

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:)
) GPA Docket 11-14
)
Guam Power Authority’s Petition for)
Approval to Use Bond Proceeds for the) **ORDER**
Fadian Office Complex)
)
)
_____)

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission [“PUC”] upon the Petition of the Guam Power Authority of [“GPA”] for Approval to Use Bond Proceeds for the Fadian Office Complex.¹

BACKGROUND

3. On June 3, 2010, the PUC approved the 2010 GPA Revenue Bond and Subordinate Bond Issuance.² Attached as Exhibit A to the Order was a listing of projects which would be financed under the bonds, including the new office building.³
5. In Public Law 31-77, §31, enacted on September 21, 2010, the Guam Legislature transferred to GPA in fee simple, Lot No. 5412-2 (property in Fadian, Mangilao) **“to provide necessary land for the development of a consolidated Central Office.”**⁴
6. In accordance with prior PUC Orders, GPA now petitions the PUC to authorize it to use bond proceeds for the Fadian Office Complex and to proceed ahead with the construction of the complex.⁵
7. On December 14, 2010, the Consolidated Commission on Utilities issued Resolution No. 2010-65. The Resolution indicated that GPA had contracted

¹ GPA Petition for Use of 2010 Bond Proceeds on the Fadian Office Complex Project, GPA Docket 11-14, filed November 4, 2011.

² See Order Approving Long-Term Debt, GPA Docket 10-01, issued June 3, 2010.

³ Id. at p. 1.

⁴ Public Law 31-77, §31, enacted on September 21, 2011.

⁵ GPA Petition for Use of 2010 Bond Proceeds on the Fadian Office Complex Project, GPA Docket 11-14, dated November 4, 2010, at p. 1-2.

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with RIM Architects to perform a space allocation study for the GPA-GWA Multi-Purpose Facility. The CCU found that the Fadian GPA-GWA Multipurpose Facility was reasonable, prudent and necessary for the use of 2010 bond funds.⁶

DETERMINATIONS

9. Based upon the Space Utilization Report prepared by RIM Architects, the proposed new Fadian Office Complex will reduce costs for leasing and renovating existing facilities, thereby streamlining utility operations and increasing efficiencies. The new Fadian administration and operations center will be designed and constructed in accordance with LEED standards to reduce electrical demand, water and sewer demand, and stress on the landfill.⁷
10. A new central office will address the current and future space needs of GPA and GWA as both agencies have outgrown their current facilities; and adequate parking for customers and employees. Such investment will protect GPA from rising rental market prices and provide opportunities for consolidation between GPA and GWA. Other efficiencies should be achieved by eliminating duplication of efforts between the two agencies.⁸
11. GPA's Space Utilization Report examined three alternatives in detail: do nothing regarding current operational inefficiencies and continue operating at the existing locations under the current working conditions; consider the leasing of office space at six various locations; construction of the proposed Fadian GPA-GWA Multipurpose Facility.
12. Based upon the Report's conclusions, it appears that: "the Construction of a new multipurpose facility at Fadian will offer the best return value on the basis of cost per square footage and provide quantifiable and intangible benefits to GPA, GWA, and their ratepayers."⁹

⁶ Id. at p. 2.

⁷ Id.

⁸ Id.

⁹ Id.

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17. In terms of Cost comparison, the Report concludes that the Construction of the Fadian Complex alternative has a lower operating cost and other benefits such as consolidation and improved facilities for both customers and employees.¹⁰

ORDERING PROVISIONS

After a review of the record herein, GPA's Petition for review and approval of use of 2010 bond proceeds on the Fadian Office Complex, 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:

1. GPA's Petition for Approval to Use Bond Proceeds for the Fadian Office Complex is hereby approved.
2. GPA is authorized to commence construction of the Fadian Office Complex, and to use the bond proceeds for such construction.
3. GPA shall report the use of bond proceeds for the Fadian Office Complex to the PUC in accordance with the standard GPA reporting requirements concerning use of bond funds.
6. 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.

¹⁰ Id. at Section II, p. 27.

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Dated this 11th day of January, 2011.

Jeffrey C. Johnson
Chairman

Joseph M. McDonald
Commissioner

Rowena E. Perez
Commissioner

Filomena M. Cantoria
Commissioner

Michael A. Pangelinan
Commissioner