



5. On July 30, 2012, the PUC granted GPA's Petition for approval of the Substation Automation Contract with Black Construction Corporation.<sup>5</sup> GPA was authorized to expend up to the amount of \$3,195,421.00 for said Contract.<sup>6</sup>
6. The Substation Automation Project implements a secure substation LAN infrastructure and convergence of data, network, and voice applications on an IP-based infrastructure. The project also includes substation metering to better account for system losses, and remotely read revenue meters with power quality functions for large industrial customers like the Department of Defense.<sup>7</sup>
7. In its Order dated July 30, 2012, the PUC determined that the implementation of the Substation Automation Contract was critical to the success of GPA's Smart Grid Project.<sup>8</sup>
8. In the instant Petition, GPA is seeking approval for a Change Order to the Substation Automation Contract in the amount of \$475,877.00.<sup>9</sup>
9. There were prior change orders to the Substation Automation Contract in the amount of \$205,002.37.<sup>10</sup> These change orders were for additional meter parts, switchgear accessories, materials for meter upgrades, building permit approval, wireless equipment, and cost variance.<sup>11</sup>

### DETERMINATIONS

10. The purpose of the new proposed change order is to enable GPA to purchase additional equipment, substation meters, and services to complete the

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<sup>5</sup> PUC Order, GPA Docket 11-13, issued July 30, 2012, at p. 2.

<sup>6</sup> Id. at p. 3.

<sup>7</sup> Guam Consolidated Commission on Utilities Resolution No. 2012-38 [Authorizing Management of the Guam Power Authority to Contract Services for Substation Automation in support of Smart Grid Initiatives] GPA Docket 11-13, adopted July 10, 2012, at p. 2.

<sup>8</sup> PUC Order, GPA Docket 11-13, issued July 30, 2012, at p. 2.

<sup>9</sup> GPA Petition for Contract Review of Change Order to Substation Automation Contract under the Smart Grid Project, GPA Docket 11-13, filed March 14, 2014, at p. 1.

<sup>10</sup> GPA Petition for Contract Review, GPA Docket 11-13, filed March 14, 2014, AIA Document G701-2001.

<sup>11</sup> Email from GPA Counsel Graham Botha to PUC Counsel Frederick J. Horecky, GPA Docket 11-13, dated March 24, 2014 [Chart provided by Engineer Roel A. Cahinhinan].

communications and metering to the remaining GPA Substations under the Black Construction Substation Automation Contract.<sup>12</sup>

11. The original Substation Automation Contract was designed to upgrade seven (7) GPA Substations; this Change Order will provide for the upgrading of the remaining GPA Substations under the Substation Automation Contract.<sup>13</sup>
12. In Resolution No. 2014-06, the CCU authorized the GPA General Manager to obligate \$475,877.00 for the purpose of effectuating the Change Order with Black Construction subject to PUC approval.<sup>14</sup>
13. Funding provided by the Change Order will allow GPA to purchase net routers, switches, and other necessary equipment for the development of Substation Automation.<sup>15</sup>

#### ORDERING PROVISIONS

After a review of the record herein, GPA's Petition for review and approval of Change Order to the 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 Change Order to the Substation Automation Contract with Black Construction Corporation is hereby granted.
2. The recommendations and reasoning contained in the Counsel Report are adopted.
3. GPA is authorized to expend up to the amount of \$3,876,300.37 for said Contract and the Change Orders thereunder.
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

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<sup>12</sup> Guam Consolidated Commission on Utilities Resolution No. 2014-06 [Authorizing Management of the Guam Power Authority to Approve the Change Order for Substation Automation in Support of Smart Grid Initiatives], adopted January 14, 2014 at p. 2.

<sup>13</sup> Id. at p. 2.

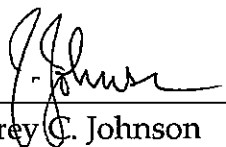
<sup>14</sup> Id. at p. 3.

<sup>15</sup> Letter from Black Construction MEP Division Manager Jack Travers to Mr. John J. Cruz, Jr. of the Guam Power Authority, dated December 18, 2013, "Pricing Breakdown."

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 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 31st day of March, 2014.



Jeffrey C. Johnson  
Chairman

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Rowena E. Perez  
Commissioner

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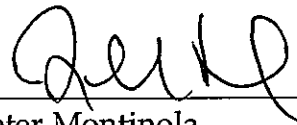
Michael A. Pangelinan  
Commissioner



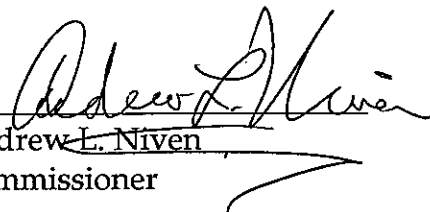
Filomena M. Cantoria  
Commissioner

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Joseph M. McDonald  
Commissioner



Peter Montinola  
Commissioner



Andrew L. Niven  
Commissioner