

**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF: )  
 ) **GPA DOCKET 11-13**  
 )  
 **GUAM POWER AUTHORITY'S** )  
 **PETITION FOR REVIEW AND** ) **ORDER**  
 **APPROVAL OF SUBSTATION** )  
 **AUTOMATION CONTRACT (SMART** )  
 **GRID PROJECT)** )  
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**INTRODUCTION**

1. This matter comes before the Guam Public Utilities Commission ["PUC"] upon Guam Power Authority's ["GPA"] Petition for contract review and approval of GPA's Substation Automation Contract with Black Construction Corporation ["Black"].<sup>1</sup>
2. According to the Petition, the implementation of this Contract for Substation Automation is critical to the success of GPA's Smart Grid Project, and is reasonable, prudent and necessary.<sup>2</sup>
3. The cost of the Contract with Black Construction Corporation is the amount of \$3,195,421.00.<sup>3</sup>

**BACKGROUND**

4. The Smart Grid Project has been before the Commission on numerous occasions. Previously, PUC authorized GPA to issue revenue bonds, which included approximately \$17M for the Smart Grid project. PUC further approved the expenditure of funds for Smart Grid under the Contract Review Protocol and the implementation of the Smart Grid Project.<sup>4</sup>
5. On December 19, 2011, the PUC approved GPA's intent to proceed with six major contracts for different aspects of the Smart Grid Project, including Substation Automation, and authorized GPA to obligate funds up to the full amount of \$17M.<sup>5</sup>

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<sup>1</sup> GPA Petition for Review and Approval of Substation Automation Contract under GPA Smart Grid Project, GPA Docket 11-13, filed July 12, 2012.

<sup>2</sup> Id. p. 2.

<sup>3</sup> Id.

<sup>4</sup> PUC Order, GPA Docket 10-01, issued July 27, 2010, at p. 2.

<sup>5</sup> PUC Order GPA Docket 11-13, issued December 19, 2011, at p. 2.

6. The PUC also approved and implemented measures to assist GPA in rapidly implementing its Smart Grid Program; if expeditious action is not taken by GPA to implement Smart Grid, there is the possibility that its Grant could be terminated by the U.S. Department of Energy.<sup>6</sup>
7. In said Order, the PUC implemented an expedited procedure for Smart Grid projects whereby GPA would not need to obtain prior PUC approval for procurements of Smart Grid Projects, but only to obtain final review and PUC approval of Smart Grid Contracts.<sup>7</sup>
8. On June 11, 2012, the Commission approved the Electric Smart Meter and Advance Meter Infrastructure (AMI) Contract with Landis & Gyr Technologies.<sup>8</sup>

#### **DETERMINATIONS**

9. GPA conducted due diligence in procuring and negotiating the contract with Black Construction Corporation.
10. GPA has demonstrated that the implementation of its contract for the Substation Automation is critical to the success of GPA's Smart Grid Project.
11. Approval of this contract will not have any additional impact upon customer power rates. Funding for this contract was already included in the 2010 Bond Issuance and does not involve the expenditure of additional ratepayer funds.

#### **ORDERING PROVISIONS**

After a review of the record herein, GPA's Petition for review and approval of its Substation Automation Contract with Black Construction Corporation, and the PUC Counsel Report, for good cause shown, the Guam Public Utilities Commission HEREBY ORDERS that:

1. GPA's Petition for review and approval of the Substation Automation Contract with Black Construction Corporation is hereby granted.

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<sup>6</sup> Id. at p. 2.

<sup>7</sup> Id. at p. 3.

<sup>8</sup> PUC Order, GPA Docket 11-13, issued April 30, 2012.

2. The recommendations and reasoning contained in the Counsel Report are adopted.
3. GPA is authorized to expend up to the amount of \$3,195,421.00 for said Contract.
4. GPA shall continue to comply with its monthly reporting requirements to the PUC as set forth in the PUC Order dated July 27, 2011. GPA shall submit ongoing progress reports to the PUC concerning this contract and other ongoing Smart Grid Projects.
5. 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 the 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 30<sup>th</sup> day of July, 2012.

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Jeffrey C. Johnson  
Chairman

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Joseph M. McDonald  
Commissioner

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Rowena E. Perez  
Commissioner

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Filomena M. Cantoria  
Commissioner

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Michael A. Pangelinan  
Commissioner