

GPA 2007 Base Rate Case Village Meetings
(May 29 – June 1)

Issue #8: CCU should have reviewed power rate alternatives prior to village meetings for feedback since base rate adjustment is already a “done deal”

This rate proposal is far from a “done deal”.

During the village meetings, GPA presented its original recommendation to the Consolidated Commission on Utilities (CCU). This is the recommendation made to the CCU prior to these village meetings. This recommendation was a 19.72 increase in projected FY 2008 base rate revenues effective February 1, 2008. The village meetings were to obtain feedback from customers. The CCU felt management needed to obtain this feedback prior to the CCU listening to alternatives. This is a prudent thing to do. The Authority needs to listen carefully to all of its customers. The Authority has made several presentations to the local business community.

After these village meetings, the CCU and management agreed to a two fiscal year phase-in of the proposed rate increase. Additionally, the CCU and management added a proposal for a credit to encourage the Government of Guam to pay down DPW’s arrears and fully fund the public streetlight fund each year forward. The Authority has drafted a bill proposing this credit for Legislative consideration. Therefore the rate proposal is evolving. Thus, it is not a done deal.

Additionally, prior to filing with the Guam Public Utilities Commission (PUC), the Authority must comply with the Rate Payer Bill of Rights (Public Law 26-23). This bill spells out the duties including public announcement and discussion of the proposed rate increase three months prior to the official filing with the PUC.

After GPA has filed its request with the PUC, evidence will be presented and reviewed by various parties including the Authority over several months. After this period for review, the PUC will hear the evidence and decide on the magnitude and timing for any change in the rates. The PUC may grant all, none, or part of the requested rate increase. Seldom has the Authority received all of the base rate increases it has requested.