

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:) GPA Docket 18-07
)
The Application of the Guam Power for) PUC COUNSEL REPORT
Approving the Piti Substation 115 KV GIS)
Maintenance Project Award to AYM)
International, Inc.)
_____)

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission [PUC] upon the Guam Power Authority’s [“GPA”] Petition for Approval of the Piti Substation 115 KV GIS Maintenance Project Award to AYM International, Inc.¹

BACKGROUND

2. The Piti Substation 115 kV Gas Insulated Switchgear (GIS) was commissioned in 1999.²
3. The project’s objective is to perform an overdue detailed 12-year maintenance and inspection for the Piti 115 KV Gas Insulated Switchgear. The maintenance work is necessary for compliance with the Manufacturer’s recommendations.³
4. The insulating medium for the switchgear is SF6 gas, and under certain conditions such as breaker operations (trip/close), sulfuric acid may be produced which may lead to severe deterioration of internal parts.⁴
5. The Piti 115 kV GIS is a critical substation interconnecting the MEC Plant Units No. 8 & 9 to the power grid.⁵
6. When GPA first bid this project out, there were no bidders. Upon rebid in 2017, AYM International Inc. was determined to be a technically qualified and responsive

¹ GPA Petition for Approval of the Piti Substation 115 KV GIS Maintenance Project Award to AYM International, Inc., GPA Docket 18-07, filed January 24, 2018.

² Guam Consolidated Commission on Utilities Resolution No. 2018-03, Authorizing the Guam Power Authority to Petition PUC for Approval of Piti Substation 115 KV GIS Maintenance Project and to Contract Required Services, adopted January 23, 2018, at p. 1.

³ CCU Board Packet, Regular Meeting January 23, 2018, Issues for Decision on Resolution No. 2018-03.

⁴ Id.

⁵ Id.

bidder. Its total bid is the amount of \$2,507,300. The costliest component of the bid is GIS Inspection, Servicing, Replacement, Maintenance, and Gauge Calibration.⁶

7. GPA intends to fund the Project Award through the 2014 GPA Revenue Bonds. Initially \$700,000 was allocated for this project from the 2014 GPA Revenue Bonds. GPA has reallocated bond funds to fund the total project cost of \$2,507,300.⁷
8. The project is expected to take 10 months for completion of the work subsequent to bidder's receipt of the Purchase Order.⁸
9. In Resolution No. 2018-03, the Guam Consolidated Commission on Utilities approved GPA's request to award the Piti Substation 115 KV GIS Maintenance Project to AYM International, Inc. in the total amount of \$2,507,300.⁹
10. GPA requests that PUC also authorize the reallocation of 2014 revenue bonds in the amount of \$1,937,300 for the additional required items for the project.

ANALYSIS

11. It is evident that this project is necessary, as the connection between GIS Piti 115 KV Substation with MEC No. 8 & 9 units to the grid is critical to operation of the power grid.
12. The 12-year maintenance work for the GIS is already overdue and should not be delayed further. It is necessary for compliance with the manufacturer's recommendations.
13. The GIS maintenance project contract award to AYM International Inc. is necessary to ensure the continued operation of the Piti 115 KV Substation, and is reasonable, prudent and necessary.

⁶ CCU Board Packet, Regular Meeting January 23, 2018, Issues for Decision on Resolution No. 2018-03.

⁷ GPA Petition for Approval of the Piti Substation 115 KV GIS Maintenance Project Award to AYM International, Inc., GPA Docket 18-07, filed January 24, 2018, at p. 1.

⁸ CCU Board Packet, Regular Meeting January 23, 2018, Issues for Decision on Resolution No. 2018-03, at p. 2.

⁹ CCU Board Packet, Regular Meeting January 23, 2018, Issues for Decision on Resolution No. 2018-03, at p. 1.

RECOMMENDATION

14. Counsel recommends that the PUC approve GPA's request to award the Piti Substation 115 KV GIS Maintenance Project to AYM International Inc.
15. GPA's request to reallocate 2014 GPA Revenue Bonds in the amount of \$1,937,300 should also be approved.
16. The total authorized expenditure for this project should be \$2,507,300.
17. A Proposed Order is submitted herewith for the consideration of the Commissioners.

Dated this 19th day of February, 2018.

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