

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:)
) GPA Docket 10-06
)
The Application of the Guam Power)
Authority to Approve the FY2011 GPA)
Construction Budget)
_____)

ORDER

This matter comes before the Guam Public Utilities Commission [PUC] upon the Petition of Guam Power Authority for review and approval of GPA’s FY2011 Construction Budget.¹ GPA requests approval of its Construction Budget in the total amount of \$37,305,000, which consists of new bond financed capital improvement projects in the amount of \$31,572,000 and existing bond funded projects in the amount of \$5,733,000.² The FY2011 Construction Budget was approved by the Consolidated Commission on Utilities at its meeting of August 10, 2010.³

Georgetown Consulting Group Inc, the independent Consultant of the PUC, filed its Report in this matter on October 25, 2010.⁴ Therein GCG indicates that, while many of the projects funded in the FY11 Construction Budget have been approved by the PUC, there are certain projects (including improvement projects for the Cabras Plants and the GPA Main Office and Facility improvements) which have not yet been approved by the PUC. The cost for the unapproved projects totals over \$12M.⁵

In accordance with the Contract Review Protocol for Guam Power Authority, on or before September 15th of each year GPA “will use best efforts to file with PUC its Construction Budget for the coming fiscal year plus estimates for the subsequent two fiscal years. The filing shall contain a description of each CIP contained with the budget

¹ GPA Petition for Contract Review (Application to Approve the FY2011 GPA Construction Budget), GPA Docket 10-06, filed on September 15, 2010.

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

³ See Guam Consolidated Commission on Utilities Resolution No. 2010-45, adopted August 10, 2010.

⁴ GCG Report (Review FY2011 Construction Budget), GPA Docket 10-06, filed October 25, 2010.

⁵ See table 5, GCG Report, at p. 5.

and estimates".⁶ Thus, there is no requirement in the Protocol that the PUC approve the Construction Budget. However, it is clear that GPA will need to make additional filings under the Contract Review Protocol to seek approval of those projects in its Construction Budget which have not yet been approved. In its Report, GCG indicates that GPA has acknowledged that additional filings are required for both existing and new debt projects before a debt-funded construction budget can be "approved".⁷ For the foregoing reasons, GCG recommends that the PUC not take further action on the FY2011 Construction Budget at the present time but await further filings by GPA on specific projects which it seeks to fund.

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

1. Approval by the PUC of the FY2010 Construction Budget is not required under the Contract Review Protocol.
2. The Commission need not take further action upon the FY2011 Construction Budget until such time as GPA files for approval of those projects included within the FY2011 Construction Budget which have not yet been approved by the PUC.
3. 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 29th day of October, 2010.

Jeffrey C. Johnson
Chairman

Joseph M. McDonald
Commissioner

⁶ Contract Review Protocol for Guam Power Authority, Administrative Docket filed February 15, 2008

⁷ GCG Report Id. at p. 7.

ORDER
Application of GPA to Approve
FY2011 Construction Budget
GPA Docket 10-06
October 29, 2010

Rowena E. Perez
Commissioner

Filomena M. Cantoria
Commissioner

Michael A. Pangelinan
Commissioner