



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF: )  
Guam Power Authority's Petition for ) GPA Docket 10-01  
Contract Review Approval of 2010 Bond )  
Financed Projects ) ORDER  
\_\_\_\_\_ )

INTRODUCTION

This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Petition of the Guam Power Authority ["GPA"] for the Contract Review for Approval of the Hagatna Breaker Replacement Project.<sup>1</sup>

BACKGROUND

1. On July 27, 2010, the PUC approved the Agana Substation Capacity Upgrade, finding that such project was "reasonable, prudent, and necessary."<sup>2</sup>
2. The PUC approved the expenditure of 2010 Bond Funds for the Agana Substation Capacity Upgrade, which is the same project as the Hagatna Breaker Replacement Project, at a total cost of \$1,250,000.<sup>3</sup>
3. On February 15, 2011, PUC Counsel issued his report recommending PUC approval of the Hagatna Breaker Replacement Project.<sup>4</sup>

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<sup>1</sup> GPA Petition for Contract Review for Approval of Hagatna Breaker Replacement Project, GPA Docket 10-01 filed January 18, 2011.

<sup>2</sup> PUC Order, GPA Docket 10-01, issued June 3, 2010.

<sup>3</sup> PUC Order, GPA Docket 10-01, issued July 27, 2010 at p. 2.

<sup>4</sup> PUC Counsel Report issued February 14, 2011 at p. 3.

### DETERMINATIONS

4. Pursuant to the Contract Review Protocol, and 12 GCA §12004, GPA has presented a reasonable justification to replace breakers at the Hagatna Substation. Such breakers have exceeded their life expectancy, and potential failure of such equipment poses a safety hazard to personnel who work within the substation confines.
5. The proposed project is "reasonable, prudent, and necessary."
6. GPA has engaged in an appropriate procurement process and selected GEMCCO as the lowest responsible bidder in accordance with procurement procedures.
7. The bid received from GEMCCO in the amount of \$1.499M is substantially less than the other bids received (nearly \$2.2M less than the highest bid received and \$500,000 less than the second lowest responsible bidder).<sup>5</sup>

### ORDERING PROVISIONS

After careful review and consideration of the above determinations, the report of PUC Counsel, and the record herein, for good cause shown, on motion duly made, seconded and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

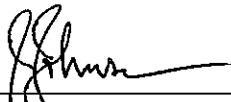
1. GPA's request to proceed with the award of the Hagatna Substation Breaker Replacement project to GEMCCO is approved on the grounds that the project is "reasonable, prudent and necessary."
2. The PUC reaffirms its approval of the use of 2010 bond funds up to the amount of \$1,250,000, as approved in its Order dated July 27, 2010.

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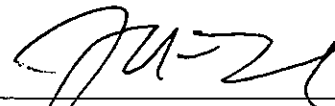
<sup>5</sup> Abstract of Bids attached to GPA Petition for Contract Review, filed January 18, 2010.

3. As requested by the Consolidated Commission on Utilities, the General Manager of GPA is authorized to expend up to the amount of \$1,499,400 for the purpose of purchasing the required construction services from GEMCCO for the Hagatna Substation 115kV and 34.5kV Breaker Replacement Project.
4. Such expenditure by the General Manager must be in accordance with the CCU authorization and Contract Review Protocol.
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 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.

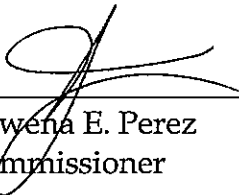
Dated this 21<sup>st</sup> day of February, 2011.



Jeffrey C. Johnson  
Chairman



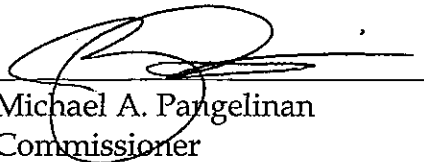
Joseph M. McDonald  
Commissioner



Rowena E. Perez  
Commissioner



Filomena M. Cantoria  
Commissioner



Michael A. Pangelinan  
Commissioner