

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:)	GPA Docket 15-02
)	
The Application of the Guam Power Authority to Approve the FY2015 GPA CIP Ceiling Cap)	ORDER
)	
)	

INTRODUCTION

This matter comes before the Guam Public Utilities Commission [PUC] upon GPA’s Petition for Request for Approval of FY2015 GPA CIP Ceiling Cap.¹ Therein, GPA requests PUC approval of its FY2015 Capital Improvement Project Cap in the amount of \$9,974,000, which consists of General Plant (\$9,974,000) and Engineering (\$0).² The Guam Consolidated Commission on Utilities [CCU] has approved the FY2015 Capital Improvement Project Ceiling Cap requested by GPA.³

BACKGROUND

Lummus Consultants, the Commission’s Independent Consultant, filed its Report on November 25, 2014.⁴ The Contract Review Protocol for the Guam Power Authority requires that GPA’s annual level (“cap”) of internally funded Capital Improvement Projects (“CIP”) be set by the PUC before November 15th of each fiscal year.⁵

The CIP Cap proposed for FY2015 is generally consistent with the CIP Cap levels of prior years. The FY2014 Cap was \$7,363,110. The FY2013 Cap was \$10,135,760. The cap in FY2012 was \$13.581M and \$5M in FY2011.⁶

The CIPs included within the Cap are for “general plant.” The expenditures are for computers, office equipment, plant improvements and other miscellaneous items.⁷ None of the projects listed exceed the \$1.5M threshold.⁸

¹ GPA Petition for Contract Review (Application to Approve the FY2015 GPA CIP Ceiling Budget), GPA Docket 15-02, filed October 2, 2014.

² Id. at p. 1.

³ Id.

⁴ Lummus Consultants Report, GPA Docket 15-02(Review of GPA FY2015 CIP Ceiling CAP), filed November 25, 2014.

⁵ §1.F of the Contract Review Protocol, at p. 2.

⁶ PUC Order, GPA Docket 13-16, dated October 29, 2013, at pgs. 1-2.

Lummus indicates that, with regard to each internally funded CIP project, it would be “good utility practice” for GPA to include a description of each project, its justification, and an assessment of the relative prioritization of each project relative to the others such that the reviewers can better understand why the proposed projects and associated spending is warranted.⁹ It recognizes, however, that such review is not required under regulation or the Contract Review Protocol.¹⁰

DETERMINATIONS

Based upon the recognition that the FY2015 general plant budget is consistent with that of prior fiscal years, and subject to GPA’s ability to carry out the capital improvement projects using internally-funded dollars, the \$9,974,000 Ceiling Cap should be approved.

The PUC finds that GPA’s FY2015 Internally funded CIP ceiling cap, consisting of general plant in the amount of \$9,974,000, should be approved. Such CIP cap is reasonable, prudent and in the interest of the ratepayers.

ORDERING PROVISIONS

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

1. The GPA FY2015 internally funded CIP ceiling cap, which consists of General Plant, is approved in the amount of \$9,974,000.
2. The General Plant budget is consistent with prior budgets and appears reasonable; no prudence concerns are noted.
3. GPA shall file a complete reconciliation of the FY2014 expenditures on or before December 15, 2014, as required by the Contract Review Protocol.

⁷ GPA Petition for Contract Review (Application to Approve the FY2015 GPA CIP Ceiling Budget), GPA Docket 15-02, filed October 2, 2014, Attachment 1.

⁸ Id. at Attachment 1.

⁹ Lummus Consultants Report, GPA Docket 15-02(Review of GPA FY2015 CIP Ceiling CAP), filed November 25, 2014, at p. 1.

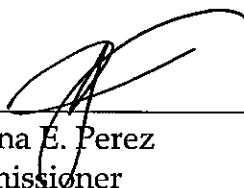
¹⁰ Id.

- 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.

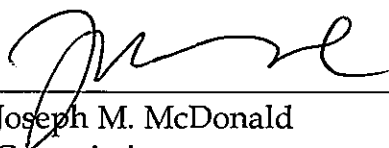
Dated this 1st day of December, 2014.



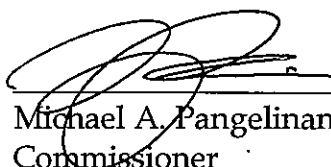
Jeffrey C. Johnson
Chairman



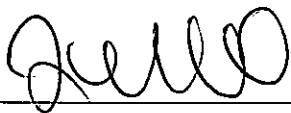
Rowena E. Perez
Commissioner



Joseph M. McDonald
Commissioner



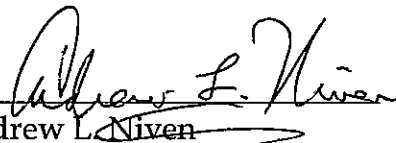
Michael A. Pangelinan
Commissioner



Peter Montinola
Commissioner



Filomena M. Cantoria
Commissioner



Andrew L. Niven
Commissioner