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Public Utilities Commission
GUAM

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:	)	GPA Docket 14-02
	)	
The Application of Guam Power Authority Requesting Approval of the Procurement of an Integrated Program Management Office Contract (PMO).	)	**ORDER**

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Petition of Guam Power Authority ["GPA"] for contract review and approval of the Extension of R. W. Armstrong PMO ["Program Management Office"] Contract.[1]

BACKGROUND

2. On March 21, 2011, the PUC first approved the "Program Management Office Contracts (PMO)" for the Guam Power Authority and the Guam Waterworks Authority.[2] GPA was authorized to procure a PMO "to address planned Capital Improvement Projects, significant military Build-up requirements, and ongoing operational requirements."[3]

3. The purpose of the PMO was to provide "professional/technical staff in support of existing GPA and GWA staff to manage the overall development of the utilities' infrastructure program."[4]

4. R.W. Armstrong was originally engaged by Guam Power Authority [GPA] to provide Integrated Program Management Office services pursuant to the Commission's January 11, 2012 Order in GPA Docket 11-02.[5] At that time, the $3.9 million PMO cost for GPA was derived as a percentage of total bond-funded project costs from bond funds already authorized by the PUC. The PMO was to cover 36 months of services, ending approximately in January 2015.[6]

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[1] GPA Petition for Contract Review of Extension of R.W. Armstrong PMO Contract, GPA Docket 14-02, filed November 19, 2013.

[2] PUC Order, GPA Docket 11-02, dated March 21, 2011.

[3] Id. at p. 3.

[4] Id. at p. 1.

[5] PUC Order, GPA Docket 11-02, dated January 11, 2012

[6] Id. at p. 3.

5. In its Order dated January 11, 2012, the PUC approved the PMO Contract for GPA with R. W. Armstrong in the amount of $3.9M.[7]

6. The Order indicated that the purpose of the PMO was "to address planned Capital Improvement Projects, significant Military Build-up requirements, and ongoing operational requirements."[8] The Order specifically indicated that the PMO costs of $3.9M were "derived as a percentage of the total bond funded project costs that will be funded from bond funds already authorized by the PUC." GPA further anticipated that "these costs will cover the next 36 months of PMO services."[9]

7. The PUC accepted GPA's representation that the PMO costs "are reflected in its budget as part of existing operational requirements, <u>and there will be no additional ratepayer impact.</u>" (Emphasis added)[10]

8. In the instant Petition, the requested extension is for FY 14 costs, although GPA originally represented that the initial PMO funding would last through January 2015. GPA now requests that the PUC approve a one year "Extension" of the Armstrong PMO Contract (only the cost for services in FY2014) in the amount of $3.9M.[11]

9. The CCU further authorized GPA to petition the PUC "that all costs related to the Resource Implementation Plan and IRP Strategy decision be eligible as LEAC related expenses."[12] Other than the proposed funding source of the Levelized Energy Adjustment Clause, GPA has not cited or referenced any other funding source for the extension of the Armstrong Contract.

10. On December 24, 2013, PUC Consultants Lummus and Georgetown Consulting Group filed their reports and recommendations concerning GPA's request for

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[7] PUC Order, GPA Docket 11-02, dated January 11, 2012.
[8] Id. at p. 1.
[9] Id. at p. 2.
[10] Id. at p. 2.
[11] Guam Consolidated Commission on Utilities Resolution No. 2013-50 [Approval of the Guam Power Authority Execution Plan for the IRP Implementation Strategy and Continuation of Program Management Services], adopted November 12, 2013, at p.3.
[12] Id. at p.4.

extension of the Armstrong Contract and utilization of LEAC for funding such extension.[13]

11. The main findings, recommendations and conclusions of Lummus Consultants in its Report are as follows:

(a) In the recent GPA rate case, GPA did not budget any costs for LNG related activities or the PMO;
(b) The CCU anticipates that the recovery of costs associate with the Resource Implementation Plan and the IRP strategy will be eligible for LEAC expenses, subject to PUC approval, and that one-half of the $3.9M ($1.95M) will be included in the next LEAC. GPA alleges that the principal justification for placing the PMO costs in the LEAC is that it is an essential element in providing future fuel savings;
(c) The main purpose of LEAC is to stabilize the cost to customers during periods of fluctuating fuel prices and to reduce the lag associated with the recording of fuel and certain fuel-related expenses;
(d) Over the years there have been changes to LEAC by the PUC and certain deviations from its fuel related purpose. For example, in 2008, PUC allowed GPA to recover $400,000 in costs through LEAC for a wind study for developing an alternative energy source that could lead to a reduction in fuel oil use;
(e) Other utilities have occasionally included other than directly related fuel costs in LEAC; since its inception, Guam PUC has endeavored to maintain the LEAC as reasonably close as possible to costs that are directly related to fuel oil consumption in the current period;
(f) Commission approval of the use of LEAC permits GPA to make adjustments in its charges to customers without the level of scrutiny and public notice applied in base rate proceedings. Accordingly PUC should carefully examine any cost which GPA seeks to fund under LEAC;
(g) Pursuant to GPA's proposed breakdown of costs for the PMO, only some costs are directly related to LNG.
(h) There are additional steps to be made before the final decision is made to convert to LNG; the possibility that future fuel oil savings could offset the cost of making the transition does not for that sole reason justify inclusion in the LEAC;

[13]Georgetown Consulting Group Inc. Report Re: Inclusion of Non-Fuel Expenses in LEAC, GPA Docket 14-02, filed December 24, 2013; Lummus Consultants Review of GPA Docket 14-02, Review of Extension of R.W. Armstrong PMO Contract

(i) Inclusion of LNG-study related costs should not set a precedent for inclusion in the LEAC, as other activities such as increasing generating unit efficiency or decreasing system losses could also offset future energy costs;
(j) GPA has not provided a real breakdown of costs within each task or justification for each sub-task activity to enable the Commission to make an informed judgment;
(k) PUC should not approve the entire $3.9M unless GPA provides the PUC with a more detailed cost breakdown of the sub-tasks in each major task, along with justification;
(l) For Fiscal Year 2014, GPA should delineate the cost of those activities in Tasks 2 and 3 that are clearly related to LNG for recovery in the LEAC; beyond Fiscal Year 2014, the recovery of all PMO and LNG related costs should properly be budgeted for in base rates and not in the LEAC. No capital projects should be included in the LEAC.

12. The main findings, recommendations and conclusions of Georgetown Consulting Group Inc. in its Report are as follows:
(a) Other than the statement of its desire to include the implementation of LNG through LEAC, GPA offers little or no justification for such inclusion.
(b) GPA should include a cost benefit analysis to justify the PMO activities for which it seeks to retain Armstrong;
(c) It is generally is accepted that the necessary costs of an efficient producer are eligible for clause-type [i.e., fuel adjustment clause or automatic adjustment clause] recovery only if they meet three criteria. These criteria are that the costs be: (1) Largely outside the utility's control; (2) Unpredictable and volatile; and (3) Substantial and recurring.
(d) At least two of the above criteria do not apply to the Armstrong contract: it is entirely within GPA's control and it is neither unpredictable nor volatile. It is not substantial and may not be recurring.
(e) GPA has not addressed any of the above criteria in proposing to recover the Armstrong contract extension through the LEAC.
(f) Some regulatory Commissions do allow non-fuel cost recovery through fuel adjustment clauses. However, ordinarily such costs are related to electricity or gas, or directly related to the delivery, storage and inventory, administrative/legal or financing expenses of actual fuel procurement by a utility.
(f) Today there is likely a greater allowance by commissions for non-fuel costs in fuel adjustment clauses;
(g) GPA's own website states that it funds the "predictable portion" of its budget through fixed base rates. The fuel portion of its budget, which is subject to wide

market fluctuations, is funded by a variable rate (i.e., the "difficult-to-predict portion of GPA's budget");
(h) The proposed R.W. Armstrong contract can be distinguished from items included in the Guam LEAC, such as fuel handling, as it does not relate to the current provision or consumption of fuel, but is "to assist GPA with the implementation of LNG;"
(i) The cost of fuel cost reduction efforts has been included in some clauses, although this does not appear to be a frequent departure from the paradigm that a fuel clause include only variable fuel-related cost;
(j) Any departure from the current PUC policy related to the inclusion of new cost parameters is a decision that the Guam PUC should make on a case by case basis depending on the facts;
(k) GPA just concluded a base rate proceeding, and there was no consideration of LNG or Armstrong in that proceeding. The PUC should be cautious of whether this is an effort to provide a means of recovery of a cost that should have been otherwise considered;
(l) GPA will capitalize the costs of its LNG project. To the extent that any of these funds were previously charged consumers as a variable cost in the LEAC, a refunding mechanism should be established.
(m) From a policy perspective, GCG is concerned that GPA may be using the Armstrong Contract as a toe-hold to leverage inclusion of other LNG implementation and non-fuel related costs into the LEAC in the future. The tendency will be for GPA to become less accountable for those costs, recognizing that costs placed in the LEAC undergo less scrutiny than the expenses comprised in GPA's base rate revenue requirement.

DETERMINATIONS

13. It appears that GPA has not planned well for the costs that it intends to incur for the Armstrong Contract. As both PUC Consultants point out, GPA made no mention of such consulting costs in the context of the recent rate case, nor did it request any amounts for conversion of its plants to LNG in the rate case. The PMO costs which GPA now seeks to include in LEAC are known and predictable costs which have been ongoing since the beginning of 2012.

14. GPA has also been aware of the costs which it will incur for the conversion to LNG; such process and costs involved were covered extensively by GPA and Lummus Consultants in the review of the Integrated Resource Plan. How GPA would pay for its consulting assistance for this process should have been considered and

addressed at an earlier stage. GPA's base rate filing did not budget any costs for the PMO or LNG related activities.

15. As GCG points out, neither GPA's Petition nor supporting documents really provide much justification at all for including the PMO and LNG related costs in LEAC. There is no reasoning as to why such costs should be included in LEAC, or reasons justifying such inclusion. There is no discussion of the factors that would normally justify such inclusion, such as a showing that such costs are largely outside the utility's control, and that such costs are unpredictable and volatile, and that such costs are substantial and recurring.

16. There is no dispute that the primary purpose of the LEAC (Tariff Z) is to permit GPA to recover all prudently incurred fuel costs through a fuel adjustment clause mechanism.[14] While the PUC has on occasion included costs in LEAC that are not direct fuel costs, and on one occasion included wind study costs, the primary purpose of LEAC is to pass through actual fuel costs incurred by GPA to the ratepayers.

17. GPA's Presentation to the PUC, Powering Forward, includes the breakdown of PMO Costs attached hereto as Exhibit "A". The total proposed cost of $3.9M is broken down into three Tasks: Task 1, Program Management Services; Task 2, IRP/LNG Resource Implementation Plan; and Task 3, Program Definition.[15]

18. However, Task 1, Program Management Services, includes primarily matters and issues that are not related to LNG or the IRP. Thus, GPA has essentially lumped together PMO and LNG costs in its request for inclusion in LEAC that are in many cases unrelated. See Exhibit "B" attached hereto, GPA's listing of specific services to be provided under Tasks 1, 2, and 3.[16]

19. The listing of Program Management Services includes primarily matters related to ongoing management of the Authority, such as web base management software, web base management Tool implementation, Web Base Dashboard, Procurement and Contracting support, Budget Management, Procurement Management, and Management of ongoing Capital Improvement projects.

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[14] PUC Order, Docket 95-001, GPA's Petition for a Rate Increase in FY 96 Levelized Energy Adjustment Clause, at p. 1.
[15] GPA Presentation to the PUC, Powering Forward, presented December 20, 2013 [PMO Costs].
[16] Supplemental Information provided by Melinda Camacho, AGMO, to ALJ Horecky on December 20, 2013.

20. GPA represented to the PUC, when the PMO contract with Armstrong was initially approved, that it would be funded through bond funds. It is not reasonable that LEAC, which relates to passing on fuel costs to ratepayers, would be used to pay for GPA's PMO costs related to the development of the utility's infrastructure program and construction/implementation of Capital Improvement Projects. GPA has not presented a justification for inclusion of PMO costs in the LEAC.

21. The PMO costs should not be included in the LEAC. GPA has not presented an appropriate funding source for the PMO services set forth in Task 1. There are also concerns regarding the amount proposed for such services. Neither the proposed scope of work nor the project listing set forth detail about the services to be performed. There is no real breakdown of costs within each task or justification for each sub-task activity provided to the Commission which would enable it to make an informed judgment.

22. In terms of the total proposed funding for the Armstrong Contract, the amount appears high. A breakdown of the costs and hourly fees for services indicates that five persons would be working eight hours per day for the entire year to reach a cost of $3.9M. Should GPA wish to expend such sums, it must provide additional cost justifications to the PUC. As GCG points out, no cost benefit analysis has been provided for the retention of the Armstrong services. There appears to be no discussion as to what the alternatives are for this decision, such as the use of internal GPA resources.

23. Notwithstanding the foregoing analysis, it is also clear that GPA has placed itself in a difficult situation by not adequately planning for the cost of certain of the services which it proposes. It is faced with numerous difficult and complicated tasks, such as the potential planning for conversion to LNG, timing issues for the shutdown of old plants and construction of new plants, the appropriate mix of fuels to use, and the impending expiration of IPP contracts in a few years.

24. The tasks set forth for Task 2 (IRP/LNG Resource Implementation Plan) and Task 3, Program Definition [Program Execution Plan], appear to be more directly related to implementation of the IRP and LNG process. This is a process that GPA does need to undertake as soon as possible and in a timely fashion. Since GPA's rate case has just been concluded, it will not have an opportunity to seek other funding for the Armstrong contract until it files its next rate case or proceeds with additional bond financing.

25. Because of the urgency of these tasks, Lummus has recommended that, for Fiscal Year 2014 only, GPA should be allowed to recover costs through LEAC that are clearly related to LNG. At present it appears that approximately $2M of the Armstrong Contract services which GPA proposes in Tasks 2 and 3 relate to the IRP/LNG Resource Implementation Plan and the PEP.

26. For current LEAC factor, GPA should be allowed to include $1M in contract services for Armstrong related to Tasks 2 and 3, which is approximately half of the requested amount. The PUC will make any decision concerning the inclusion of additional contract services in the LEAC in the subsequent consideration of the next LEAC factor in June and July 2014. In the meantime, GPA should present more detailed justifications to PUC for inclusion of such additional contract amounts in LEAC.

27. Beyond Fiscal Year 2014, the recovery of all PMO and LNG costs should properly be budgeted for in base rates or through bond issuances/funding. No capital projects should be included in LEAC.

28. For its proposed PMO services, GPA must indicate a proper funding source other than LEAC before such funding can be approved.

29. Based on projected fuel cost savings of $900M over thirty years, GPA suggests that costs related to the LNG implementation plan should be passed through to ratepayers in the LEAC clause. However, there are substantial policy reasons as to why such LNG costs should not merely be passed on to ratepayers through LEAC.

30. As GCG points out, the proposed R.W. Armstrong contract can be differentiated from the fuel related costs that have previously been included in LEAC. It does not relate to the current provision or consumption of fuel, but is "to assist GPA with the implementation of LNG, potentially a future source of fuel." If GPA proceeds to convert to LNG, it can capitalize its expenses related to planning, design, procurement, construction and implementation of LNG. Such costs and expenses may be recovered through future debt issues or other capital funding sources.

31. As stated in a Report prepared by Larkin & Associates, PLLC, for the American Association for Retired Persons in May of 2012, "Increasing Use of Surcharges on Consumer Utility Bills":

"Allowing a utility to recover lost revenues or discrete increased costs through a surcharge can also diminish the utility's incentive to control or reduce expenses because the utility is assured of full cost recovery. Since the utility is passing the cost on to customers, it has less incentive to seek ways to reduce the expense. Furthermore, in a rate case, the utility's costs are carefully scrutinized, whereas cost increases recovered in surcharges can become part of utility rates on an expedited basis, without being subjected to the same degree of review. In rate cases, utilities must provide documentation justifying its requested costs or they may be disallowed. Reviews of costs recovered via surcharges are usually done on a much more limited basis. By allowing a utility to recover cost changes through a surcharge, rider or balancing account, the utility is assured of the recovery of such costs, therefore diminishing the utility's incentive to control expenses, and reducing the utility's financial risk.[17]

32. Allowing GPA to include all charges related to LNG, including the cost of capital projects, in LEAC could place ratepayers at risk of being overcharged. Such inclusion of charges in LEAC could reduce GPA's incentive to control costs. With regard to the capital costs of replacing GPA's aging infrastructure with LNG plants, such are not the type of costs that should be placed in LEAC. Utility capital expenditures are not volatile or outside the control of GPA. GPA Management can influence the timing and extent of these costs. Maintaining and upgrading the utility infrastructure is a normal aspect of operating a utility.

33. As GCG further points out, from a policy perspective it is concerned that GPA may be using the Armstrong contract as a toe-hold to leverage inclusion of other LNG implementation and non-fuel related costs into the LEAC in the future. To the extent non-fuel costs (any current non-fuel cost as well as future non-fuel costs) are included in the LEAC, the natural tendency will be for GPA to become less accountable for these costs, recognizing that costs placed in the LEAC undergo less scrutiny than the expenses comprised in GPA's base rate revenue requirement.

ORDERING PROVISIONS

After careful review and consideration of the above determinations, the Petition of GPA, the Reports of Lummus Consultants and Georgetown Consulting Group, and the record herein, for good cause shown and on motion duly made, seconded, and carried

[17] Larkin & Associates, PLCC, Increasing use of Surcharges on Consumer Utility Bills, May 2012, p. 3.

by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

1. The Petition of GPA for approval of the Armstrong Contract costs and expenses of $3.9M is approved in part and denied in part. At present GPA is authorized to expend $1,022,500 for the extension of such contract services as set forth herein.

2. GPA is authorized to include $1,022,500 of contract expenses for Tasks 2 and 3 of the Armstrong Contract in the upcoming LEAC factor calculation. The total amount sought by GPA for Tasks 2 and 3 is $2,045,000. Thus, one-half of the amounts requested by GPA for Tasks 2 and 3 will be funded through the LEAC factor in effect from February 1, 2014 through July 31, 2014.

3. GPA may request additional amounts for contract expenses for Task 2 and 3 for inclusion in the subsequent LEAC factor effective August 1, 2014. However, any such request must be properly supported. To date, PUC is not satisfied with the documentation that GPA has filed in support of its request. Any further request for funding through LEAC must be fully justified with appropriate documentation.

4. The justification for inclusion of the foregoing amounts in LEAC is that GPA has not properly planned for the budgeting of such expenses. There is urgency to proceeding with such planning. The conversion to LNG could potentially result in a reduction of fuel costs. However, the inclusion of such LNG related costs in the LEAC is in no manner a precedent for inclusion of such costs or any other costs in future LEACs.

5. Use of LEAC to fund LNG related expenses as specifically authorized herein is conditionally approved. To the extent that funds are included in the LEAC for FY2014 expenses for Tasks 2 and 3, there may be a refunding mechanism to return such costs to the LEAC Account. All LNG related expenditures funded through LEAC should be borne by the LNG capital funding. The Commission may require that LEAC be reimbursed for the full amount of LNG related expenses passed through to ratepayers in LEAC.

6. Beyond Fiscal Year 2014, the recovery of all PMO and LNG costs shall properly be budgeted for in base rates or through bond issuances/funding. No capital projects should be included in LEAC.

7. For its proposed PMO services, GPA must indicate a proper funding source other than LEAC before such funding can be approved.

8. GPA must also provide additional justification for its request and supporting documentation. By March 15, 2014, GPA shall provide a Report to the PUC with further details and justifications for its proposed Armstrong contract services in accordance with the determinations herein. A breakdown of costs proposed within each task and justification for each sub-task activity must be provided.

9. GPA shall file with the PUC Reports regarding services under the Armstrong contract that: (a) describe the major project categories; (b) indicate the anticipated spending for FY 2014; (c)indicate allocated budgets to date; and (d) indicate actual spending to date along with an assessment of project percentage completion. The first of these reports shall be filed by March 15, 2014, and every ninety days thereafter.

10. GPA shall file monthly reports generated by Armstrong with the PUC.

11. 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 30th day of December, 2013.

Jeffrey C. Johnson
Chairman

Joseph M. McDonald
Commissioner

Rowena E. Perez
Commissioner

Peter Montinola
Commissioner

Michael A. Pangelinan
Commissioner

Andrew L. Niven
Commissioner

Filomena M. Cantoria
Commissioner

COSTS

DESCRIPTION	3 Months	9 Months	Total Fee
Task 1 - Program Management Services	$555,000	$1,300,000	$1,855,000
Task 2 - IRP/LNG Resource Implementation Plan	$700,000		$700,000
Task 3 - Program Definition		$1,345,000	$1,345,000
TOTAL	$1,255,000	$2,645,000	$3,900,000

GUAM POWER AUTHORITY
POWER TO SERVE

Exhibit "A"

GUAM POWER AUTHORITY
ATURIDÅT ILEKTRESEDÅT GUAHAN
P.O.BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

Task 1 - Program Management Services

1. Web Base Management Software
2. Web Base Management Tool Implementation
3. Web Base Dashboard/ Management Coordination
4. Web Base Dashboard/CCU Summary Level
5. Web Base Dashboard/Executive Management Level
6. Web Base Dashboard/Sub Consultant Level
7. Technical Advice and Assistance
8. Manage Critical Milestones (USEPA/ CCU/ PUC etc)
9. Procurement and Contracting Support
10. Weekly Financial Review and Reporting
11. Facilitate Program Work Meetings
12. Facilitate GPA stakeholders Coordination Mtgs
13. GPA Communications Plan Management w/GPA
14. IRP/LNG Communications
15. Develop CIP program policies & procedures
16. Develop detailed WBS, schedule, and assignments for carrying out task
17. Weekly coordination Meetings - represented by PMO on-Island Staff
18. Document management and controls
19. Project administration (meeting notes, cost tracking)
20. Program Management
21. Manage schedule, budget, change management processes, documentation, communication and close out inspections for the program
22. Prepare requests for Proposals or Invitations for Bids as needed and within GPA procurement guidelines and organize and facilitate work meetings and provide coordination with GPA stakeholders
23. Develop program policies and procedures to be utilized by GPA in managing capital improvement projects
24. Develop and implement a web-based dashboard that provides an executive summary of the budget, project schedule and status, as well as design and change management issues of the Program
25. Manage Critical Milestones

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Task 2 -IRP/LNG Resource Implementation Plan (RIP)

1. Re-valuate fuel diversity options
2. Conduct high-level evaluation of alternative low sulfur fuel options inlcuding LNG, propane, ULSRFO, methonol, DME
3. Identify conversion costs for use of alternative fuels including AQCS compliance
4. Identify potential schedule conversion to alternative fuels
5. Prepare report on findings of fuel diversity options and recommendations
6. Conduct Supplemental Fuel Study
7. Based on task above, develop scope of work for fuel supply study to obtain current data on sources, availability, and price of alternative fuels
8. Qualify consultant to conduct fuel study
9. PMO to assist GPA with study management and review of product work
10. Identify Fuel Deilvery, Storage, and Distribution Options
11. For importation of LNG and LP, identify potential import terminal options building on findings of previous studies
12. Evaluate suitablity of existing fuel receiving facilities to accommadate ULSRFO, methanol, or DME
13. Review alternatives with relevant stakeholders and eliminate fatal flaws
14. Conduct environmental and engineering evaluation of potentially feasible options
15. Identify permitting requirements and potential schedule for implementation of import terminal options
16. Identify construction and operation costs of import terminal options
17. Prepare report on findings of fuel diversity options and recommendations
18. Develop Revised Financial Model
19. Revise model structure as required to incorporate risk analytic framework, resolve "black box" issues, address ratepayer impacts, and consider alternative funding strategies
20. In consultation with stakeholders, identify reasonable range of alternatives to be analyzed
21. Update key input parameters based on fuel and facility cost data developed above
22. Conduct revised financial modeling
23. Review interim results with GPA and other stakeholders and revise analyses as necessary
24. Plan Submittal
25. Within 90 days, The PMO and GPA will prepare and submit a detailed Resource Implementation Plan to the CCU and PUC

Task 3 - Program Definition (a.k.a. PEP)

1. Provide Support in evaluating contracting methods for new Fuel Infrastructure and new Generation Resources (To Bundle or not to Bundle)
2. Provide Support in evaluating of Ownership Models for LNG Infrastructure and new Generation Resources
3. Provide support in evaluating funding options and opportunities for the different resources
4. Provide support in use and retirement considerations of its Generation Facilities
5. Provide support in evaluating Existing Generation Capital Improvement and Large O&M Projects
6. Provide support in evaluating potential new revenue opportunity with Natural Gas
7. Provide support in evaluating GPA right sizing (human resource evaluation)
8. Provide support in evaluating alternative fuels to LNG
9. Provide support in evaluating procurement requirements and developing procurement documents for securing contracts for plant conversions, new resources, and LNG Terminal
10. Provide support for evaluating LNG (or alternative) Project Structure
11. Provide support in evaluating Risk Mitigation for Supply Interuption
12. Provide regulatory support