

DETERMINATIONS

6. Diesel Fuel Oil is utilized at various GPA Diesel-fired power plants to provide the necessary generation capacity, during planned/unplanned shutdowns of GPA's Baseload Units, in order to provide a stable and uninterrupted supply of electricity to meet the island wide utility power demand.⁶
7. Authorization for the extension of these diesel supply contracts will provide GPA with a continuous supply of fuel to the power plants necessary to implement the Authority's electric power generation capacity.⁷
9. Issuance of a new solicitation by GPA could yield increased premium fees due to rising costs in the delivery of the services, resulting in increased bid offers and contract costs.⁸
10. GPA is satisfied with the contractual performance of IP&E during the first two years of the contracts; the annual contract cost for the Tenjo Vista plant was reduced in the amount of \$324,800 per year.
11. Part of the savings to GPA resulted from a reduction in the premium fee for the delivery of diesel fuel to Tenjo Vista Plant by \$0.109 per gallon (due to the conversion to Ultra Low Sulfur Diesel).⁹
12. Public Law 30-184, enacted August 28, 2010, requires that all diesel fuel imported to Guam for the purpose of sale and distribution in Guam shall meet US EPA Standards for *Ultra-low Sulfur Diesel Fuel*.¹⁰

ORDERING PROVISIONS

After review of the record herein, GPA's Petition for exercise of Contract Extensions of Its Diesel Fuel Supply Contracts with IP&E Guam, and the PUC Counsel Report, for good cause shown, on motion duly made, seconded, and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

⁶ Id. at p. 4 of 8.

⁷ Id.

⁸ Id. at p. 5 of 8.

⁹ Id. at p. 1 of 8.

¹⁰ Public Law 30-184, enacted August 28, 2010.

1. GPA's Petition for Approval of its extension of Diesel Fuel Supply Contracts with Isla Petroleum and Energy, LLC (IP&E Guam) for the period of December 1, 2012 to November 30, 2014, is hereby approved.
2. The recommendations and reasoning contained in the Counsel Report filed herein are adopted.
3. GPA 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 §§12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

Dated this 30th day of July, 2012.

Jeffrey C. Johnson
Chairman

Rowena E. Perez
Commissioner

Joseph M. McDonald
Commissioner

Michael A. Pangelinan
Commissioner

Filomena M. Cantoria
Commissioner