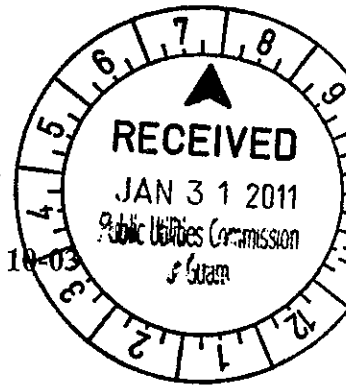


BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN RE: GDP MARINA RENOVATION,  
PHASE 1, CONSTRUCTION

PAG Docket No. 10-03

ORDER



**BACKGROUND**

This matter comes before the Guam Public Utilities Commission (“GPUC”) upon the request of the Port Authority of Guam (“PAG”) for approval of its proposed “Agreement Between Jose B. Leon Guerrero Commercial Port and with Black Construction Corporation” (the “Black Construction Contract”), made on December 1, 2010.

**DETERMINATIONS**

Section 12004 of Title 12 of the Guam Code Annotated provides that a public utility shall not “enter into any contractual agreements or obligations which could increase rates and charges prior to the written approval of the Commission.” Section 12000(a) of Title 12 of the Guam Code Annotated defines PAG as a public utility.

On December 27, 2010, the ALJ issued an ALJ Report regarding his review of the Black Construction Contract. In the Report, the ALJ found that the purpose of the Black Construction Contract is to obtain services related to the Gregorio D. Perez Marina Renovation & Site Improvements, Phase 1 Project. The Gregorio D. Perez Marina Renovation & Site Improvements, Phase 1 Project is a renovation project funded by federal grants and aimed at improving PAG’s current infrastructure by renovating its marina. The Black Construction Contract is the agreement between PAG and Black Construction to execute the first phase of the renovation project.

The ALJ additionally found that the terms of the proposed Black Construction Contract were reasonable. In particular, the ALJ determined that the Black Construction Contract contained the standard provisions used in most construction contracts. In addition, the ALJ further found that the \$1,252,000.00 contract price was reasonable for Black Construction's services related to the marina renovation project. Moreover, the ALJ found that the nine (9) month contract term was a reasonable amount of time to complete the project.

Finally, the ALJ further found that the Black Construction Contract would not affect PAG's rates as the entire project is federally funded by the U.S. Department of Interior, Office of Insular Affairs, under GUAM-CIP-2006-1 Grant No. GR670090 and GUAM-CIP-2007-1 Grant No. GR770061. Accordingly, the terms of the Black Construction Contract would not affect PAG's operating budget. Therefore, based on his findings, the ALJ recommended that the Black Construction Contract be approved by the GPUC.

The Commission hereby adopts the findings made in the ALJ Report and, therefore, issues the following.

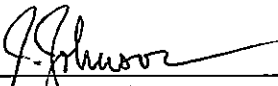
### **ORDERING PROVISIONS**


Upon consideration of the record herein, the request made by PAG, the December 27, 2010 ALJ Report, 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. PAG is hereby authorized to accept the terms and conditions set forth in the Black Construction Contract, which proposed form was submitted to the GPUC on December 1, 2010 for its approval.
2. PAG is further ordered to pay the GPUC's regulatory fees and expenses, including and without limitation, consulting and counsel fees, and the fees and expenses

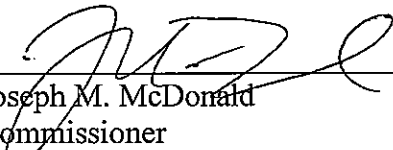
associated with conducting the review and hearing process. Assessment of the GPUC's regulatory fees and expenses is authorized pursuant to 12 G.C.A. §§ 12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.


SO ORDERED this 31<sup>st</sup> day of January, 2011.

  
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Jeffrey C. Johnson  
Chairman

  
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Rowena E. Perez  
Commissioner

  
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Michael A. Pangelinan  
Commissioner

  
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Joseph M. McDonald  
Commissioner

  
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Filomena M. Cantoria  
Commissioner