

## Public Law 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:

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**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.**

### BE IT ENACTED BY THE PEOPLE OF GUAM:

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

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

clothing, as well as the amount of hard-earned wages they have to set aside for retirement, college, emergencies or a family business.

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

- (1) the right to receive clear and adequate notice of any proposed rate increase;
- (2) the right to be fully informed about and to fully evaluate any proposed rate increase, as well as the finances of a Public Utility; *and*
- (3) the right to give input and participate in any proposed rate increase.

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

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

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

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

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

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

(d) The Public Utilities Commission ('PUC') shall annually conduct a study comparing the staffing pattern and manpower levels of the Public Utilities under their purview to the staffing patterns and manpower levels of *at least* four (4) other utilities in the United States Mainland

which provides similar services to a comparable number of customers.

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

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

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

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

**“Section 12016. Public Hearings.** The Commission shall hold *at least* three (3) public hearings on any change in proposed rates or charges. One (1) of the public hearings shall be held in a location in Northern Guam, one (1) of the public hearings shall be held in a location in Central Guam, and one (1) of the public hearings shall be held in a location in Southern Guam. The notice of public hearing herein provided for shall plainly state the rates, charges or assessment costs proposed to be established, abandoned, modified or departed from, and the proposed effective date thereof.

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

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

public *after* the public hearings have been conducted.”

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

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