

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 ADDITIONAL BLACK)
& VEATCH CONTRACT SERVICES)
UNDER THE SMART GRID PROJECT)
_____)

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Petition of the Guam Power Authority ["GPA"] for contract review and approval of additional Black & Veatch Contract Services under the Smart Grid Project.¹
2. GPA is requesting additional Black & Veatch contract services under GPA's Smart Grid Project in the amount of \$881,065.50.²
3. According to the Petition, the additional services provided under the Black & Veatch PMO Contract are critical to the success of GPA's Smart Grid Project, and are "reasonable, prudent, and necessary."³

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.⁴
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 Distribution

¹ GPA Petition for Contract Review of Additional Black & Veatch Contract Services under the Smart Grid Project, GPA Docket 11-13, filed July 12, 2013.

² Id. at p. 2.

³ Id.

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

Management System [“DMS”], and authorized GPA to obligate funds up to the full amount of \$17M.⁵

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.⁶
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.⁷
8. In CCU Resolution No. 2013-31, the Consolidated Commission on Utilities authorized the GPA management to contract additional contract services from Black & Veatch in support of SGIG Projects.⁸
9. PUC Counsel filed his Report herein on July 25, 2013.⁹ The Commission adopts the reasoning therein.

ADDITIONAL BLACK & VEATCH CONTRACT SERVICES
UNDER THE SMART GRID PROJECT

10. In its Petition, GPA is seeking additional funding to continue SGIG project support through December 2013. The services for which GPA seeks support are as follows¹⁰:

Description	Cost	Comments
Tech Support Services (SME)	\$233,000.00	Required SME support to complete SGIG initiatives
Metrics & Reporting	\$43,200.00	Complete the DOE Summer Impact Metrics report and 3 rd Qtr Build Metrics report.

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

⁶ Id.

⁷ Id. at p. 3.

⁸ CCU Resolution 2013-31, adopted July 5, 2013.

⁹ PUC Counsel Report, GPA Docket 11-13, dated July 25, 2013.

¹⁰ Black & Veatch Summary on continued SGIG project support

Order
Additional Black & Veatch Contract Services
[Smart Grid Project]
GPA Docket 11-13
July 30, 2013

Meter Box Repair	\$350,000.00	Required to complete meter exchanges
Warehouse	\$144,865.50	Required for SGIG project completion; extension of GPA Warehouse lease and support
Communications	\$60,000.00	Continued support for ePortal Campaign, development of Opt-Out Communication Materials and PrePay Campaign
Network Backhaul & Optimization	\$50,000.00	Required procurement of the broadband circuits, installation services, and IT equipment for substations
	\$881,065.50	Total

DETERMINATIONS

11. PUC should approve GPA's request for additional Black & Veatch contract services under the Smart Grid Project, as the request is reasonable, prudent, and necessary.
12. GPA should be authorized to expend an amount up to \$881,065.50 for such contract services.
13. The PUC has previously given broad support for the Smart Grid Project and approved funding for the project.
14. The additional Black & Veatch contract services are critical for the success of the Smart Grid Project. These services will assist GPA in obtaining the projected benefits of the Smart Grid Project.

ORDERING PROVISIONS

After review of the record herein, GPA's Petition for Review and Approval of Additional Black & Veatch Contract Services under the Smart Grid Project, 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 Additional Black & Veatch Contract Services under the Smart Grid Project is hereby granted.

2. The recommendations and reasoning contained in the PUC Counsel Report are hereby adopted.
3. GPA is authorized to expend up to the amount of \$881,065.50 for the specific technical services set forth in GPA's Petition.
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 30th day of July, 2013.

Jeffrey C. Johnson
Chairman

Joseph M. McDonald
Commissioner

Rowena E. Perez
Commissioner

Peter Montinola
Commissioner

Michael A. Pangelinan
Commissioner