

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:)	Port Docket 09-01
)	GENERAL REGULATORY DOCKET
REQUEST OF THE PORT AUTHORITY)	
OF GUAM [PAG] FOR APPROVAL OF)	
TARIFF CONSULTANT CONTRACT)	
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AMENDED ORDER

This matter comes before the Guam Public Utilities Commission [PUC] upon the request of the Port Authority of Guam [PAG] for approval of the Tariff Consultant Agreement between PAG and the Cornell Group, Inc., which was filed on August 24, 2010.¹ Therein, PAG requests that the PUC review such agreement and approve it at its meeting on August 30, 2010. On August 30, 2010, PUC Counsel filed his Report herein.² The Report details the background of the proceedings in this matter. On April 1, 2010, the PUC, through its Chairman, approved the request of the Port to issue RFP No. 010-005, Professional Services for Comprehensive Tariff Study, subject to inclusion of the changes recommended by PUC Counsel. Pursuant to Public Law 30-52, the Port is required to hire a rate consultant, and, by December 31, 2010, to submit to the PUC the results from a study of existing rates, charges and costs of services.³

There was only one bidder in response to the RFP, the Cornell Group Inc. [“Cornell”]. The Cornell Group [hereafter “Cornell”] filed a detailed proposal which included a “Work Plan and Schedule” (a true and correct copy thereof is attached to Counsel’s Report as Exhibit “A”). Initially, Cornell had proposed a total cost for the project of \$251,011, which consisted of both professional fees and estimated expenses.⁴ However, the PAG Cost Negotiation Committee was successful in negotiating the final contract price down to a fee of \$190,000, inclusive of all expenses.

¹ See e-mail dated August 24, 2010, from Jose B. Guevara, Financial Affairs Controller of PAG, to Frederick J. Horecky, PUC Legal Counsel, with Tariff Consultant Agreement attached.

² PUC Legal Counsel Report, Port Docket 09-01, filed August 30, 2010.

³ Minutes of PUC Special Meeting of March 25, 2010, p. 2.

⁴ Record of Fee Negotiations - RFP No. 010-005 [Memorandum from General Manager to Procurement and Supply Manager, dated May 24, 2010] filed in Docket 09-01 on August 24, 2010.

The Agreement adequately sets forth the plan by which the Cornell Group will prepare a study of existing rates, charges and costs of services. If the services are provided in accordance with the Agreement, the Port should be able to meet its statutory duty under Section 7 of Public Law 30-52 of submitting the study to the Commission no later than December 31, 2010. The cost of the proposal appears reasonable, given the comprehensive nature of the proposed tariff study; the cost of the study will not have any measurable impact upon Port rates or tariffs. The Consultant also agrees that it will provide consultation, advice and assistance to the PAG pertaining to the preparation of presentations and cases at public hearings before the PUC or other relevant government bodies.⁵

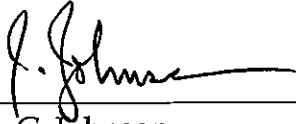
Upon consideration of the record herein, the Request of the Port, the PUC Legal Counsel Report, the Letter of the Port General Manager dated September 9, 2010, and for good cause shown, on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS that:

1. The Consultant Agreement between the Jose D. Leon Guerrero Commercial Port (Port Authority of Guam) and the Cornell Group, Inc. is hereby approved pursuant to Section 7 of Public Law 30-52.
2. The Scope of Services under the Consultant Agreement is reasonable and, if fully performed and carried out, should be sufficient to enable PAG to submit to the Commission results of its study of existing rates, charges and cost of services no later than December 31, 2010.
3. As stated in Section II, Term of the Consultant Agreement, the Contract is effective as of June 1, 2010. However, approval by the Commission of this Contract shall in no manner excuse the Port from full compliance hereafter with the requirements of 12 GCA §12004 regarding PUC approval of Port contracts and any Contract Review Protocol subsequently adopted by the Commission.
4. The Port is ordered to pay the Commission's regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses of conducting the hearing proceedings. Assessment of PUC's regulatory fees and expenses is authorized pursuant to 12 GCA

⁵ Id. at p. 31.

§§12002(b) and 12024(b), and Rule 40 of the Rules of Practice and
Procedure before the Public Utilities Commission.

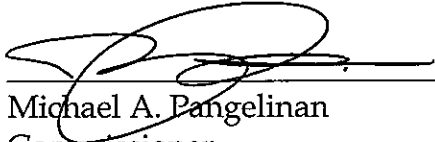
Dated this 15th day of September, 2010.



Jeffrey C. Johnson
Chairman



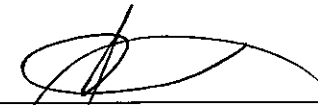
Filomena M. Cantoria
Commissioner



Michael A. Pangelinan
Commissioner



Joseph M. McDonald
Commissioner



Rowena E. Perez
Commissioner