A. Leon Guerrero, Member	✓			
 Vicente C. Pangelinan, Member	✓			

**I MINA' BENTE SAIS NA LIHESLATURAN GUÅHAN**

**COMMITTEE ON RULES, GENERAL GOVERNMENTAL  
OPERATIONS, REORGANIZATION AND REFORM, AND  
FEDERAL, FOREIGN AND GENERAL AFFAIRS**

**SENATOR MARK FORBES, CHAIRMAN**

**COMMITTEE REPORT**

**ON**

**BILL NO. 28, as substituted,**

**"An Act To Require Greater Public Notice, Input And Evaluation  
Of Public Utility Rate Increase Proposals, To Be Known As The  
'Ratepayers' Bill Of Rights'."**

## **I. OVERVIEW**

The Committee on Rules, General Governmental Operations, Reorganization and Reform, and Federal, Foreign and General Affairs held a public hearing on Friday, March 2, 2001 at 2:00 p.m. at the Conference Room, Office of Senator Mark Forbes, I Liheslaturan Guahan. Public Notice was advertised on the Pacific Daily News on Wednesday, February 21, 2001, March 01 and March 02, 2001.

Senators present were:

Senator Mark Forbes, Chairman

## **II. SUMMARY OF TESTIMONY**

There was no oral and written testimony presented or submitted to the Committee.

## **III. FINDINGS AND RECOMMENDATION**

The Committee on Rules, General Governmental Operations, Reorganization and Reform, and Federal, Foreign and General Affairs finds that Bill No. 28, as substituted, provides utility ratepayers on Guam with long-overdue and much-needed protection from often unnecessary rate increases. The recent rate increases and rate increase proposals by the utilities have come at a time when the ratepayers can least afford them, a time when the economy is in dire condition and unemployment is in the double digits. In these times, it is important that the protections given by Bill No. 28 are implemented. The bill gives ratepayers an involvement and a level of information about the operations and rates of the utilities that has never been available before. It is the position of the Committee that increased involvement and awareness by the general ratepayer will result in the better operations, better financial management, and increased accountability of the utilities.

Accordingly, the Committee on Rules, General Governmental Operations, Reorganization and Reform, and Federal, Foreign and General Affairs, to which Bill No. 28 was referred does hereby submit its findings and recommendations to I Mina' Bente Sais Na Liheslaturan Guahan **TO DO PASS BILL NO. 28, as substituted**, "An Act To Require Greater Public Notice, Input And Evaluation Of Public Utility Rate Increase Proposals, To Be Known As The 'Ratepayers' Bill Of Rights'."



# MINA ' BENTE SAIS NA LIHESLATURAN GUAHAN

Kumitchan Areklamento, Hinanao Gubetnamenton Hinirát, Rifotma yan Rinueba,  
yan Asuntón Fidirát, Taotao Hiyong yan Hinirát

*Senadot Mark Forbes, Gebilu  
Kabisiyon Mayurát*

20 FEB 2001

## MEMORANDUM

TO: Chairman  
Committee on Rules, General Governmental Operations, Reorganization and Reform, and Federal, Foreign and General Affairs

FROM: ~~Chairman~~  
~~Committee on Rules, General Governmental Operations, Reorganization and Reform, and Federal, Foreign and General Affairs~~

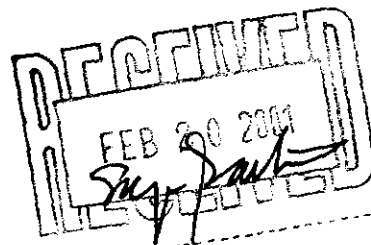
SUBJECT: Principal Referral - Bill No. 28

The above bill is referred to your Committee as the Principal Committee, in accordance with Section 6.04.05.01. of the Standing Rules. Your Committee is the Committee authorized to perform the public hearing on this bill and to amend or substitute the bill, as well as report the bill out to the Body. It is recommended that you schedule a public hearing at your earliest convenience.

Thank you for your attention to this matter.

**MARK FORBES**

Attachment



**MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN**  
**2001 (FIRST) Regular Session**

**Bill No. 28(COR)**

As Substituted by the Committee.

Introduced by:

Mark Forbes

---

**AN ACT TO ADD §§12001.1 AND 12001.2 TO TITLE 12  
OF THE GUAM CODE ANNOTATED, RELATIVE TO  
REQUIRING GREATER PUBLIC NOTICE, INPUT  
AND EVALUATION OF PUBLIC UTILITY RATE  
INCREASE PROPOSALS, AND FOR THIS ACT TO BE  
KNOWN AS THE "RATEPAYERS' BILL OF RIGHTS."**

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

2        **Section 1.** Section 12001.1 is hereby *added* to Chapter 12 of Title 12 of  
3 the Guam Code Annotated to read as follows:

4            **"Section 12001.1.        Ratepayers' Bill of Rights.** *I Liheslaturan*  
5 *Guåhan* finds that the services provided by Public Utilities are basic  
6 necessities that the residents of Guam must receive in order to function  
7 in modern life. *I Liheslaturan Guåhan* also finds that because residents  
8 have very little choice in purchasing these basic necessities, they are  
9 held captive to the rates and rate increases of the Public Utilities. Any  
10 rate increase therefore diminishes the amount of hard-earned wages  
11 residents have to spend on other basic necessities, such as food, shelter



1 and clothing, as well as the amount of hard-earned wages they have to  
2 set aside for retirement, college, emergencies or a family business.  
3 While *I Liheslaturan Guåhan* recognizes that over a long period of time,  
4 an increase in utility rates is inevitable, such rate increases must be  
5 made out of absolute necessity, and *only* after every cost-cutting effort  
6 has been made and every other available option has been exhausted. *I*  
7 *Liheslaturan Guåhan* intends to make it clear that it doesn't want to  
8 interfere with the ability of the Public Utility Commission to regulate  
9 and set rates for the Public Utilities, but *I Liheslaturan Guåhan* also  
10 intends to make it abundantly clear that no Public Utility shall submit a  
11 proposal for a rate increase without first giving the people of Guam  
12 more than ample opportunity to exercise their fundamental rights as  
13 ratepayers. Those fundamental rights of the ratepayers include:

14 (1) the right to receive clear and adequate notice of any  
15 proposed rate increase;

16 (2) the right to be fully informed about and to fully  
17 evaluate any proposed rate increase as well as the finances of a  
18 Public Utility; *and*

19 (3) the right to give input and participate in any proposed  
20 rate increase.

21 It is these basic rights which the Ratepayers' Bill of Rights  
22 seeks to uphold."

23 Section 2. Section 12001.2 is hereby *added* to Chapter 12 of Title 12 of  
24 the Guam Code Annotated to read as follows:

1           **"Section 12001.2.       Proposed Public Utility Rate Increases.**

2           (a) Sections 12001.1 through 12001.2, which shall be  
3 known as the Ratepayers' Bill of Rights, shall in no way restrict  
4 the powers of the Public Utilities Commission ("Commission")  
5 granted in this Chapter to regulate or set rates for a Public Utility.  
6 The Ratepayers' Bill of Rights sets conditions *only* on the manner  
7 in which a Public Utility shall submit a proposed rate increase to  
8 the Commission. No Public Utility, as defined in §12000 of this  
9 Chapter with the *exception* of the Guam Memorial Hospital, may  
10 submit a proposed rate increase to the Commission before  
11 complying with the mandates of this Section. This Section shall  
12 *not* apply to the Guam Memorial Hospital.

13           (b) A Public Utility shall publish notice of any proposed  
14 rate increase in a newspaper of general circulation, as defined in  
15 §8104 of Chapter 8 of Title 5 of the Guam Code Annotated, *Open*  
16 *Government Law*, at least three (3) months *before* submitting it to the  
17 Commission. The published notice shall include the Utility's  
18 intention to submit a proposed increase in its rates in three (3)  
19 months time, its current utility rate, the proposed rate, the amount  
20 of increase, a justification for the increase.

21           (c) A Public Utility shall mail a notice to every ratepayer  
22 at least one (1) month before submitting a rate increase proposal to  
23 the Commission. The notice shall state the Utility's intention to  
24 submit a proposal to increase its rates in one (1) month's time, its

1 current utility rate, the proposed rate, the amount of increase, a  
2 justification for the increase.

3 (d) The Public Utilities Commission, hereinafter referred  
4 to as the PUC, shall annually conduct a study comparing the  
5 staffing pattern , and manpower levels of the Public Utilities  
6 under their purview to the staffing patterns and manpower levels  
7 of at least four (4) other utilities in the United States that provide  
8 similar services to a comparable number of customers. The first  
9 such study mandated herein shall begin no less than sixty (60)  
10 days after the effective date of this Act. The PUC shall publish the  
11 results of such studies in a newspaper of general circulation, as  
12 defined in §8104 of Chapter 8 of Title 5 of the Guam Code  
13 Annotated, *Open Government Law*. The studies shall be made  
14 available to residents attending the public hearings on the  
15 proposed rate increase. The PUC must, in determining approval  
16 of any proposed rate increase, take into account the results of such  
17 studies and order reductions or other adjustments in the  
18 operations of the Public requesting a rate adjustment Utility, as  
19 recommended or suggested by such studies, prior to granting  
20 approval for a rate increase. It is the intention of the Legislature  
21 that the PUC mandate reductions in unnecessary levels or areas of  
22 expenditure in Public Utilities prior to, or in conjunction with,  
23 approval of any rate increase. Any Public Utility that has received

1 an order from the PUC to reduce expenditures in any area of  
2 operations shall comply with such order.

3 (e) A Public Utility, *at least one* (1) month before  
4 submitting a rate increase proposal to the Commission, shall  
5 publish on a World Wide Web ("Web") page, available through  
6 the Internet, all the information provided in its public notices  
7 required by this Section. The Web page shall also include a  
8 message board, or an electronic mail address, by which the public  
9 can submit its opinions, testimony and any reactions to the  
10 proposed rate increase or to the information provided on the Web  
11 page."

12 **Section 3. Effective Dates.** This Act shall be effective *immediately* upon  
13 its passage.

14 **Section 4. Reconciliation and Proration of Arrears Residential Tipping / User**  
15 **Fees.** The Department of Public Works ("DPW") shall perform a reconciliation of all  
16 Residential Tipping / User Fees for its customer accounts for which it claims arrears  
17 are due. The reconciliation shall include, but not be limited to:

18 (a) identifying and applying to each customer any credit for payments  
19 made for periods not billed; *and*

20 (b) identifying periods for non-delivery of residential trash pickup  
21 services, and to apply credit accordingly.

22 Once a reconciliation is performed, DPW shall prorate each customer's arrears  
23 balance in the billing cycle following the completion of the reconciliation divided  
24 into twelve (12) equal monthly payments. No retroactive billing for residential


1 tipping / user fees shall be assessed until all of the provisions of this Section are  
2 completed.

3 **Section 5.** 12 GCA §12016 is hereby amended to read as follows:

4 **§12016. Public Hearings.** The Commission shall hold at least  
5 three (3) public hearings on any change in proposed rates or charges.  
6 One (1) of the public hearings shall be held in a location in Northern  
7 Guam, one (1) of the public hearings shall be held in a location in  
8 Central Guam, and one (1) of the public hearings shall be held in a  
9 location in Southern Guam. The notice of public hearing herein  
10 provided for shall plainly state the rates, charges, or assessment costs  
11 proposed to be established, abandoned, modified or departed from, and  
12 the proposed effective date thereof. No hearings shall be held unless  
13 notice of the hearing, with the purpose stated thereof and the date, time  
14 and place at which it will be held has been advertised not less than once  
15 in each of three (3) weeks in a newspaper of general circulation in  
16 Guam, the first publication being not more than twenty-one days before  
17 the scheduled hearing, and the last publication being not less than two  
18 (2) days before the scheduled hearing. The utility shall notify its  
19 consumers of the proposed change in rates in the normal billing process  
20 not less than three (3) weeks before the date set for the public hearing.  
21 The Commission may use additional media such as radio or television  
22 to advise the public if it finds it necessary to do so. The Commission  
23 shall also accept written testimony on the proposed rate increase from  
24 the public after the public hearings have been conducted.

1           **Section 6. Severability.**    *If* any provision of this Act or its  
2 application to any person or circumstance is found to be invalid or contrary to  
3 law, such invalidity shall *not* affect other provisions or applications of this Act  
4 which can be given effect without the invalid provisions or application, and to  
5 this end the provisions of this Act are severable.





**St. John's School**  
The Episcopal Church in Micronesia  
911 North Marine Drive  
Turnon Bay, Guam 96911  
Telephone 646-8080 FAX 649-1055

St. John's School currently seeks applications for the following positions:

**ON CALL SUBSTITUTE TEACHERS - PK-12TH\***

\*St. John's will develop a list for ON CALL basis.

Please submit your employment applications, resumes, list of reference contacts and police clearance to the Front Office.

Office Hours are 7:30am-4:30pm.  
No phone call please.



**Notice of Public Hearing**

Committee on Rules, General Governmental Operations, Reorganization and Reform, and Federal, Foreign and General Affairs  
Senator Mark Forbes, Chairman  
10 A.M. FRIDAY, MARCH 2, 2001

The following Bills will be on the Agenda:

- Bill No. 6: Renaming the Commercial Port of Guam as the Jose D. Leon Guerrero Commercial Port.
- Bill No. 28: An Act to Require Greater Public Notice, Input and Evaluation of Public Utility Rate Increase Proposals, to be Known as the "Ratepayers' Bill of Rights."

The following Appointments will also be on the Agenda:

- Mr. Vicente S. Taitague as Director of the Department of Agriculture.
- Ms. Lucy B. San Nicolas as member of the Chamorro Land Trust Commission.
- Mr. Tomas T. Aguon as member of the Chamorro Land Trust Commission.
- Mr. Antonio M. Palomo as member of the Hagatna Restoration and Redevelopment Authority.
- Mr. Manuel R. Pinaun as member of the Civil Service Commission.
- Mr. Joaquin T. Angoco as member of the Civil Service Commission.

Hearing will take place in the Conference Room, Office of Senator Mark Forbes  
I Libeslaturan Gashan, Hagatna, Guam  
The Public is Invited to Participate

Individuals requiring special accommodations, auxiliary aids or services are asked to contact the Office of Senator Forbes at 472-3512.

**Accounting Clerk I**

The Pacific Daily News is looking for an Accounting Clerk I who will handle all facets of accounts receivables of the Circulation Department, including the preparation of invoices, correspondence with customers, reconciliation and processing of adjustments and preparing the appropriate journal entries. The successful candidate must be organized and able to prioritize multiple tasks. A bachelor's degree in Accounting and minimum three years' experience in accounts receivable is required. The Pacific Daily News offers a competitive salary and benefits package.

If interested, please Pete Ladera, Controller or Edna Nery, Human Resources Director.

**Pacific Daily News**

238 Archbishop Flores Street  
Pagatna, GU 96910  
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Federal law requires that anyone we hire be legally entitled to employment in the U.S. We comply with this law on a non-discriminatory basis.  
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Interested candidates should submit resumes and references to:

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[Chrisbusch@wventos.guam.net](mailto:Chrisbusch@wventos.guam.net)

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**GOVERNMENT OF GUAM  
DEPARTMENT OF ADMINISTRATION**

Carl T.C. Gutierrez  
Governor

Madeline Z. Rosillo  
Lieutenant Governor

**REQUEST FOR PROPOSAL  
DOA/HRD-RFP-BA-01-01**

**2001 GROUP HEALTH INSURANCE ACTUARY  
OR OTHER RECOGNIZED EXPERT**

The Department of Administration is soliciting for an actuarial consultant or other recognized expert to provide actuarial advice and services to the Government of Guam Group Health Insurance Negotiating Committee for the upcoming Health Insurance Contract negotiations.

Specifications for this solicitation can be obtained at the Human Resources Division, Bureau of Budget and Management Research (formerly the Division of Personnel Management, Department of Administration), Manuel F.L. Guerrero Building, from 8:00 a.m. to 11:00 a.m. and from 1:00 p.m. to 4:00 p.m., except holidays.

For more information, please call the Employee Benefits Branch, Human Resources Division at 475-1103/1279.

Deadline for submission of proposals is 2:00 p.m., February 28, 2001.

/s/ RODNEY C. WEBB, Director  
Department of Administration



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## GOVERNMENT MEETINGS

Editor's note: Government meetings will appear two days. Deadline is noon Friday for publication Saturday, Sunday and Monday, and noon Monday-Thursday for next-day publication. In the event of a local holiday, deadline will be noon the previous weekday.

**ADVISORY PANEL FOR STUDENTS WITH DISABILITIES:** 5:15 p.m. March 1, Voc. Rehab. conference room, Tiyon. All members urged to attend. Those who need special accommodations should call Frank Pangelinan, 475-4658.

**WORKFORCE INVESTMENT BOARD:** 10 a.m. March 1, One Stop Career Center, second floor, 125 San Jesus Crisostomo St., Tamuning. Those who need special accommodations should call 647-7161.

**COUNCIL ON SENIOR CITIZENS:** 3 p.m. March 1, Minionda conference room. Call 475-0263.

**CIVIL SERVICE COMMISSION BOARD:** 5:30 p.m. March 1, CSC conference room, 490 Chalan Palosyo, Agaña Heights. Adverse action appeal of Victor C. Paulino vs. Department of Customs and Quarantine, 15-day suspension, motion hearing; general business; executive session. Call 475-1300/01.

**BOARD OF ALLIED HEALTH EXAMINERS:** Noon March 2, Health Professional Licensing office, 1302 E. Sunset Blvd., Tiyon. Agenda copies available at 1304 E. Sunset Blvd. Call 475-0251/2.

**COMMITTEE ON RULES, GENERAL GOVERNMENTAL OPERATIONS, REORGANIZATION AND REFORM, AND FEDERAL, FOREIGN AND GENERAL AFFAIRS:** Public hearing 10 a.m. March 2, Sen. Mark Forbes' office conference room, 1 Liheslaturan Gushan, Hagåtña. Bill Nos. 6, 28. Appointment hearings on Vicente S. Taitague as director of the Department of Agriculture; Lucy B. San Nicolas and Tomas T. Aguan as members of the Chamorro Land Trust Commission; Antonio M. Palomo as member of Hagåtña Restoration and Redevelopment Authority; and Manuel R. Pinauin and Joaquin T. Angaco, members of the Civil Service Commission. Call 472-3407/8.

**GEPA BOARD OF DIRECTORS:** 5 p.m. March 2, GEPA administrative office building conference room, 17-3304 Mariner Ave., Tiyon. Agenda copies available by calling 475-1658/9. Public is urged to attend. Those who need special accommodations should call 475-1658/9.

**COUNCIL ON THE ARTS & HUMANITIES AGENCY:** Percent for the arts meeting 10 a.m. March 6, CAHA office 701/703 Central Ave., Tiyon. All visual artists invited.

**SAPAN AND NORTHERN ISLANDS SOIL AND WATER CONSERVATION DISTRICT:** 2 p.m. March 6, NRCS office, Garapan. Call (670) 233-3415/0650.

**GCC BOARD OF TRUSTEES:** Semi-monthly meeting 6 p.m. March 7, president's office conference room, Mangilao. Call 735-5637. Those who need special accommodations should call 735-5584 or TDD 734-8324/5236.

**PLANNING COUNCIL:** 9 a.m. March 7, RJB complex, Adekup. DOE 10-year capital facilities plan; GovGuam Emergency Response Plan; GIAA Master Plan; installation of new council members; council's 2000 progress report to governor and council's information booklet. Public invited. Those who need special accommodations should fax Ike Santos, 472-9772.

**GTA BOARD OF DIRECTORS:** 6 p.m. March 8, GTA conference room, Upper Tumon. Agenda copies available at meeting. Those who need special accommodations should call 479-8607.

**CONTRACTORS LICENSE BOARD:** 10 a.m., March 8, board conference room. Call 646-7262.

**GUAM SYSTEM OF CARE COUNCIL:** 4 p.m. March 9, GSAT, 19 Dean's Circle, UOG. All interested people invited. Call Victor F. Borja, 475-4625/97.

**INTERAGENCY WATERSHED:** 9:30 a.m. March 14, Division of Environmental Quality office. Call (670) 233-3415/0650.

**CONTRACTORS LICENSE BOARD:** 10 a.m., March 22, board conference room. Call 646-7262.

Pacific Daily News, Thursday, March 1, 2001 guampdn.com

# EXTENDED BANKING HOURS come to Mangilao and Harmon!

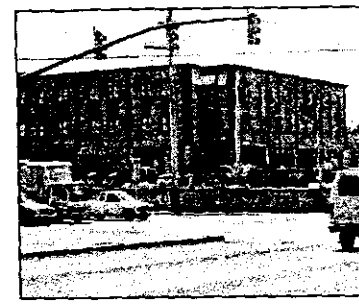
**That's Right...** On Monday, March 5th, Bank of Guam's Mangilao and Harmon branches will remain **OPEN until 8:00PM** for your banking convenience. These branches join Upper Tumon as well as the Dededo Pay-Less In-Store Branch in providing you full service banking... **DAY or NIGHT!**



Mangilao Branch... in the Legacy Square Plaza on Route 10.

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Harmon Branch... in the ParaOceana Business Center on the corner of Route 16 and Harmon Loop Road.

Banking Hours for other Bank of Guam Branches...

Also effective on March 5, 2001, banking hours for the following branches are:

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Includes a full flush & changed oil, filter, & pan. Includes 17 in. inspection.  
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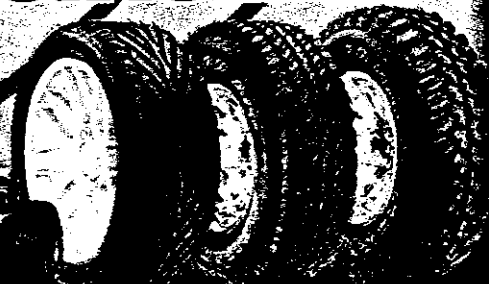
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Ph: 734-5801/5  
Hours: M-F 7am-6pm  
SAT 9am-4pm  
SUNDAY CLOSED



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**COUNCIL ON THE ARTS & HUMANITIES AGENCY:** Percent for the arts meeting 10 a.m. March 6, CAHA office 701/703 Central Ave., Tiyon. All visual artists invited.

**DEPARTMENT OF CHAMORRO AFFAIRS BOARD OF TRUSTEES:** Noon-1 p.m. March 6, Chamorro Language and Culture Division, 103 H St., Tiyon. Public invited. Call 475-4226/4279 for ADA assistance.

**CIVIL SERVICE COMMISSION BOARD:** 5:30 p.m. March 6, CSC conference room, 490 Chalan Palasyo, Agaña Heights. Old, new, general business; executive session. Call 475-1300/01.

**SAPAN AND NORTHERN ISLANDS SOIL AND WATER CONSERVATION DISTRICT 2:** p.m. March 6, NRCS office, Garapan. Call (670) 233-3415/0650.

▲ See Meetings. Page 12



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MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN  
2001 (FIRST) Regular Session

Bill No. 28 (COR)

Introduced by:

Mark Forbes 

---

AN ACT TO ADD §§12001.1 AND 12001.2 TO TITLE 12  
OF THE GUAM CODE ANNOTATED, RELATIVE TO  
REQUIRING GREATER PUBLIC NOTICE, INPUT  
AND EVALUATION OF PUBLIC UTILITY RATE  
INCREASE PROPOSALS, AND FOR THIS ACT TO BE  
KNOWN AS THE "RATEPAYERS' BILL OF RIGHTS."

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

2           **Section 1.** Section 12001.1 is hereby *added* to Chapter 12 of Title 12 of  
3 the Guam Code Annotated to read as follows:

4           **"Section 12001.1.       Ratepayers' Bill of Rights.** *I Liheslaturan*  
5 *Guåhan* finds that the services provided by Public Utilities are basic  
6 necessities that the residents of Guam must receive in order to function  
7 in modern life. *I Liheslaturan Guåhan* also finds that because residents  
8 have very little choice in purchasing these basic necessities, they are  
9 held captive to the rates and rate increases of the Public Utilities. Any  
10 rate increase therefore diminishes the amount of hard-earned wages  
11 residents have to spend on other basic necessities, such as food, shelter

1 and clothing, as well as the amount of hard-earned wages they have to  
2 set aside for retirement, college, emergencies or a family business.  
3 While *I Liheslaturan Guåhan* recognizes that over a long period of time,  
4 an increase in utility rates is inevitable, such rate increases must be  
5 made out of absolute necessity, and *only* after every cost-cutting effort  
6 has been made and every other available option has been exhausted. *I*  
7 *Liheslaturan Guåhan* intends to make it clear that it doesn't want to  
8 interfere with the ability of the Public Utility Commission to regulate  
9 and set rates for the Public Utilities, but *I Liheslaturan Guåhan* also  
10 intends to make it abundantly clear that no Public Utility shall submit a  
11 proposal for a rate increase without first giving the people of Guam  
12 more than ample opportunity to exercise their fundamental rights as  
13 ratepayers. Those fundamental rights of the ratepayers include:

14 (1) the right to receive clear and adequate notice of any  
15 proposed rate increase;

16 (2) the right to be fully informed about and to fully  
17 evaluate any proposed rate increase as well as the finances of a  
18 Public Utility; *and*

19 (3) the right to give input and participate in any proposed  
20 rate increase.

21 It is these basic rights which the Ratepayers' Bill of Rights  
22 seeks to uphold."

23 **Section 2.** Section 12001.2 is hereby *added* to Chapter 12 of Title 12 of  
24 the Guam Code Annotated to read as follows:

1           **“Section 12001.2.           Proposed Public Utility Rate Increases.**

2           (a) Sections 12001.1 through 12001.2, which shall be  
3 known as the Ratepayers’ Bill of Rights, shall in no way restrict  
4 the powers of the Public Utilities Commission (“Commission”)  
5 granted in this Chapter to regulate or set rates for a Public Utility.  
6 The Ratepayers’ Bill of Rights restricts *only* the ability of a Public  
7 Utility to submit a proposed rate increase to the Commission. No  
8 Public Utility, as defined in §12000 of this Chapter with the  
9 *exception* of the Guam Memorial Hospital, may submit a proposed  
10 rate increase to the Commission before complying with the  
11 mandates of this Section. This Section shall *not* apply to the Guam  
12 Memorial Hospital.

13           (b) A Public Utility shall publish notice of any proposed  
14 rate increase in a newspaper of general circulation, as defined in  
15 §8104 of Chapter 8 of Title 5 of the Guam Code Annotated, *Open*  
16 *Government Law*, at least six (6) months *before* submitting it to the  
17 Commission. The published notice shall include the Utility’s  
18 intention to submit a proposed increase in its rates in six (6)  
19 months time, its current utility rate, the proposed rate, the amount  
20 of increase, a justification for the increase.

21           (c) A Public Utility shall mail a notice to every ratepayer  
22 at least six (6) months before submitting a rate increase proposal  
23 to the Commission. The notice shall state the Utility’s intention to  
24 submit a proposal to increase its rates in six (6) months time, its

1 current utility rate, the proposed rate, the amount of increase, a  
2 justification for the increase.

3 (d) A Public Utility shall conduct a study comparing its  
4 staffing pattern to the staffing patterns of at least four (4) other  
5 utilities in the United States that provide similar services to a  
6 comparable number of customers at least six (6) months, but *no*  
7 *more than* a year, before submitting a rate increase proposal to the  
8 Commission. The Utility shall publish the comparison of staffing  
9 patterns with similar stateside utilities, along with a breakdown of  
10 its own staffing pattern and budgetary expenditures, as well as a  
11 description of the cost-cutting measures the Utility has taken *prior*  
12 *to* the rate increase proposal, in a newspaper of general  
13 circulation, as defined in §8104 of Chapter 8 of Title 5 of the Guam  
14 Code Annotated, *Open Government Law*, at least six (6) months  
15 *before* submitting a rate increase proposal to the Commission. The  
16 comparison of staffing patterns with similar stateside utilities,  
17 along with the breakdown of its own staffing pattern and  
18 budgetary expenditures, shall be made available to residents  
19 attending the public hearings on the proposed rate increase.

20 (e) A Public Utility, *at least* six (6) months before  
21 submitting a rate increase proposal to the Commission, shall  
22 publish on a World Wide Web ("Web") page, available through  
23 the Internet, all the information provided in its public notices  
24 required by this Section. The Web page shall also include a

1 message board, or an electronic mail address, by which the public  
2 can submit its opinions, testimony and any reactions to the  
3 proposed rate increase or to the information provided on the Web  
4 page.”

5 **Section 3. Effective Dates.** This Act shall be effective *immediately* upon  
6 its passage.

7 **Section 4. Reconciliation and Proration of Arrears Residential Tipping / User**  
8 **Fees.** The Department of Public Works (“DPW”) shall perform a reconciliation of all  
9 Residential Tipping / User Fees for its customer accounts for which it claims arrears  
10 are due. The reconciliation shall include, but not be limited to:

- 11 (a) identifying and applying to each customer any credit for payments  
12 made for periods not billed; *and*
- 13 (b) identifying periods for non-delivery of residential trash pickup  
14 services, and to apply credit accordingly.

15 Once a reconciliation is performed, DPW shall prorate each customer’s arrears  
16 balance in the billing cycle following the completion of the reconciliation divided  
17 into twelve (12) equal monthly payments. No retroactive billing for residential  
18 tipping / user fees shall be assessed until all of the provisions of this Section are  
19 completed.

20 **Section 5.** 12 GCA §12016 is hereby amended to read as follows:

21 **§12016. Public Hearings.** The Commission shall hold at least  
22 three (3) public hearings on any change in proposed rates or charges.  
23 One (1) of the public hearings shall be held in a location in Northern  
24 Guam, one (1) of the public hearings shall be held in a location in  
25 Central Guam, and one (1) of the public hearings shall be held in a

1 location in Southern Guam. The notice of public hearing herein  
2 provided for shall plainly state the rates, charges, or assessment costs  
3 proposed to be established, abandoned, modified or departed from, and  
4 the proposed effective date thereof. No hearings shall be held unless  
5 notice of the hearing, with the purpose stated thereof and the date, time  
6 and place at which it will be held has been advertised not less than once  
7 in each of three (3) weeks in a newspaper of general circulation in  
8 Guam, the first publication being not more than twenty-one days before  
9 the scheduled hearing, and the last publication being not less than two  
10 (2) days before the scheduled hearing. The utility shall notify its  
11 consumers of the proposed change in rates in the normal billing process  
12 not less than three (3) weeks before the date set for the public hearing.  
13 The Commission may use additional media such as radio or television  
14 to advise the public if it finds it necessary to do so. The Commission  
15 shall also accept written testimony on the proposed rate increase from  
16 the public after the public hearings have been conducted.

17 **Section 6. Severability.** *If* any provision of this Act or its  
18 application to any person or circumstance is found to be invalid or contrary to  
19 law, such invalidity shall *not* affect other provisions or applications of this Act  
20 which can be given effect without the invalid provisions or application, and to  
21 this end the provisions of this Act are severable.