

GUAM PUBLIC UTILITIES COMMISSION
SPECIAL MEETING
December 15, 2010
SUITE 202, GCIC BUILDING, HAGATNA



MINUTES

The Guam Public Utilities Commission [PUC] conducted a special meeting commencing at 6:00 p.m. on December 15, 2010, pursuant to due and lawful notice. Commissioners Johnson, McDonald, Cantoria, and Perez were in attendance. The following matters were considered at the meeting under the agenda made *Attachment "A"* hereto.

1. Approval of Minutes

The PUC reviewed the minutes of the meeting conducted on November 29, 2010. Upon motion duly made, seconded and unanimously carried, the minutes were approved subject to revisions by Commissioner Pangelinan.

2. Guam Power Authority

The Chairman announced that the next matter on the agenda was GPA Docket 10-01, Petition for Approval of 2010 Bond Projects, Legal Counsel Report, and Proposed Order. Counsel indicated that GPA was requesting approval of the use of bond funds for generation projects for the Cabras Plants in the approximate amount of \$16.9M. These bond projects were all included for financing in the GPA bond issue which the Commission previously approved. The specific projects are listed in the Counsel Report and proposed Order. GPA is required to seek PUC approval for each project before undertaking such project.

According to Counsel, each project is supported by a separate, sufficient and adequate justification. The generation projects all have positive cost benefit ratio in that the benefit derived from the project is greater than the actual expenditure. The projects involve work on the Cabras plants and are designed to improve functionality, to put new equipment in place, to build new facilities and storage facilities, to improve the air conditioning and the overall reliability of the plants. The last project, automatic generation control, would coordinate the functioning of the plants and, in the event of an outage, assist in coordinating a response and automatically shut off some of the plants if necessary. In Counsel's opinion the projects are prudent, reasonable, and necessary.

If projects and repairs are not undertaken, GPA could run the risk of prolonged outages and substantial financial losses when the plants go down. Counsel recommends that all

thirty projects be approved. An Order has been prepared for the Commissioner's consideration.

Commissioner Perez asked why some projects indicated costs for project management, supervision, and installation, where others did not. Melinda Camacho, the Assistant General Manager for Operations, indicated that it depends on the level of coordination required for each project. Commissioner Perez asked further as to whether replaced parts are refurbished or recycled. Ms. Camacho indicated that some parts can be salvaged. Commissioner Perez then asked whether specifically stating the price for these projects affects the ability of GPA to get the best price when the projects are put out for RFP. Joaquin Flores, General Manager for GPA indicated that it is not necessarily the case, because GPA's private contractors are able to go out and do the sourcing and acquisition process, which is subject to GPA review.

Ms. Camacho further indicated that the price indicated is just a price estimate which may be lower. Excess monies are available for GPA use. Commissioner Cantoria asked why the figure of 7% discount is used for the present value of project benefits. Comptroller Randy Wiegand indicated that the 7% figure was based upon the insurance rate for GPA's bonds (approximately 5.6%) and the fact that the projects span out thirty years. Commissioner Cantoria indicated that if a lower rate were used, the present value of the project would be higher than the cost to debt ratio. The GPA comptroller indicated that 7% was standard throughout utility districts. Upon motion duly made, seconded and unanimously carried, the Commissioners approved the bond projects submitted by GPA under the contract review protocol and adopted the Order made *Attachment "B"* hereto.

The Chairman stated that the next item for consideration was GPA Docket 10-04, Petition to Exercise Financing Options under Performance Management Contract with TEMES (the PMC) for the Cabras 2 boiler overhaul, Legal Counsel Report and Proposed Order. Counsel reported that, as with prior cases, GPA is seeking approval to obtain financing from its PMC, TEMES, to perform this boiler tube overhaul for the Cabras Plant. GPA seeks to borrow approximately \$1.5M with repayment terms over an 18 month period at 5% interest. The monthly payments will be approximately \$86,000 +. GPA's Petition indicates that this turbine overhaul is necessary; without it there could be forced outages of the plant and operational inefficiencies could ensue.

Counsel recommends approval of the financing agreement. Commissioner Cantoria asked GPA what the banks would charge for this type of project. GPA Comptroller Mr. Wiegand indicated that bank rates were considerably higher. Commissioner McDonald asked what the expected life of the overhaul was. GPA General Manager Flores responded that the process was never ending, and that overhauls will continually be done. Mr. Flores indicated that every year the turbine is shut down for inspection and certification, and discrepancies in the boiler must be fixed to maintain certification.

Commissioner Perez asked whether there were any outstanding balances owed to TEMES. The AGMO Ms. Camacho indicated that the balances were paid off. Commissioner Cantoria asked whether this type of annual expense could be funded through working capital. General Manager Flores indicated that these overhauls were not necessarily done every year. Flores indicated that major turbine overhaul is every 5 years. Experts are brought in to undertake national certification. Upon motion duly made, seconded and unanimously carried, the Commissioners authorized GPA to enter into a financing agreement with its PMC, TEMES, for the Cabras 2 turbine overhaul, in accordance with the Order made *Attachment "C"* hereto.

The Chairman announced that the next matter before the PUC was GPA Docket 10-09, Petition for Approval of Procurement of Environmental Engineering and Technical Services, Counsel Report, and Proposed Order. Counsel indicated that this is a major procurement for environmental engineering and technical services, which covers a number of environmental issues facing GPA: characterization of plants in the Cabras area as "non-attainment", direction of the wind and fuel switching, and others. GPA seeks to engage a consultant to begin the process of switching the plants from "non-attainment" areas to "attainment" areas. GPA must obtain a consultant to provide a three year plan of air quality monitoring. These services must be retained before GPA can possibly place a new plant in operation by 2017; the consultant will handle permitting issues and processes with the federal and local environmental protection agencies.

The consultant sought would advise GPA on the overhaul of its environmental quality plan, its permitting of all individual plants, and the permitting process. The consultant will also provide training for GPA's strategic planning and operations research staff; and will actually file permits for existing plants. The environmental tasks will include ambient air quality monitoring, data collection, and compliance with air quality monitoring reports and U.S. EPA environmental regulations. Since the cost for such services is presently unknown, GPA should be required to come back to the Commission for final approval of the contract.

Commissioner Johnson asked whether this would mean that GPA could only burn low sulfur fuel at some point in time. GPA General Manager indicated that Guam EPA now wants GPA to be responsible for maintaining calibrations and audits for all instrumentation throughout the island to make sure that air quality standards are met. Three years of data is required before a petition for redesignation of the Cabras - Piti can be brought. In response to questions by the Chairman, Mr. Flores indicated that GPA presently has five sites for sampling located in the Piti and Apra areas. Mr. Flores indicated that the Tanguisson Power plants are considered a non-attainment area for sulfur dioxide. GPA's IPP is required to submit a maintenance plan to redesignate that area. Upon motion duly made, seconded and unanimously carried, the Commissioners

approved the procurement by GPA of environmental engineering & technical services, and adopted the Order made *Attachment "D"* hereto.

The Chairman announced that the next matter to be considered by the Commission was GPA Docket 10-10, Petition to Approve Extension for Dock Facility User Agreement and Storage Agreement, Counsel Report, and Proposed Order. Counsel stated that GPA is asking for PUC approval of two year extensions for two separate agreements, the Dock Facility User Agreement and the Storage Agreement. These agreements have been in effect for many years between GPA and Shell, and now with Shell's successor Tristar.

For the dock facility agreement, GPA uses the facility at the F1 Dock to load and unload fuel. The dock is an unloading facility from which fuel can be piped to the various plants. Tristar maintains the facilities, does the loading and unloading, and charges GPA for those services. The two year cost for the Dock Facility User Agreement is approximately \$2.8M. The charges are for Port fees, fuel pass through charges, and storage and layover charges. Much of the charges paid by GPA are paid back to the Port Authority. Under the Storage Agreement, Tristar maintains fuel storage facilities at the Agat terminal. GPA rents those tank facilities and pays Tristar a certain amount, which is presently approximately \$2.7M for the period of the two year contract extension.

GPA has a need to extend these agreements. It needs the dock facilities to load and unload fuel or it will be unable to supply the plants with fuel necessary for providing electricity to consumers. This is an essential part of GPA's operation. The storage tank facilities also enable GPA to have a place to store the fuel and to provide fuel needed for the various plants. Both agreements ensure the uninterrupted supply of fuel through the use of Tristar's fuel handling facilities. The contract extensions are reasonable prudent and necessary. The two year extensions for each agreement would be from March 1, 2011 to the end of February 2013.

Commissioner Perez asked whether Tristar was the only company that provides these services to GPA. The General Manager indicated that there is only one dock facility. Commissioner McDonald and Chairman Johnson asked GPA officials about fuel hedging options; the GM indicated that GPA is continuing to work on the program. Upon motion duly made, seconded and unanimously carried, the Commissioners approved the two year extensions for the Dock Facility User Agreement and the Storage Agreement, and adopted the order made *Attachment "E"* hereto.

3. Guam Telecom LLC

The Chairman announced that the next matter for consideration was Guam Telecom GT Docket 10-03, Tariff Transmittal No. 2 for Business Services, Counsel Report and

Proposed Order. Counsel indicated that this matter should be postponed until the next meeting; the approach which should be followed on this matter is to first publish notice before consideration by the PUC. Since GT is proposing to offer a new business service, members of the public should have notice and an opportunity to comment.

The Chairman then asked whether there was a need to ratify the Order from GT Docket 10-02, which designated Guam Telecom LLC as an Eligible Telecommunications Carrier. Counsel indicated that, at the last meeting, there was no quorum available to consider GT's request for designation as an Eligible Telecommunications Carrier. The Chairman had signed the ETC Designation Order, subject to ratification by the Commissioners. Upon motion duly made, seconded and unanimously carried, the Commissioners ratified the Order of the Chairman approving the ETC Designation for Guam Telecom LLC.

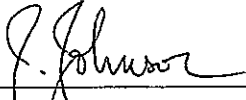
4. PUC Website

Administrator Lou Palomo indicated that she had spoken with the representative of the PUC Consultant, AJ Rosario, and that he would present a proposal with regard to data entry. Rosario would present the proposal on his behalf and propose to work with the PUC Administrator at the rate of \$25 per hour. The Administrator indicated that, at the next meeting, she would present the proposal to the Commissioners.

5. Administrative Matters

The Chairman indicated that there was a Resolution before the Commission which would authorize Commissioner Pangelinan to be a signatory on Commission checks. Counsel indicated that the PUC Administrator had prepared the Resolution; it basically authorizes Commissioner Pangelinan to be a signatory for checks and other PUC matters. It is a standard bank resolution required by the PUC's financial institution. Upon motion duly made, seconded and unanimously carried, the Commissioners approved the Resolution authorizing Commissioner Pangelinan to be a signatory for PUC bank checks and for other purposes.

There being no further business, the Commissioners moved to adjourn the meeting.



Jeffrey C. Johnson
Chairman

**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION
SPECIAL MEETING
SUITE 206 GCIC BUILDING
414 W. SOLEDAD AVE. HAGATNA, GUAM
6:00 p.m. December 15, 2010**

Agenda

- 1. Approval of Minutes of November 29, 2010.**
- 2. Guam Power Authority**
 - **GPA Docket 10-01, Petition for Approval of 2010 Bond Projects, PUC Legal Counsel Report, and Proposed Order**
 - **GPA Docket 10-04, Petition to Exercise Financing Options under PMC for Temes for Cabras 2 Boiler Tube Overhaul, PUC Legal Counsel Report, and Proposed Order**
 - **GPA Docket 10-09, Petition for Approval of Procurement of Environmental Engineering & Technical Services, PUC Counsel Report, and Proposed Order**
 - **GPA Docket 10-10, Petition to Approve Extension for Dock Facility User Agreement & Storage Agreement, PUC Counsel Report and Proposed Order**
- 3. Guam Telecom LLC**
 - **GT Docket 10-03, Tariff Transmittal No. 2 (Business Services), PUC Counsel Report and Proposed Order**
- 4. PUC Website**
 - **Update**
- 5. Administrative Matters**
- 6. Other Business**



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

On November 19, 2010 the Guam Power Authority [GPA] filed a Petition with the Guam Public Utilities Commission [PUC] for review and approval of certain 2010 bond projects.1 This is the third request by GPA for approval of bond projects.2 The projects for which review and approval by the PUC are now requested are generation projects for Cabras 1 & 2, and Cabras 3 & 4, at a total cost of \$16,859,000.00.

On June 3, 2010, the PUC approved the 2010 GPA Revenue Bond and Subordinate Bond issuance.3 Attached to GPA's request to issue Revenue Bonds were projects for Generation Improvements in the amount of \$16,859,000; these are the same generation projects for which GPA now seeks approval to expend bond funds in its present Petition.

Analysis

GPA is required to obtain prior PUC approval of any expenditure of bond proceeds, either before procurement can begin on the projects or before such bond proceeds can be expended or committed to such projects.4 Under its enabling statute, GPA has broad

1 GPA Petition for Contract Review for Approval of 2010 Bond Projects, GPA Docket 10-01, filed November 19, 2010.

2 See PUC Orders, GPA Docket 10-01, issued July 27, 2010, approving expenditures for the Smart Grid Project in the amount of \$3.277M and Transmission and Distribution Projects in the amount of \$34M.

3 PUC Order Approving Revenue and Subordinate Revenue Bonds and Order Approving Long Term Debt, GPA Docket 10-01, issued June 3, 2010.

4 GPA Order Approving Revenue Bonds and Subordinate Revenue Bonds, GPA Docket 10-01, issued June 3, 2010.

authority to "control, operate, improve, equip, maintain, repair, renew, replace, reconstruct, alter and insure the electric system..."⁵

Each of the thirty (30) projects for which GPA seeks approval is supported by detailed descriptions, justifications, consideration of alternatives, and cost-benefit analyses. In each case there is a positive cost benefit analysis, although some projects have a higher cost benefit ratio than others. However, in each case, there is sufficient justification for GPA to proceed with the projects, and to warrant PUC approval. All of the Projects should improve functioning and reliability of the Cabras plants and is therefore in the interest of GPA's rate payers.

In general, all of the projects for which GPA seeks approval are designed to increase reliability and efficiency of the Cabras Plant Operations. The Consolidated Commission on Utilities determined that the thirty capital improvement projects listed were reasonable, prudent, and necessary for the use of the 2010 bond funds."⁶ In his Report, PUC Counsel has also recommended approval.⁷ These bond projects appear to be reasonable, prudent and necessary.

Ordering Provisions

Upon consideration of the record herein, the Petition of GPA, the PUC Legal Counsel Report, and for good cause shown, upon motion duly made, seconded, and carried by the affirmative vote of the undersigned Commissions, the Commission hereby **ORDERS** that:

1. GPA's Petition for Contract Review for approval of 2010 bond projects, filed November 19, 2010, is hereby approved.
2. The thirty (30) 2010 revenue bond projects for generation improvements at the Cabras plants, including the Automatic Generation Control, are reasonable, prudent and necessary.
3. Approval is granted for the following projects; GPA is authorized to expend bond funds for each project in the amounts indicated in the following Generation Capital Improvement Project listing:

⁵ 12 GCA §8104(11).

⁶ CCU Resolution No. 2010-63, adopted November 9, 2010.

⁷ PUC Counsel Report, GPA Docket 10-01, dated December 6, 2010.

GUAM POWER AUTHORITY
 Generation Capital Improvement Projects
 FY 2011 - FY 2014(x \$1,000)

Capital Improvement Project Name	Project Total
1. Provide Fire Protection for Transformers and Fire Detection System for Boiler Burner Area, Cabras Unit #2 Hydrogen and CO2 piping - Cabras 1&2	725
2. Cabras 1&2 Facility Improvements - New Plant Maintenance Shop, Plant Paging System, A/C for Office and lab, New Chemical Storage Facility	1,288
3. Replace Existing Yard Fire Hydrant System - Cabras 1 & 2	420
4. Install Generator On-Line Monitoring System for Unit 1&2 and Provide Electrical Testing and Measuring Equipment	228
5. Waste Oil Facility Improvements - Cabras 1 & 2	150
6. Cabras #2 Reheater Tubes Replacement	1,113
7. Replace Cabras Unit #1 Feedwater Heater #2 and Unit #2 FWH #4	1,090
8. Replace Cabras Unit #1 Instrument Air Compressor 1B & Cabras Unit #2 Service Air Compressor	265
9. Cabras Unit #2 Heater Drain Pump & Motor Replacement	240
10. Replace one (1) Boiler feed Pump Motor for Cabras Unit #1	275
11. Replace one (1) Forced Draft Fan Motor for Cabras Unit #1	500
12. Replace Service Water Cooler for Cabras Unit #1	500
13. Replace Unit #1 Auxiliary Transformer - Cabras 1&2	500
CABRAS 1&2 SUBTOTAL	7,069

Capital Improvement Project Name	Project Total
14. Cabras 3 & 4 Facility Improvements - New Storage Building, HVAC Replacement, Plant Security System, New Hydraulic Press for Waste Oil Recovery	1,060
15. Fire Alarm / Suppression System Upgrade Phase 2 - Cabras 3&4	800
16. Replace Battery Bank "A", "B" & "C" - Cabras 3&4	150
17. Governor Control System Replacement - Cabras 3&4	600
18. Homogenizer Replacement - Cabras 3&4	500
19. Sea Water Travelling Screen A,B,C Replacement - Cabras 3 &4	1,200
20. CEMS Replacement - Cabras 3&4	150

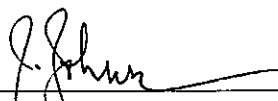
PUC ORDER
 GPA's Petition for Contract Review
 Approval of 2010 Bond Financed Projects
 GPA Docket 10-01
 December 15, 2010

21. Generator Protection Relay Panel Replacement Cabras 3&4	250
22. Distributed Control System (DCS) Replacement - Cabras 3&4	1,200
23. Turbochargers Replacement - Cabras 3&4	1,400
24. Air Cooler 2 sets Replacement - Cabras 3&4	150
25. Exhaust Gas Silencer Replacement - Cabras 3&4	150
26. Fuel Oil Purifier Feed Pumps Replacement - Cabras 3&4	150
27. Installation of Vent Fan for Turbochargers - Cabras 3&4	300
28. Debris Filter Replacement - Cabras 3&4	250
29. Cabras #3 Bearing Temperature Monitoring System	380
CABRAS 3&4 TOTAL	8,790

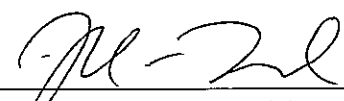
30. AUTOMATIC GENERATION CONTROLS 1,000

4. 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 15th day of December, 2010.



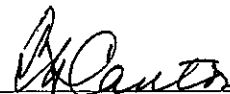
 Jeffrey C. Johnson
 Chairman



 Joseph M. McDonald
 Commissioner



 Rowena E. Perez
 Commissioner



 Filomena M. Cantoria
 Commissioner

 Michael A. Pangelinan
 Commissioner

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



In the Matter of:)
The Application of the Guam Power Authority to) GPA Docket 10-04
Exercise Financing Options under the PMC with)
TEMES for the Boiler Tube Overhaul of Cabras)
Unit 2)

DECISION AND ORDER

This matter comes before Guam Public Utilities Commission [PUC] upon GPA's Petition for PUC approval of GPA's request to exercise financing options under the Performance Management Contract [PMC] between GPA and Taiwan Electrical Mechanical Engineering Services [TEMES] for the Boiler Tube Overhaul of Cabras Unit 2. On September 15, 2010, the PUC approved the Performance Management Contract for Cabras Unit 1 & 2 between GPA and TEMES.

The PMC which GPA presently has in place with TEMES allows GPA to request that the Performance Management Contractor provide financing for improvements relative to the Cabras Units. GPA has now requested PUC approval to borrow funds from TEMES in the principal amount of \$1,497,000.00 for the Boiler Tube Overhaul of Cabras Unit 2. A major overhaul of the boiler system is necessary to increase operational efficiencies and to bring the unit to its full capacity; the PMC will perform various tests on the tubes and take counter measures to prevent tube failures; it will also replace various tubes and related equipment.

The proposed financing agreement between GPA and TEMES provides that the sum financed would be repaid at an interest rate of 5% over an 18 month repayment period. Inclusive of interest, the total payments due TEMES are \$1,556,954.28, with monthly payments of approximately \$86,497.46. GPA's Petition establishes that the Boiler Tube Overhaul is necessary to minimize outages for the Cabras Plant. These operations and maintenance activities are in the best interest of the Authority.

1 GPA application to exercise financing options under the PMC with TEMES for the Boiler Tube Overhaul of Cabras Unit 2 filed November 19, GPA Docket 10-04, filed November 19, 2010.

2 See Order GPA Docket 10-04 issued September 15, 2010.

3 GPA application to exercise financing options under the PMC with TEMES for the Tube Overhaul of Cabras Unit 2, supra P.1

4 Id.

5 GPA Application to exercise Financing Options under the PMC with TEMES for the Boiler Tube Overhaul Cabras Unit 2, GPA Docket 10-04 ¶.1

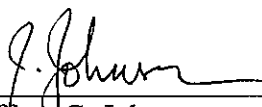
6 Exhibit A supra at ¶.3

7 Petition, supra at ¶.2; CCU Resolution No. 2010-64, supra at ¶.1

After careful consideration of the record herein, the Petition of GPA and the annexed Exhibits, and the PUC Counsel Report, for good cause shown and on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS that:

1. GPA's November 19, 2010 Petition seeking to exercise financing options under the PMC with TEMES is hereby approved; the Boiler Tube Overhaul for Cabras Unit 2 is necessary to improve generation reliability and to minimize outages.
2. GPA is authorized to borrow funds from TEMES in FY2011 for a total principal amount of \$1,497,000 for the Cabras Unit 2 Boiler Tube Overhaul.
3. The financing agreement proposed by GPA has terms that are beneficial and favorable to it, including an 18-month repayment provision at an interest rate of 5%.
4. The TEMES financing agreement provides an attractive source of short term capital for GPA.
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 15th day of December 2010.



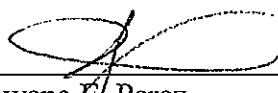
Jeffrey C. Johnson
Chairman



Filomena M. Cantoria
Commissioner



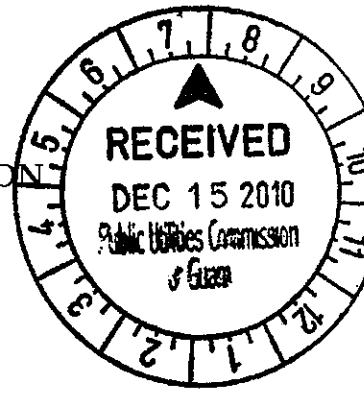
Joseph M. McDonald
Commissioner



Rowena E. Perez
Commissioner

Michael A. Pangelinan
Commissioner

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:)
The Application of the Guam Power) GPA Docket 10-09
Authority Requesting Approval of the)
Procurement of Environmental)
Engineering and Technical Services.)

ORDER

This matter comes before the Guam Public Utilities Commission [PUC] upon the Application of the Guam Power Authority [GPA] requesting approval of the Procurement of Environmental Engineering and Technical Services.¹ GPA seeks to issue a procurement to obtain consulting services regarding certain environmental issues.² The environmental engineering services for the procurement sought will allow GPA “to seek outside expertise to assist with the re-designation of the Cabras Piti and Tanguisson areas [from “non-attainment” to “attainment” areas], implementation of USEPA and Guam EPA requirements, air quality modeling, design of air quality monitoring programs, and the creation of GPA’s Environmental Strategic Policy.³

PUC Counsel has filed a Report herein which recommends approval of GPA’s request to procure Environmental Engineering and Technical Services.⁴ GPA intends to use bond funds for the Ambient Air Quality Monitoring under the Environmental Engineering and Technical Services Contract.⁵ The PUC has already approved such use of bond funds in the amount of \$1,900,000 for Ambient Air Quality Monitoring.⁶ The services of a qualified contractor are needed to operate and maintain the Ambient Air Quality Monitoring Plan, to construct a meteorological Tower, and to undertake various testing and audit functions.⁷

¹ GPA Application Requesting Approval of the Procurement of Environmental Engineering and Technical Services, GPA Docket 10-09, filed November 15, 2010.
² Id. at p. 1.
³ Id.
⁴ PUC Counsel Report, GPA Docket 10-09, dated December 9, 2010.
⁵ Letter from GPA General Manager to PUC, GPA Docket 10-09, dated October 21, 2010.
⁶ PUC Order, GPA Docket 10-01, dated July 22, 2010 at p. 2.
⁷ GPA Petition for PUC Review and Approval of Certain 2010 Bond Financed Projects, GPA Docket 10-01, filed July 12, 2010; Project Description for Ambient Air Quality Monitoring Network.

The projects GPA seeks to carry out require experience and expertise in various environmental engineering and technical services that are not currently available within GPA. GPA will also utilize the selected Consultant's expertise to create and update the GPA Environmental Strategic Policy.⁸ The Contract Term for the selected contractor would be a base contract period of five years or until the tasks required are completed, whichever is less. On mutual agreement, the parties could extend the contract for an additional five year period beyond the base contract term.⁹

In regard to the provision of services related to the redesignation of non-attainment areas to attainment, the contractor would provide assistance in developing the application for redesignation, and participate in meetings with GPA, Guam EPA and US EPA, file permit requirements for all power plants in non-attainment areas, evaluate and report on Fuel Switching compliance, and evaluate and report on Plant operations. The contractor is required to file formal petitions, provide research and advice to GPA, and engage in other activities as required.¹⁰

The contractor will also develop the project schedule for Ambient Air Quality Modeling, develop procedures for data collection and management, and compile data and air quality monitoring reports.¹¹ The contractor will assist GPA in complying with US EPA's requirements for redesignation of non-attainment areas, and to provide assistance in revising the State Implementation Plan.¹² The contractor will provide regulatory support and a training program for the GPA Strategic Planning and Operations Research Staff.¹³

⁸ Memorandum from GPA General Manager to Supply Administrator, GPA Docket 10-09, dated October 6, 2010.

⁹ Contract for Technical Services (attached to the Application of GPA requesting approval of the Procurement of Environmental Engineering and Technical Services), GPA Docket 10-09, at p. 21.

¹⁰ Id. at p. 28.

¹¹ Id.

¹² Id. at p. 28-29.

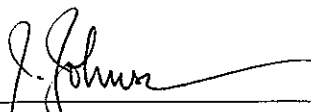
¹³ Id. at p. 29.

ORDER
In Re: Application of GPA Requesting Approval
Of Procurement for Environmental Engineering &
Technical Services
GPA Docket 10-09
December 15, 2010

Upon consideration of the record herein, the Petition of GPA, the PUC Legal Counsel Report, and for good cause shown, upon motion duly made, seconded, and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS that:

1. GPA's Application for Approval of the Procurement for Environmental Engineering and Technical Services filed on November 15, 2010, is hereby approved.
2. GPA's request to procure Environmental Engineering and Technical Services is reasonable, prudent, and necessary; the procurement is necessary to enable GPA to meet US EPA and Guam EPA requirements for the operation of its plants.
3. Since the cost of the required contract for Environmental Engineering and Technical Services will not be known until an offeror is selected and a contract executed, GPA is required to seek prior PUC approval of the Final Contract for Environmental Engineering and Technical Services which GPA seeks to enter into with a contractor. The Contract shall specifically describe services to be provided in a task list attached as Exhibit A to the Contract.
4. 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 15th day of December, 2010.



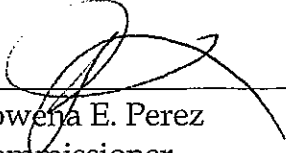
Jeffrey C. Johnson
Chairman



Joseph M. McDonald
Commissioner

ORDER

In Re: Application of GPA Requesting Approval
Of Procurement for Environmental Engineering &
Technical Services
GPA Docket 10-09
December 15, 2010



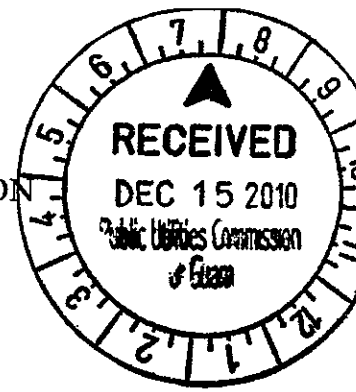
Rowena E. Perez
Commissioner



Filomena M. Cantoria
Commissioner

Michael A. Pangelinan
Commissioner

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



In Re: Petition to Approve Extension for)
Dock Facility & Storage Agreements) GPA Docket 10-10
_____)

ORDER

This matter comes before the Guam Public Utilities Commission [GPUC] upon GPA's Petition for the PUC to review and approve the Contract Extensions with Tristar Terminals Guam, Inc. [TRISTAR] for the Dock Facility User Agreement (F-1 Dock) and Storage Agreement.¹ Therein, GPA seeks review and approval of contract extensions for two contracts: the Facility User Agreement and the Storage Agreement.

PUC Counsel has submitted a Report which explains the background and purpose of these two Agreements.² Pursuant to the Facility User Agreement (F-1 Dock), GPA is allowed to discharge or load fuel, at the F-1 Dock, from and to vessels commissioned by GPA. TRISTAR provides the necessary equipment and labor. TRISTAR's facilities are used for the handling and receiving of fuel import deliveries into GPA storage facilities.³ Pursuant to the Storage Agreement, TRISTAR provides storage tanks to GPA with a total nominal capacity of 500,000 barrels for the storage of fuel oil at the Agat Terminal Facility.⁴

On October 26, 2010, the Consolidated Commission on Utilities [CCU] authorized GPA to extend the terms of the Facility User and Storage Agreements with TRISTAR for two years.⁵ Such terms would commence on March 1, 2011 and expire on February 28, 2013.⁶ The CCU found that the extension of the Facility User and Storage Agreements would serve the best interest of the Authority and its ratepayers by insuring uninterrupted supply of fuel to GPA through the use of TRISTAR's fuel handling facilities.⁷

¹ GPA Petition for Contract Review, GPA Docket 10-01, Filed November 22, 2010.

² PUC Counsel Report, GPA Docket 10-10, dated December 6, 2010.

³ Id. at p. 1.

⁴ Storage Agreement between Shell Guam Inc. and the Guam Power Authority dated March 1, 2008, Par. 1 at p. 1.

⁵ Consolidated Commission on Utilities Resolution No. 2010-59, issued October 26, 2010.

⁶ Id. at p. 2.

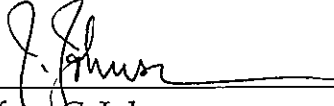
⁷ Id.

Upon consideration of the record herein, the Petition of GPA, the PUC Legal Counsel Report, and for good cause shown, upon motion duly made, seconded, and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS that:

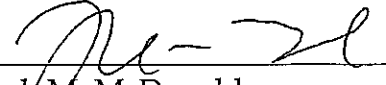
1. GPA's Petition for Contract Extension of the Facility User Agreement (F-1 Dock) and Storage Agreement with Tristar Terminals Guam, Inc. is hereby approved.
2. The Facility User Agreement (F-1 Dock) is approved; the contract extension shall be effective March 1, 2011 and will expire on February 28, 2013.
3. GPA is authorized to expend the amount of \$2,826,328.00 for the 2-year extension of the Facility User Agreement.
4. The Storage Agreement is approved; the contract extension shall be effective March 1, 2011 and will expire on February 28, 2013
5. GPA is authorized to expend the amount of \$2,773,440.00 for the 2-year extension of the Storage Agreement.
6. The extensions of the Facility User Agreement and the Storage Agreement will serve the best interest of the Authority and its ratepayers by insuring the uninterrupted supply of fuel to GPA through the use of Tristar's fuel handling facilities.
7. The contract extensions for the above referenced agreements are reasonable, prudent, and necessary.
8. 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.

PUC Order
In Re: Petition to Approve Extension for
Dock Facility & Storage Agreements
GPA Docket 10-10
December 15, 2010

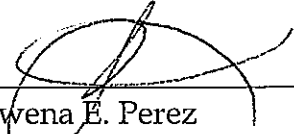
Dated this 15th day of December, 2010.



Jeffrey C. Johnson
Chairman



Joseph M. McDonald
Commissioner



Rowena E. Perez
Commissioner



Filomena M. Cantoria
Commissioner

Michael A. Pangelinan
Commissioner