

# NOTICE TO GWA RATEPAYERS

The Guam Waterworks Authority (GWA) wishes to advise its ratepayers of its intent to file a petition with the Public Utilities Commission on or about June 3, 2013, requesting an annual adjustment to its rates over the next five years under a five year financial plan in the following amounts: (1) 16% in FY2014; (2) 14.5% in FY2015; (3) 17.5% in FY2016; (4) 10% in FY2017; and (5) 9% in FY2018. The requested rates are estimated to yield the following additional amounts for each fiscal year as follows: (1) \$10.9M in FY2014; (2) \$ 10.9M in FY2015; (3) \$16.9M in FY2016; (4) \$12.1M in FY2017; and (5) \$ 13.1M in FY2018.

This rate filing is consistent with the five year financial plan duly approved at a regularly scheduled meeting of the Consolidated Commission on Utilities on February 26, 2013.

The increased rates are driven primarily by the need to pay debt service on the \$450 million dollars in bonds that GWA intends to issue over the next five years so that GWA can continue to upgrade and improve GWA's service to its customers and comply with the Order for Preliminary Relief in Civil Case No. 02-00035 ("Stipulated Order"). The rates also are designed to cover increasing operational expenses, which include but are not limited to, increased power costs and ever-increasing Navy water purchases.

GWA believes that the threshold has been met at which lifeline rates can be modified, and is in fact requesting a modification to lifeline rates under this plan.

After the filing is made in June of 2013, the Public Utilities Commission will review the petition with its supporting documentation and schedule a time for the rate case to be presented to PUC Commissioners. During this time, the public will be given an opportunity to provide testimony to the Commission. Please note that during this process some of the numbers in the attached chart may change, however, the GWA believes the tables fairly represent the estimated impact on customer rates

**The following is a table indicating how the rate petition, if approved, would impact the rates of GWA customers:**

Description	Current	Projected				
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<b>Projected Unit Rate Increases</b>						
Basic & Non-Lifeline Increase	6.10%	16.00%	14.50%	17.50%	10.00%	9.00%
Lifeline Increase	6.10%	0.00%	0.00%	17.50%	0.00%	0.00%
Legislative Surcharge	4.50%	3.85%	3.50%	2.98%	2.72%	2.48%
<b>Basic (Service) Charge by Water</b>						
<b>Meter Size (all Classes)</b>						
3/4"	\$14.05	\$15.84	\$18.14	\$21.31	\$23.44	\$25.55
1"	\$16.39	\$18.49	\$21.17	\$24.87	\$27.36	\$29.82
1 1/2"	\$25.74	\$29.02	\$33.23	\$39.04	\$42.95	\$46.81
2"	\$32.79	\$36.97	\$42.33	\$49.74	\$54.72	\$59.64
3"	\$58.55	\$66.03	\$75.59	88.82	\$97.70	\$106.49
4"	\$81.95	\$92.41	\$105.80	\$124.32	\$136.75	\$149.06
6"	\$152.19	\$171.60	\$196.49	\$230.87	\$253.96	\$276.82
8"	\$222.43	\$250.79	\$287.16	\$337.41	\$371.15	\$404.55
10"	\$304.38	\$343.20	\$392.96	\$461.73	\$507.90	\$553.61
12"	\$362.89	\$409.18	\$468.51	\$550.50	\$605.55	\$660.05
<b>Water Consumption Charges</b>						
Commercial & Government and Golf Course	\$8.32	\$9.38	\$10.74	\$12.62	\$13.88	\$15.13
Agriculture and Irrigation	\$2.77	\$3.13	\$3.58	\$4.21	\$4.63	\$5.04
Residential						
0 to 4,999 gallons per month	\$2.99	\$2.91	\$2.91	\$3.42	\$3.42	\$3.42
5,000 and greater per month	\$6.69	\$7.54	\$8.64	\$10.15	\$11.17	\$12.17
<b>Wastewater Charge (\$ per 1,000 gallons of WW)</b>						
Commercial I (C) Low Strength	\$4.58	\$5.17	\$5.92	\$6.96	\$7.66	\$8.35
Commercial II (D/H Hotels)	\$11.18	\$12.60	\$14.43	\$16.96	\$18.66	\$20.34
Commercial III (E) High Strength	\$15.49	\$17.46	\$20.00	\$23.50	\$25.85	\$28.18
Navy and Air force (federal)	\$6.55	\$7.38	\$8.46	\$9.94	\$10.94	\$11.93
Government	\$6.55	\$7.38	\$8.46	\$9.94	\$10.94	\$11.93
<b>WW - Residential (\$/month-acct)</b>	\$27.37	\$26.61	\$26.61	\$31.27	\$31.27	\$31.27
<b>Surcharges on Non-lifeline Portion of Utility Bills</b>						
Sup. Annuity Retirement (SAR)	2.63%	3.85%	3.50%	2.98%	2.72%	2.48%