

**PUBLIC UTILITIES COMMISSION
OF GUAM**

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Harry M. Boertzel
Administrative Law Judge

Lourdes R. Palomo
Administrator

February 2, 2007

VIA HAND DELIVERY

The Honorable Felix P. Camacho
Governor of Guam
Office of the Governor of Guam
Reicardo J. Bordallo Governor's Complex
Adelup, Guam 96910

The Honorable Mark Forbes
Speaker, 29th Guam Legislature
155 Hesler Street
Hagåtña, Guam 96910



RE: FY06 Annual Report of Guam Public Utilities Commission

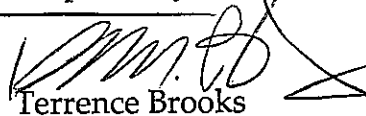
Gentlemen:

In accordance with the mandate of 12 GCA 12003, the Guam Public Utilities Commission [PUC] respectfully submits its annual report for fiscal year 2006.

Attachment A summarizes the significant regulatory actions taken by PUC in FY06. Further information about these actions can be obtained from the referenced documents, which are available on PUC's website [guampuc.com].

PUC currently has one vacant commissioner position requiring expertise in telecommunications, water or sewer utility management category. In addition, the term of office of Commissioner Edward Crisostomo will expire on June 1, 2007. He fills the position requiring expertise in the field of power generation [12 GCA 12001 [a].

Respectfully submitted,


Terrence Brooks

Office of the Speaker

MARK FORBES

Date: 2/07/07

Time: 11:00

Rec'd by: [Signature]

Print Name: [Signature]

Attachment
Significant regulatory action - FY06

| <i>Date</i> | <i>Docket</i> | <i>Action</i> |
|----------------------------------|---------------|---|
| Guam Waterworks Authority | | |
| 10/25/05 | 05-10 | Order approving GWA application to issue \$110 million in revenue bonds for Federal Stipulated Order compliance and approving use of bond proceeds. |
| 10/27/05 | 00-04 | Order amending GWA contract review protocol to establish common review standard with CCU. |
| 2/2/06 | 05-5 | Order approving a 3% rate increase with revenues restricted in Rate Stabilization Trust Account and increasing Supplemental Annuities surcharge to fund retiree benefits. |
| 6/1/06 | 05-10 | Authorization to use \$8.6 million of contingency reserve bond funds to cover cost overruns with Hagatna and northern district outfall projects. |
| 7/20/06 | 06-6 | Order approving procurement to retain a performance management contractor to manage and operate the GWA wastewater system. |
| 9/28/06 | 07-2 | Order commencing an investigation of GWA's violation of PUC orders relating to the Rate Stabilization Fund and Bond Indenture. |
| Guam Power Authority | | |
| 10/27/05 | 02-4 | Approval of GPA petition that no change be made in LEAC for the period from 10/1/05 through 3/31/06. |
| 1/25/06 | 94-4 | Approval of deferred payment agreements between GPA and Doosan Engine Company and Taiwan Electrical and Mechanical Engineering Services, Inc. |
| 2/2/06 | 94-4 | Ratification of 2005 procurements entered into in violation of PUC contract review protocol. Establishment of \$17.3 million FY06 CIP ceiling. |

| <i>Date</i> | <i>Docket</i> | <i>Action</i> |
|--|---------------|--|
| | | Amendment of contract review protocol to establish common review standard with CCU. |
| 4/20/06 | 02-4 | Review and upward adjustment of LEAC to address forecasted fuel cost increases. Focus on fuel costs attributable to line losses. |
| Department of Public Works [solid waste management [SWM]] | | |
| 10/27/05 | 05-9 | Establishment of contract review protocol for SWM procurements. Rate award increasing SWM fees in anticipation of revenue bonds to fund Federal Consent Decree compliance. |
| 12/20/05 | 05-9 | Order approving contract for a procurement advisor for Consent Decree requirements. |
| 9/28/06 | 06-2 | Order accepting Georgetown focused management audit of DPW's solid waste management billing and collection system and non-compliance with Federal Consent Decree. |
| Telecommunications | | |
| 10/27/05 | 05-8 | Approval of interconnection agreement between GTA Telecom and GTA Wireless. |
| 10/27/05 | 05-11 | Order accepting jurisdiction over the negotiation efforts of GTA Telecom and Pacific Data Systems for interconnection agreement. |
| 12/20/05 | 06-3 | Decision on complaint by telephone companies that GTA Telecom was violating its tariff in refusing to fill new orders for metallic circuit provisioned voice grade special access service. |
| 12/20/05 | 06-1 | Issuance of certificate of authority to Interstate Telecommunications, Inc. |
| 4/20/06 | 05-3 | Order approving numerous GTA tariff amendments. |
| 6/22/06 | 05-11 | Decision arbitrating open issues between GTA and |

| <i>Date</i> | <i>Docket</i> | <i>Action</i> |
|-------------|---------------|--|
| | | PDS regarding interconnection agreement. |
| 9/18/06 | 05-11 | Order approving interconnection agreement. |
| 9/28/06 | 06-7 | Issuance of certificate of authority to IT&E Oversees, Inc. |
| 9/28/06 | 06-8 | Order asserting jurisdiction over application of Pulse Mobile, LLC for designation as eligible telecommunications carrier. |