

GUAM PUBLIC UTILITIES COMMISSION
REGULAR MEETING
November 30, 2017
Suite 202, GCIC BUILDING, HAGATNA



MINUTES

The Guam Public Utilities Commission [PUC] conducted a regular meeting commencing at 6:40 p.m. on November 30, 2017, pursuant to due and lawful notice. Commissioners Johnson, McDonald, Pangelinan, Montinola, and Niven were in attendance. The following matters were considered at the meeting under the agenda made *Attachment "A"* hereto.

1. Approval of Minutes

The Chairman announced that the first item of business on the agenda was approval of the minutes of October 26, 2017. Upon motion duly made, seconded and unanimously carried, the Commission approved the minutes subject to correction.

2. Guam Waterworks Authority

The Chairman announced that the next item of business on the agenda was GWA Docket 18-01, Petition for Approval of 7th Amendment to the PMO Contract with Brown & Caldwell. The ALJ indicated that GWA filed a petition for approval of an \$2,095,904.00 increase to its PMO contract with Brown & Caldwell. GWA maintains that it continues to need significant assistance on numerous projects including compliance with the federal court order. Such assistance includes GWA's 5-year rate plan, SRF grant project management, consulting engineer's report and certification for 2018 revenue bond financing, hydraulic modeling and training for waste water collection system analysis.

The cost for this increase will be funded by 2010, 2013, and 2015 bond proceeds, as well as the U.S. EPA state revolving funds grant. The PMO brings technical resources, subject matter knowledge, and seasoned management from a pool of national experts as well as its local staff. It has effectively managed the USEPA funded infrastructure improvement projects for GWA. The PMO has helped GWA achieve investment grade ratings from all three credit rating agencies resulting in over \$41M in interest savings over the lifetime of the two previous bond sales. The PMO will manage four new funded projects: the program management support for 2017 to 2018, consulting engineer's report for the 2018 bond financing, project management for new wells, and the hydraulic modeling and training for waste water collection.

\$730,555.00 for program management support will allow the PMO to assist with developing scopes of work and work plans for its CIP project and court-ordered related projects. Program contract assistance such as review of requests for proposal and

negotiation of contracts will also be provided. The budget includes housing assistance for the PMO's employees, utilities, leased cars and airfare for technical experts. This ongoing work will expire at the end of the 2018 fiscal year. \$210,043.00 is sought for the consulting engineer's report for the 2018 bond refinancing. This report will be included in GWA's official statement of the revenue bond documents for its proposed 2018 bond issue. The PMO will provide support for GWA's finance team at the rating agency on presentation.

GWA seeks \$110,013.00 for project management for the new wells. These services relate to the construction of three new wells including design, bidding, construction and project close out. GWA seeks \$224,923.00 for hydraulic modeling and training for waste water collection. Flow metering data will be collected, as well as an update prepared for GWA's waste water collection system model. Deficiencies will be identified in GWA's waste water system. The new PMO will develop the flow metering plan, which will enable GWA to install full meters in its collection system and will analyze whether GWA needs meter maintenance.

For SRF grant funded projects support, GWA seeks \$820,370.00 for PMO management of 10 sewer rehabilitation and Guam water well reconstruction projects. The grant requires the PMO to manage the construction contracts' schedules and costs, and to meet with USEPA officials. This work will continue through 2018. The ALJ has found that additional funds for the projects described in the petition is critical and necessary in order for GWA to meet the deadlines in the federal stipulated order, as well as to improve GWA's water and waste water systems. The subject request is only half a million dollars more than what was projected in GWA's December 29, 2016 PMO transition overview.

GWA indicated that the PMO's function would generally be eliminated in 2019. The ALJ recommends that the PUC approve GWA's request for additional funding for its contract with Brown & Caldwell. PMO support for the SRF grant-funded projects should be approved not to exceed \$820,378.00. Approval should be given for the new bond-funded PMO projects, the consulting engineer's report for 2018, project management for the new wells, and the hydraulic modeling and training for waste water collection in an amount not to exceed \$524,979.00. The PUC should revisit the approval of the remaining funds after GWA submits its detailed list and a PMO elimination plan by January 31, 2018, which will address GWA's current and future efforts to eliminate its reliance on the PMO.

GM Miguel Bordallo of GWA indicated that the amounts requested may be more than what is actually expended at the end of the projects. GWA is attempting to keep costs down with the PMO. It has made a commitment to reduce reliance on the PMO and increase its own capabilities. He doesn't believe that the PMO elimination plan will be different than what was already submitted as the transition plan. Commissioner Niven asked ALJ Alcantara about the time table after January 31, 2018. The ALJ indicated that

the deadline was set early in the year so that the PUC could review it, hopefully by February 2018.

Commissioner Pangelinan asked whether any documentation had been submitted to support the additional management work for \$730,000. ALJ Alcantara indicated that GWA felt that, since the amount did not exceed \$750,000, it didn't need CCU approval. However, when expenses after 2018 are added, the amount will increase to over the \$1M threshold. Authorization from the CCU concerning the expenditure is what is requested. Upon motion duly made, seconded and unanimously carried, the Commissioners approved an increase to the PMO contract with Brown & Caldwell by GWA in an amount not to exceed \$1,365,349.00 and decided that approval of the remaining amounts would be considered subsequent to GWA's submission of certain information. The PUC adopted the Order made *Attachment "B"* hereto.

The Chairman announced that the next item of business was GWA Docket 18-02, Approval of Increased Spending under Existing Contract with JMI Edison for Submersible Pumps and Motors, ALJ Report, and Proposed Order. ALJ Alcantara indicated that GWA's petition sought an increase in its existing contract with JMI Edison for the purchase of submersible pumps and motors. In July 2018, the PUC issued an order ratifying the underlying procurement and approving the contract with JMI Edison for the amount of \$1.3M. For additional purchases of pumps and motors for 2018, the PUC required GWA to return to the PUC with a list itemizing for these additional expenditures. GWA requests an additional \$612,778.00 for fiscal year 2018, as well as subsequent quarterly purchases of \$213,403.00.

In support of this request GWA has provided PUC with an inventory of its deep well submersible pumps and motors which indicates purchases for 2017 and for three additional quarters after 2018. GWA intends on purchasing 50 motors and around 70 pumps in 2018 for a total cost of \$612,778.00. After 2018, GWA will purchase an average one of each company motor required for its wells per quarter. These pumps and motors are necessary to operate GWA's 140 wells. The ALJ recommends that the PUC authorize GWA's purchase of these pumps and motors in an amount not to exceed \$612,778.00. The ALJ also recommends that GWA be required to submit documentation to the PUC for approval of any additional quarterly purchases, which GWA estimates to be around \$213,403.00 per quarter.

The Chairman asked GM Bordallo how often the motors needed to be replaced on these wells on average. GM Bordallo indicated that it depends. Useful life of the motors should be between three and five years. However many of the motors have not been replaced within an acceptable period. The failure rate is higher than what GWA would like to see in terms of useful life. In the past the best performing motors have been for about two years. GWA is working to extend the life of the motors that it had purchased. With some recent water issues, such as that in Santa Rosa, some of the larger horse power motors have not been kept as inventory in stock. Therefore GWA

recently established minimum inventory levels to make sure that enough stock is on hand.

The Chairman asked what the time line was for fixing the situation at Mount Santa Rosa and Tiyan, with the high school. GM Bordallo indicated that the Tiyan issue has been resolved. NAS 1 is back up and running. GWA put in temporary piping to get the treatment system in place. During the school holiday it will take the well offline and implement a permanent fix. With Mount Santa Rosa, there are spare motors in inventory now. GWA is looking at work at the reservoir to help with the situation, possibly replacing the reservoir and putting in another one. The project will go out to bid in the next three weeks.

The Chairman asked how GWA was doing on the fire hydrants. GM Bordallo indicated progress was being made, but the bid was not yet out. It should be done in early 2018. Upon motion duly made, seconded and unanimously carried, the Commissioners approved GWA's petition to purchase submersible pumps and motors under the JMI-Edison contract for FY2018 at a cost not to exceed \$612,778.13. For purchases after FY2018, GWA is required to submit documentation to the PUC for the approval of such purchases. The PUC adopted the Order made *Attachment "C"* hereto.

3. Guam Power Authority

The Chairman announced that the next item of business on the agenda was GPA Docket 18-02, Petition to Approve the Procurement for 180-Megawatt Power Plant, PUC Counsel Report, and Proposed Order. Counsel indicated that, in October 2016, the PUC authorized GPA to proceed ahead with the procurement of 180MW, subject to further PUC review. In April 2017, the PUC clarified that it was not its intent to limit the procurement to combined cycle plants or any particular type of technology. At that time the PUC held that GPA "shall consider technologies other than combined cycle units in the procurement for new generation which it subsequently intends to issue." Technology other than combined cycle units should be considered, and could include LNG.

GPA's technical proposal is not yet completed at the present time; it has hired a consultant, Stanley Consultants, to assist it on its technical proposal for the 180MW procurement. In the current petition, GPA is asking for two things: (1) approval of the procurement and (2) specific approval for a "request for qualifications." On the approval of the procurement, GPA has agreed that PUC cannot approve the entire procurement this evening, because the technical proposal has not yet been submitted. It is now requesting that PUC approve the first step in a 3-step procurement process. In the first step, GPA would issue a request for qualifications. The RFP would seek to find bidders that could meet certain requirements to become eligible to bid, for example: experience in the last 10 years, projects built by the proponent, and that proponent has been involved with the construction of at least two plants of 100MW, with other lesser requirements being acceptable too. Secondly, the RFQ bidders would indicate their

financial capability, ability to raise debt financing, and to pay or fund the cost of development. The only issue before the PUC tonight is GPA's request to issue an RFQ. Once the RFQ is issued, GPA would then come up with a list of qualified bidders. Step 2 would be the issuance of a technical proposal. Only bidders qualified in the Step 1 RFQ could bid. After the technical proposals were submitted at Step 2, proponents would submit price offers at Step 3.

GPA has admitted that it has never conducted a 3 step procurement process before, nor has any other agency or entity of the government. However GPA has pointed to provisions in the procurement law which provide at least a *prima facie* justification for a 3 step procurement process and an RFQ. The provisions are Chapter 3, Section 3109(r) of the Guam Administrative Regulations, which recognize that there can be a multi-step bidding process in a 2-phase process consisting of a technical first step comprised of one or more steps. That is what GPA proposes here. The first phase would cover qualifications, and the second phase would be the technical proposal.

5 GCA § 5211(h) also recognizes that there can be an RFQ process for an agency procurement.

There are some other reasons why GPA cannot finalize its procurement process at the present time. It has not finished the acquisition of the land site planned for the project in Harmon. Negotiations are ongoing with the land owners. There would also be a need for Legislative or Guam Land Use Commission approval for re-zoning. The entire procurement process cannot proceed ahead without either Legislative or GLUC approval.

Counsel concludes that there is a justification in the procurement law for GPA to undertake a Request for Qualifications. Counsel has concerns as this has not been done before and could lead to procurement protests. However GPA believes there is no more possibility of a procurement protest than with any other proposal. The PUC is not a procurement appeals board; it should give some deference and weight to GPA's opinion on procurement issues as it is tasked with issuing the bid. The PUC should authorize GPA to issue the RFQ. It will narrow down the field of qualified bidders and determine which bidders are capable of building power plants of the size and financial capability required.

Commissioner Niven raised some issues with Counsel concerning the draft RFQ submitted by GPA. The draft RFQ could be viewed as limiting proposals to the type of fuel utilized, such as operating the plants on ultra-low sulfur diesel and, in the future, LNG. Experienced qualifications are referenced with regard to "two fossil fuel fired greenfield projects", and there are references to diesel fuel and natural gas burning technologies. Commissioner Niven indicated to Counsel that if the RFQ, as presently constituted, were allowed, this could potentially limit the bidders that could participate, i.e. with alternative fuel or LPG. If the RFQ is too narrow, it could exclude bidders that might have qualifications and technological ability to build a project. Counsel supports

Commissioner Niven's suggestion that the revisions which he suggested should be adopted in the RFQ to make it broader and more open in the types of technology and power sources that GPA is considering. The proposed changes have been indicated on the sheet passed out to the Commissioners. The revisions remove references to specific fuels or technology, or certain types of equipment. GPA will still ultimately be free to decide which technologies and fuels are reliable and efficient.

According to GPA Legal Counsel Graham Botha, GPA's fuel study has indicated that other types of fuel such as LNG or LPG may not be readily available in Guam and shipment is cost prohibitive. Nevertheless, GPA is willing to accept the recommendations and changes to the RFP as set forth by Commissioner Niven.

Assistant GM Camacho indicated that GPA was going through the IFB process to find the right solution and to determine what is the least cost and most efficient approach. GPA does not see any issues in making the RFQ more general because the solution will show itself based on what is submitted. Counsel then indicated that, in light of GPA's position, the PUC could proceed ahead with consideration of the Order. Counsel could revise the provision that approval is subject to GPA revising the RFQ with the suggested revisions. GPA concurred. Assistant GM Camacho indicated that time was of the essence because of the EPA issues. GPA wanted to show a good effort in moving forward.

Commissioner Montinola asked if the selection process would be at the end of the three steps. GPA Counsel Botha indicated that, even though the projected project cost for the new plant was over \$300M, Parties could qualify with experience with plants of \$100M. A short list will be created after RFQ submissions. Short list bidders will be eligible to submit a technical proposal. Sealed bid prices will be submitted at the same time. A selection is not based upon price alone. Even bidders that meet the qualifications will have to submit a project that meets the technical proposal specifications. Commissioner Montinola clarified whether a party could bid between 120 and 180MW. GPA Counsel indicated that it could.

Commissioner Niven supported the approach that Counsel had laid out. He did ask GPA to take another look at the April 27th Order and understand that the PUC does not want a pre-judgement of the technology and fuels. That should also be kept in mind for the next step of the technical specifications proposal. As presently constituted, the RFQ is not compliant with the April 27th Order without the suggested revisions. Upon motion duly made, seconded and unanimously carried, the Commissioners authorized GPA to issue a Request for Qualifications as a part of a 3 step procurement process for the proposed 180MW Power Plant. The PUC adopted the Order made *Attachment "D"* hereto.

The Chairman announced that the next item on the agenda was GPA Docket 17-20, Petition to Refund/Refinance GPA's Outstanding 2010 Series A Revenue Bonds, ALJ Report, and Proposed Order. Counsel indicated that the November 20th amended GPA

petition was the third request from GPA to approve the refinancing of the 2010 Series A Revenue Bonds. In November 2016, GPA sought to refinance \$96M out of the \$150M of the 2010 Series Bonds. The projected savings were \$137,000 annually. On its own, GPA decided to withdraw that petition as the savings were insufficient. Thereafter GPA was provided monthly updates from its underwriter Barclays, as to what the projected savings would be. In July of 2017, GPA filed its second petition where under the projected savings were about \$220,000 per year (annual gross savings). Thereafter the market improved and in August 2017, the Barclays analysis showed potential savings from the refunding of about \$300,000 annually. However in September, the PUC held that, absent legislation and approval by the Legislature, the PUC would not further address the refunding matter.

Counsel believes that this was the correct holding. The first question the PUC should address this evening is whether it should take any action; the Legislature has not yet considered the GPA bond refinancing. It has been discussing the Port Authority bond financing for about three days now. The PUC could, at the end of this meeting, adjourn the meeting and continue it at an appropriate date. It could be tomorrow, Monday, or Tuesday night. This would give the Legislature a chance to come up with an approval. This could be accomplished through the form of an Order of Adjournment under the Open Government Law. An agency can adjourn a meeting if it issues the Order and post the Order on the door of its meeting place within 24 hours after its meeting. Hopefully, by the date of the continued meeting, the Legislature will have approved the issuance and the Governor will have signed the Legislation. There has been a CCU resolution approving the bond issuance and a GEDA resolution. All that is lacking is Legislative approval and signature by the Governor.

GPA and GEDA have represented to Counsel, which he has not verified, that federal tax legislation approved by the House of Representatives would basically end this type of bond refinancing by government agencies. If it is not done by end of this year, in the month of December, GPA might be foreclosed in that regard.

Although the ALJ did have concerns, he submitted a report which recommended approval of the bond issuance. The main reason is that, on November 8, he received an analysis from Barclays indicating, for the first time, that GPA would refund the entire 150M 2010 bond issuance. That position had never been taken in prior petitions, but only a portion, 96M would be refunded. Today however GPA Counsel advised PUC Counsel that the underwriters no longer intend to fund the entire 150M bond, but only 95M. The savings then would not be \$430,000, as Barclays indicated in its November 8 analysis, but back to about \$300,000. The ALJ asked that the Commissioners disregard his report because it was based on false assumptions. If GPA is not refunding the entire 150M, then the analysis in the ALJ report does not make sense. The reason the ALJ determined the bond issuance was appropriate was that the savings went from \$130,000 in November 2016 to \$460,000 in November 2017. Based on the recent update, it

indicates that the Underwriters are only intending to fund \$96M. The savings would only be \$301,000.

This again points out that the ALJ should not even be preparing a report until there is legislation on these bond issuances. In the report, the ALJ could not refer to a public law number because there was none. It was prepared on the assumption that there would be legislative approval before tonight's meeting. Therefore, it would be appropriate to adjourn this meeting until sometime next week; if the Legislature does approve the bond refunding, the PUC can then consider whether it wishes to approve it. The ALJ will be off island for such meeting, so ALJ Alcantara will have to handle the matter. There is a big difference between \$300,000 annual savings and \$460,000. The Commission has already established a \$350,000 a year annual savings standard for GWA. It is not clear whether a different standard would be applied to GPA, but the ALJ does not intend to speculate again about what the Legislature might approve or what GPA's request to the Legislature might be. Thus, the ALJ recommends adjournment.

GPA may have to file a new petition if it is not going to refund the entire \$150M. All the proposed Orders would have to be changed. GPA Counsel Graham Botha indicated that the interest rates rose since GPA received the report from Barclays recommending refunding of the entire \$150M. When the interest rates rise, with the additional \$54M, because these are lower coupons (5%), the savings are insufficient to justify the additional costs even though refinancing can be done at a cheaper amount. The additional cost exceeded the savings. Once GPA received an update from Barclays, GPA immediately forwarded that to the ALJ and advised him of the rising of the rates. It was appropriate to advise the PUC that GPA would now have to go back to the original petition asking for refunding of only \$96M.

GPA's position is that there is still \$300,000 in expected savings; it would agree to the Commission entertaining GPA next week subject to its schedule. The Legislature may hear GPA within the next few days. If the PUC could set the matter for Tuesday, there should be approval by then. While the savings aren't as good as projected, they are still sufficient. PUC should allow GPA to refund subject to Legislative and Governor's approval.

Lester Carlson, Director of BBMR, stated that \$300,000.00 was still \$100,000 more than GPA minimum threshold, \$200,000.00. He commended the PUC for being prudent in not putting this refunding in too early and also looking at the benefit to ratepayers. When the Public believes that corporate America will be the recipient of tax benefits, they tend to gravitate and invest in stocks as opposed to bonds. The proposed Legislation seeks to get the authorization for all or a portion of the 2010 GPA bonds. The shift back to bonds could also occur within weeks. It is uncertain. He does not believe that any false assumptions were made, but that GPA is attempting to put forward the most appropriate timely and factual information for the PUC to consider.

He suggests that the PUC conditionally approve the bond refunding this evening, so that it doesn't have to come back later. \$300,000 in the aggregate average annual cash flow savings is significant. Conditional approval tonight is appropriate.

The ALJ indicated that the problem with conditional approval was that this Commission, in September, issued an Order which said that it will not consider further any bond refunding without Legislative approval. If it could "conditionally" approve the refunding, that is contrary to the Order issued in September. To maintain the propriety of the situation, the PUC is an administrative body. The law requires Legislative approval before there can be any bond issuance. The PUC should never be taking the lead on these bond refundings or issuances, and it should not act at all until there is Legislation. The PUC could have avoided all of the problems that it has had with this issue over the last year if, from the beginning, it had simply waited and done nothing until Legislation was approved. A lot of unnecessary time and expenditure of effort could have been saved.

The ALJ recommends that the meeting be adjourned until December 2, 2017 at 6:30pm. If the Legislature has acted, the PUC can act; if not, the PUC again adjourn the meeting on December 2. The ALJ was corrected and that December 5 would be the following Tuesday. The ALJ agreed that the PUC could approve \$300,000 as appropriate annual savings, although it is less than what the PUC approved for GWA (\$350,000). It is more important than ever that the Legislature set the guidance on these matters. The ALJ recommendation is for adjournment until December 5, and that GPA file a new amended petition.

GPA Counsel Botha indicated that they were asking for flexibility to refund either a portion or all of the bonds. The bond pricing is tentatively set for December 11 and 12. Both approaches will be examined at the appropriate time; the PUC could set a threshold. The difference between GPA and GWA is that GPA was investment grade when the 2010 bonds were issued and it got pretty good rates. GWA's interest rates for 2010 were high because they were not investment-grade at the time. There is a difference. GPA should not be punished because of its good investment rating.

The ALJ concurred that the PUC could establish a different standard for GPA. However that discussion should be reserved for December 5.

Commissioner Niven indicated that adjourning until next Tuesday does a good job of meeting almost everybody's needs. It is consistent with the PUC earlier decision. It would be timely enough for GPA assuming that Legislation will pass and it will give time for Counsel to prepare an Order based on the Legislation. If the Legislation does not pass, then on Tuesday evening the PUC could again adjourn for a few days. The Chairman indicated that, approaching into December, the PUC was having some difficulty meeting its quorum requirements. Tonight there are five members, but next week there may only be four Commissioners present on island and available.

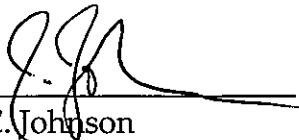
Commissioner Pangelinan indicated that the PUC has to approve what has been submitted. What was submitted is not the flexible approach GPA now asks for -- the PUC must assure that the proceeding is done in an orderly manner. He felt that convening on Tuesday accomplishes that because it gives GPA time to submit a request for flexibility. Then there will be record of what the PUC is actually addressing. Upon motion duly made, seconded and unanimously carried, the Commissioners voted to adjourn this meeting until December 5, 2017, at 6:30pm; The Commissioners adopted the Order of Adjournment made *Attachment "E"* hereto.

4. Administrative Matters

The Chairman indicated that he appreciated the calendar prepared by Administrator Lou Palomo (in the packet). He requested that this be done on a regular basis, perhaps two to three months ahead of time so that the PUC will know where it is headed. Counsel wished to clarify that the next monthly meeting would be on December 28. The Chairman indicated that December 5 should also be indicated. For January, the monthly meeting would normally be January 25. LEAC will be before the PUC in January, and it must be decided before February 1. However, Counsel and Commissioner Cantoria will be attending the Pacific Telecommunications conference in Hawaii from January 22 through 24th, and he cannot return by the January 25 date. Commissioner Montinola suggested Tuesday the 30th of January. All the Commissioners agreed to conduct a special meeting on January 30, 2018.

As the last matter, Counsel indicated that he is addressing a pending arbitration proceeding between GTA and PDS, on the ICA Agreement. Because of the arbitration rules, the PUC must act within certain deadlines. There would be a need for PUC action by February 1, 2018, which would be another special meeting. The purpose would be to address the ALJ Recommendations on the arbitration. If the PUC approves those recommendations, the ICA would be signed and then would actually be reviewed and approved by the Commission by the end of February. The ALJ Recommendation must be addressed within 15 days. Counsel suggests that the PUC have a special meeting on February 1, 2018.

The Chairman asked whether that meeting could also be conducted on January 30. However, upon reflection, Counsel thought that there should be a separate meeting for the ICA Arbitration matter -- there are a lot of issues, and there will be back and forth arguments by the Parties. For that reason, the ICA arbitration matter should be scheduled on a separate evening. The Chairman indicated that February 1, 2018 was a Thursday. Counsel distributed the Order of Adjournment for signature by the Parties. Upon motion duly made, seconded and unanimously carried, the Commissioners moved to adjourn the meeting and to reconvene on December 5, 2017 at 6:30pm.



Jeffrey C. Johnson
Chairman

**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION
REGULAR MEETING
SUITE 202, GCIC BUILDING
414 W. SOLEDAD AVE., HAGATNA, GUAM
6:30 p.m., November 30, 2017**

Agenda

- 1. Approval of Minutes of October 26, 2017**
- 2. Guam Power Authority**
 - GPA Docket 18-02, Petition to Approve the Procurement for 180MW Power Plant, PUC Counsel Report, and Proposed Order
 - GPA Docket 17-20, Petition to Refund/Refinance GPA's outstanding 2010 Series A Revenue Bonds, ALJ Report, and Proposed Order
- 3. Guam Waterworks Authority**
 - GWA Docket 18-01, Approval of 7th Amendment to PMO Contract with Brown & Caldwell, ALJ Report, and Proposed Order
 - GWA Docket 18-02, Approval of Increased Spending Under Existing Contract with JMI-Edison for Submersible Pumps & Motors, ALJ Report, and Proposed Order
- 4. Administrative Matters**
 - PUC Meeting Schedule for next few months
- 5. Other Business**



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

**PETITION FOR APPROVAL OF
AMENDMENT NO. 7 TO PMO WITH
BROWN & CALDWELL BY GUAM
WATERWORKS AUTHORITY**

GWA DOCKET 18-01

ORDER

This matter comes before the Guam Public Utilities Commission (the “PUC” or the “Commission”) pursuant to the Petition for approval of a \$2,095,904.00 increase in the Program Management Office (“PMO”) contract with Brown & Caldwell, specifically Amendment No. 7, filed by the Guam Waterworks Authority (“GWA”) on October 12, 2017 (the “Petition”).

On November 29, 2017, the Administrative Law Judge of the PUC assigned to this docket, Joephet R. Alcantara (the “ALJ”), filed a report regarding the instant Petition, which included his findings and recommendations based on the administrative record before the PUC. The ALJ made the following findings.

DETERMINATIONS

A. Review of GWA’s PMO Contract

Pursuant to 12 G.C.A. §12105,¹ GWA may not enter into any contractual agreements or obligations which could increase rates and charges without the PUC’s express approval. Additionally, pursuant to GWA’s Contract Review Protocol issued in Administrative Docket 00-04, “[a]ll professional service procurements in excess of \$1,000,000” require “prior PUC approval under 12 G.C.A. §12004, which shall be

¹ Formerly 12 G.C.A. § 12004.

obtained before the procurement process is begun”² GWA must also seek PUC’s approval for any uses of bond funds.³

B. Request for \$2 Million Increase

In its Petition, GWA maintained that it “continues to need significant assistance on numerous projects such as compliance with the [federal] Court Order[,] matters contained in the Stipulation attached to PUC’s Order approving GWA’s 5-year rate plan covering FY2013-FY2018, SRF grant project management, Consulting Engineer’s Report and Certification for 2018 revenue bond financing, and hydraulic modeling and training for wastewater collection system analysis, among others.”⁴ Based on this need, GWA seeks PUC approval to increase funding for its existing contract with the PMO by \$2,095,904.00 for services described in the Petition.⁵

GWA submitted that the cost of the increase will be funded by 2010, 2013, 2015 bond proceeds, and U.S. E.P.A. State Revolving Funds (“SRF”).⁶ GWA further submitted that the PMO “brings . . . technical resources, subject matter knowledge, and seasoned management from a pool of national experts as well as its local staff”; that it has “effectively managed the U.S. E.P.A. funded infrastructure improvement projects for GWA.”⁷

² GWA’s Contract Review Protocol (“GWA CRP”), Administrative Docket 00-04, p. 1 (Oct. 27, 2005).

³ *Id.*

⁴ Petition, p. 3.

⁵ Petition, pp. 1, 3.

⁶ Petition, p. 6.

⁷ Petition, pp. 4-5.

GWA also submitted that the PMO has “helped GWA achieve investment grade ratings from all three credit rating agencies . . . resulting in over \$41 million in interest savings over the lifetime of the previous two bond sales.”⁸ In addition, GWA maintained that the cost associated with the PMO is commensurate with average PMO costs in the industry.⁹ GWA contends that the instant request is about “half” the funding approved by the Consolidated Commission on Utilities (“CCU”) and the PUC last year.¹⁰

1. New Bond Funded Projects

a. Program Management Support for 2017-2018

Based on the work authorization submitted by GWA, the purpose behind Program Management Support is to provide GWA with management and consulting services for GWA’s capital improvement projects. The PMO will assist with developing scopes of work and work plans for CIP projects, and court-ordered related projects. The PMO will also develop schedules, budgets, work authorizations, and staffing plans for capital improvement projects.

The PMO will continue to provide qualified and specialized technical support necessary to respond to GWA’s critical issues on an as-needed basis. At GWA’s discretion, the PMO will also provide some program contract assistance, such as review of requests for proposals and the negotiation of contracts. The budget for this project will provide the PMO with housing subsistence, utilities, leased cars, and air fare for technical

⁸ Petition, p. 5.

⁹ Petition, p. 5.

¹⁰ Petition, p. 3.

experts. This ongoing work with GWA is planned to expire at the end of the 2018 fiscal year, and which cost is estimated at \$730,555.00.

b. Consulting Engineer's Report for 2018 Bond Financing

Based on the work authorization submitted by GWA, the PMO will assist GWA primarily with the preparation of a Consulting Engineer's Report and Consulting Engineer's Certificate, which will be included in GWA's Official Statement of the Revenue Bond documents for the 2018 bond issue. In addition to crafting GWA's capital improvement program summary, this Engineer's Report will also include financial projections through year 2023. The PMO will also provide some support to GWA's finance team at rating agency and bond insurer presentations. This project is estimated at \$210,043.00 and is estimated to be completed by June 1, 2018.

c. Project Management System for New Wells

According to GWA, the intent is that the PMO will provide project management services for the construction of three (3) new wells. Based on the work authorization, the PMO will assist GWA with managing the project from start to finish, which includes the following: design, bidding, construction, and closeout. The PMO will be required to provide project management oversight and technical. This project is estimated at \$110,013.00.

d. Hydraulic Modeling and Training for Wastewater Collection

According to GWA, the intent behind this project is to collect flow metering data, as well as update GWA's wastewater collection system model. The updated model will then be used to identify deficiencies in the system.

Based on the work authorization submitted by GWA, the PMO will develop a flow metering plan, which will enable GWA to install flow meters in its collection system. The PMO will analyze the flow metering data and determine for GWA whether any meters require maintenance. Among other tasks, the PMO will also provide “on-call” assistance for specific issues concerning GWA’s wastewater collection system. Finally, the PMO will provide training on the wastewater collection system model for GWA staff. This project is estimated at \$224,923.00.

2. SRF Grant Funded Project Support

With respect to the SRF Grant-funded project support, the PMO has been managing ten (10) sewer rehabilitation and groundwater well reconstruction projects for the past two (2) years. These projects include the following: (1) Southern SSES Rehabilitation (Agat-Santa Rita-Umatat-Merizo); (2) Route 1 Asan-Adelup-Hagatna; (3) Asan Sewer Break Repair; (4) Route 2 Agat War in the Pacific Project; (5) F and A Series Wells Rehabilitation; (6) Tumon Sewer Hotspots; (7) Route 4 Hagatna; (8) D-Series Wells Rehabilitation; (9) Baza Gardens-Talofof SSES Rehabilitation; and (10) Tamuning Sewer Hot Spots.

According to the work authorization submitted by GWA, the PMO will continue the management of these projects, through bidding, construction, and close-out. With respect to these projects, the PMO is required under the grant to manage the construction contracts, monitor schedules and costs, and meet with U.S. EPA officials, among other tasks. This work is scheduled to continue from January 1, 2018 through the end of the year, and is estimated at \$820,370.00.

With respect to the projects discussed above that require PUC approval for additional funding for the PMO contract, based on the documents submitted by GWA and the record before this Commission, the ALJ found that the additional funds for the projects described in the Petition and its supporting documents are critical and necessary in order for GWA to meet the deadlines imposed by the federal Stipulated Order, as well as to improve GWA's water and wastewater systems. The ALJ also found that, as GWA has indicated, the U.S. E.P.A. SRF grant would fund certain eligible projects.¹¹

The ALJ further found that the instant request appears to be only half a million dollars more than what was projected in GWA's December 29, 2016 PMO Transition Overview, filed in GWA Docket 16-06. In that report, GWA projected that the PMO costs would increase by \$1.5 million in 2018.¹² In the same report, GWA also indicated that the PMO's function would generally be eliminated in 2019.¹³

Accordingly, based on the documents submitted by GWA and the record before this Commission, the ALJ recommended the following. First, the ALJ recommended that the PUC approve GWA's request for additional funding for its contract with Brown & Caldwell, with respect to the PMO activities related to the SRF Grant-funded project support, not to exceed \$820,370.00. Second, with respect to funding for new bond-funded PMO projects, the ALJ recommended that the PUC also approve the funding requested for these particular projects: (1) the Consulting Engineer's Report for

¹¹ Petition, pp. 5-6.

¹² GWA's PMO Transition Overview, GWA Docket 16-06, p. 9 (Dec. 29, 2016).

¹³ GWA's PMO Transition Overview, p. 8.

2018 Bond Financing; (2) Project Management System for New Wells; and (3) the Hydraulic Modeling and Training for Wastewater Collection; not to exceed \$544,979.00.

Finally, with respect to Program Management Support for 2017-2018, the ALJ recommended that GWA submit a more detailed list or work authorization itemizing specific projects or line items that account for the \$730,555.00 increase requested by GWA. Moreover, the ALJ further recommended that the PUC should revisit approval of the remaining funding after GWA submits a PMO Elimination Plan by January 31, 2018, which shall address GWA's current and future efforts to eliminate its reliance on PMO services.

ORDERING PROVISIONS

Upon careful consideration of the record herein, the November 29, 2017 ALJ 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 the following:

1. That GWA's October 12, 2017 Petition is hereby GRANTED to the extent that GWA is authorized to increase its contract with Brown & Caldwell for an amount not to exceed \$1,365,349.00, and that approval of the remaining amount requested shall be considered after GWA's submission of the following: (a) a detailed list or work authorization itemizing specific projects or line items that account for the \$730,555.00 increase requested by GWA; and (b) a PMO Elimination Plan by January 31, 2018, which shall address GWA's current and future efforts to eliminate its reliance on PMO services.

2. GWA is ordered to pay the PUC's regulatory fees and expenses, including and without limitation, consulting and counsel fees, and the fees and expenses

associated with the instant contract review proceedings. Assessment of the PUC's regulatory fees and expenses is authorized pursuant to 12 G.C.A. §§ 12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the PUC.

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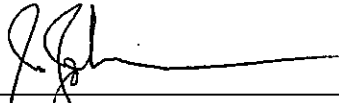
[SIGNATURES TO FOLLOW ON NEXT PAGE]

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SO ORDERED this 30th day of November, 2017.



JEFFREY C. JOHNSON
Chairman

ROWENA E. PEREZ
Commissioner

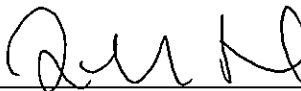


JOSEPH M. MCDONALD
Commissioner

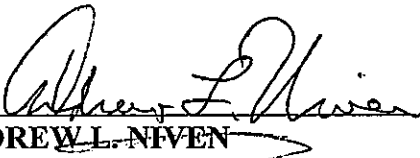
FILOMENA M. CANTORIA
Commissioner



MICHAEL A. PANGELINAN
Commissioner



PETER MONTINOLA
Commissioner



ANDREW L. NIVEN
Commissioner

PI73035.JRA



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN RE: PETITION FOR APPROVAL)
OF INCREASED SPENDING)
UNDER EXISTING CONTRACT)
WITH JMI-EDISON FOR)
SUBMERSIBLE PUMPS &)
MOTORS)
_____)

GWA DOCKET 18-02

ORDER

INTRODUCTION

This matter comes before the Guam Public Utilities Commission (the “PUC” or the “Commission”) pursuant to the Petition for Increased Spending Under An Existing Contract for Submersible Pumps and Motors to JMI-Edison (the “Petition”), filed by the Guam Waterworks Authority (“GWA”) on October 18, 2017.

In January of 2015, GWA issued Invitation for Bid Number GWA 2015-03 (“IFB 2015-03”) soliciting the purchase of submersible pumps and motors for GWA’s drinking wells.¹ In March of 2015, GWA’s procurement team evaluated and selected JMI-Edison’s indefinite quantity bid.² Thereafter, GWA awarded the bid to JMI-Edison and entered into a three-year contract with JMI-Edison, with two (2) yearlong options to renew.

On July 28, 2017, in GWA Docket 17-08, the Commission issued an Order ratifying the underlying procurement and approving the contract between JMI-Edison for the purchase of submersible pumps and motors, for an estimated cost of \$1,300,282.92.

On November 28, 2017, the Administrative Law Judge of the PUC Joephet R. Alcantara (the “ALJ”) filed a report regarding the instant Petition, which included his

¹ Application to Award an Indefinite Quantity Contract for Submersible Pumps and Motors to JMI-Edison (“Docket 17-08 Petition”), p. 1 (July 12, 2017).

² Docket 17-08 Petition, p. 1.

findings and recommendations based on the administrative record before the PUC. The ALJ made the following findings.

DETERMINATIONS

When the PUC ratified the procurement for submersible pumps and motors, and approved the contract between GWA and JMI-Edison for the purchase of submersible pumps and motors back in July, 2017, the PUC also considered additional purchases in 2018 under the contract. With respect to the purchase of additional pumps and motors in 2018, GWA was required to return to the PUC with a listing, itemizing such additional purchases.

In this Petition, GWA submitted that “[i]n an effort to build-up the deep well pump and motor inventory, GWA management reviewed historical inventory, critical production numbers and empirical well repair schedules to create an on-hand purchase schedule and associated quarterly replenishment guidelines.”³ GWA requested PUC approval of \$612,778.13 for FY2018, as well as quarterly purchases of \$213,403.57 for the remainder of the contract. In support of its request, GWA provided the PUC with an inventory of its deep well submersible pumps and motors, which indicates purchases for 2017, 2018, plus three additional quarters after 2018.

The ALJ found that for FY2018, GWA intends on purchasing fifty (50) motors and around seventy (70) pumps, for a total cost of \$612,778.13. Under the JMI-Edison contract, the submersible motors range from \$2,218.17 to \$19,393.95, depending on the strength and horsepower of the motor. The submersible pumps range from

³ Petition for Increased Spending Under an Existing Contract with JMI-Edison for Submersible Pumps and Motors, p. 2 (Oct. 18, 2017).

\$1,020.24 to \$9,468.84, depending on the size of, and number of stages contained in, the pump. Back in July, GWA initially indicated that it would purchase \$597,847.18 worth of pumps and motors for 2018.

With respect to purchases after FY2018, based on the listing provided by GWA, GWA will purchase on average one (1) of each pump and motor required for its wells, per quarter.

As noted in the administrative record in GWA Docket 17-08, GWA purchases submersible pumps and motors on an as needed basis, and periodically replenishes its inventory of spare parts. And it is clear that these pumps and motors are necessary to operate GWA's one hundred and four (104) deep wells.

Based on the documentation provided by GWA in this docket, and for the other reasons set forth herein, the ALJ recommended that the PUC authorize GWA's purchase of submersible pumps and motors for FY2018, at an estimated cost of \$612,778.13. With respect to purchases after FY2018, GWA should be required to submit to the PUC documentation of approval of the additional purchases under the contract by the Consolidated Commission on Utilities, which GWA estimates at \$213,403.57 per quarter.

ORDERING PROVISIONS

Upon careful consideration of the record herein, the November 28, 2017 ALJ 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 the following:

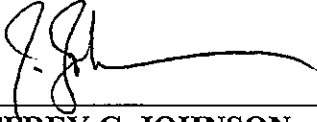
1. The instant Petition is hereby APPROVED and GWA is authorized to purchase submersible pumps and motors under the existing contract with JMI-Edison for FY2018, at a cost not to exceed \$612,778.13.

2. With respect to purchases after FY2018, GWA is required to submit to the PUC documentation of approval of the additional purchases under the contract by the Consolidated Commission on Utilities, which GWA estimates at \$213,403.57 per quarter. The PUC shall thereafter review the need for such purchases and funding at that time.

3. GWA is ordered to pay the PUC's regulatory fees and expenses, including and without limitation, consulting and counsel fees, and the fees and expenses associated with the instant contract review proceedings. Assessment of the PUC's regulatory fees and expenses is authorized pursuant to 12 G.C.A. §§ 12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the PUC.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

SO ORDERED this 30th day of November, 2017.



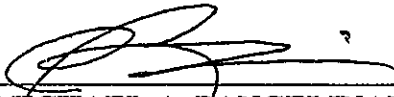
JEFFREY C. JOHNSON
Chairman

ROWENA E. PEREZ
Commissioner

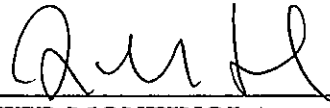


JOSEPH M. MCDONALD
Commissioner

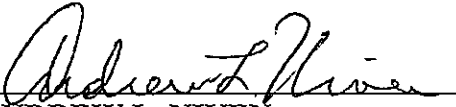
FILOMENA M. CANTORIA
Commissioner



MICHAEL A. FANGELINAN
Commissioner



PETER MONTINOLA
Commissioner



ANDREW L. NIVEN
Commissioner

P173040.JRA

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:)

GPA Docket 18-02)

The Application of the Guam Power
Authority to Approve the Procurement for
the 180MW Power Plant.)

ORDER)

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Petition of the Guam Power Authority ["GPA"] for Approval of the Procurement for the 180MW Power Plant.¹

BACKGROUND

2. GPA petitions the PUC to review and approve a "multi-step procurement for a new 180MW power plant."²
3. GPA intends to use a three-part multi-step process that requires bidders to be prequalified based on experience and financial capability in order to receive the technical bid documents and submit a technical and price proposal.³
4. In Guam Consolidated Commission on Utilities Resolution No. 2017-39, the CCU authorized GPA to petition the PUC for approval of the proposed three-step bid process for the 180MW Power Plant.⁴
5. Resolution No. 2017-39 sets forth the proposed three-step bid process, which includes a "Request for Qualifications" step.⁵
6. The Resolution further clarifies that GPA is requesting that the PUC approve the multi-step bid process **"and to initiate the Request for Qualifications to establish a bidders list."**⁶

¹ GPA Petition to Approve the Procurement for the 180MW Power Plant, GPA Docket 18-02, filed October 12, 2017.

² Id. at p. 1.

³ Id.

⁴ Guam Consolidated Commission on Utilities Resolution No. 2017-39, Authorizing the Management of the Guam Power Authority to Petition the Public Utilities Commission for the Approval of the Bid Process for 180MW Power Plant, adopted September 26, 2017.

⁵ Id. at p. 1.

⁶ Id. at p. 2.

7. GPA has attached to its Petition its proposed “REQUEST FOR QUALIFICATIONS OF BIDDERS FOR DEVELOPMENT OF A 120-180MW POWER PLANT IN GUAM ON A BUILD, OPERATE, TRANSFER (BOT) BASIS.”⁷
8. The RFQ indicates the Project Scope and Bidder Qualifications.⁸ A “qualification submission” is designed to show that the bidder has sufficient experience and technical capability to develop the project. It will also be required to demonstrate financial capacity, in terms of net worth, working capital, profitability, and bonding capacity, to demonstrate that it will be able to access and provide sufficient project equity and debt financing as well as working capital for the execution and construction of the project.⁹
9. The Criteria include Project Development Experience, which, *inter alia*, require that the qualified bidder has been a lead developer in at least two fossil fuel fired green field projects that achieved commercial operation within the last 10 years and were in the range of 100MW each.¹⁰
10. The qualified bidder must indicate its lead developer’s previous successful experience in raising sufficient debt, greater than \$100M, and substantial equity participation of greater than \$50M, for at least two fossil fuel fired projects of 100MW or larger.¹¹
11. On November 25, 2017, PUC Counsel submitted his Report herein. The PUC adopts the Statement of Background and the Recommendations contained in the Report.
12. On November 14, 2017, the PUC Counsel submitted a “PUC REQUEST FOR INFORMATION” to GPA.¹²
13. On November 22, 2017, GPA Legal Counsel submitted the Response of GPA to the PUC Request for Information.¹³ A true and correct copy of said Response is attached to the PUC Counsel Report as Exhibit “1”.¹⁴

DETERMINATIONS

⁷ GPA Request for Qualifications of Bidders for Development of 120-180MW Power Plant in Guam on Billed, Operate, Transfer (BOT) Basis, September 2017, attached to GPA’s Petition.

⁸ Id. at p. 2.

⁹ Id. at p. 4.

¹⁰ Id.

¹¹ Id. at p. 2.

¹² PUC Request for Information, GPA Docket 18-02, dated November 14, 2017.

¹³ PUC Counsel Report, GPA Docket 18-02, dated November 25, 2017.

¹⁴ GPA Response to PUC Request for Information, GPA Docket 18-02, dated November 22, 2017, attached hereto as Exhibit “1”.

14. In its Response to the PUC Requests for Information, GPA clarified that, at the present time, it was only asking for approval for the issuance of a Request for Qualifications. It is not seeking approval of any other aspect of the bid, and “would return to the PUC for approval of the technical specifications.”¹⁵
15. It would not be appropriate for the PUC to now approve the entire multi-step bid process for the 180MW plant. GPA admits that it has not yet developed the “Technical Proposal Qualifications” for Step 2 of the proposed three-step multi-bid process: “the ...technical requirements for the bid documents are still being developed which includes final details on the plant site.”¹⁶
16. Numerous aspects of GPA’s proposed project plan are unsettled. GPA’s purchase of the proposed Harmon site has not been completed and may take at least three to four more months.¹⁷
17. Neither the Guam Legislature nor the Guam Land Use Commission has approved the rezoning of the proposed plant site.¹⁸
18. PUC could conceivably alter the scope of GPA’s technical proposal after it is submitted. The project scope and other details set forth in the proposed RFQ could well change before the technical proposal is finalized and approved by the PUC.
19. The PUC may also address whether the technical proposal approved by GPA is broad enough to allow bidders with diverse technologies to apply for the bid.
20. In its Order dated April 27, 2017, the PUC held that “GPA shall consider technologies other than combined cycle units in the procurement for new generation.”¹⁹
21. The PUC also reserved the right to further consider whether 180MW should be the proposed capacity of the new plant, or whether a lesser capacity would suffice, upon GPA’s submission of the procurement for approval.²⁰
22. There is an issue as to whether GPA can presently issue a proper Request for Qualifications when fundamental aspects of its technical plan have not been resolved and approved by the PUC.

¹⁵ GPA Response to PUC Request for Information No. 16.

¹⁶ CCU Resolution No. 2017-39, adopted September 26, 2017, at p. 2.

¹⁷ Id.

¹⁸ GPA Response to PUC Request for Information, Request No. 15.

¹⁹ PUC Supplemental Order, New Generation Combined Cycle Units, April 27, 2017, Ordering Provision No. 1.

²⁰ Id. at Ordering Provision No. 6.

23. The major procurement issue which PUC must decide in this docket is whether the PUC should approve the issuance of a Request for Qualifications as part of the three-step multi bid process.
24. GPA admits that it has never previously used the three part multi-step bid process requested herein.²¹ GPA is not aware that any other entities or agencies of the government of Guam have ever used the “three-part multi-step” bid process that GPA proposes in this Docket.²²
25. However, GPA has submitted legal authority which appears to authorize GPA to conduct a two-step technical first phase in 2 GAR [Guam Administrative Regulations], Chap. 3, §3109(r), and a provision which authorizes the Request for Qualifications process in 5 GCA §5211(h).
26. GPA does not believe that the three-step process would create “any greater potential of protests than a normal high dollar procurement, for example the Phase II solar bid which was protested to the OPA and used a normal multi-step bid process.”²³
27. GPA also believes that the three-part multi-step bid process is necessary because it “would screen for bidders with the capacity and experience to complete a power plant this size and magnitude proposed by GPA, up to 180MW, and would allow the bidders to demonstrate their qualifications with a minimal expenditure by the bidder.....”²⁴
28. GPA should be accorded some discretion and deference in its procurement process. As the PUC has previously recognized, it does not sit as a Procurement Review Board nor generally make determinations concerning issues of procurement law.
29. Although there are concerns about the procurement process suggested by GPA, in this case GPA has presented a sufficient justification to authorize it to proceed ahead, but only with the issuance of the Request for Qualifications.
30. However, as a condition of approval, GPA agreed at the meeting to revise the RFQ in accordance with the revisions of Commissioner Niven in Exhibit “2” (attached hereto). The RFQ, as written, did not comply with the requirements in the PUC Order of April 27, 2017 (GPA Docket 15-05) that GPA allow technical proposals to be submitted by bidders with any technology or power/fuel source that can provide efficient, reliable and least cost baseload capacity.

²¹ GPA Response to PUC Request for Information No. 7.

²² GPA Response to PUC Request for Information No. 8.

²³ GPA Response to PUC Request for Information No. 9.

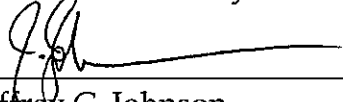
²⁴ GPA Response to PUC Request for Information No. 10.

ORDERING PROVISIONS


Upon consideration of the record herein, the Petition of GPA, the PUC Legal Counsel 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. GPA is authorized to issue a Request for Qualifications for the 120-180MW power plant which implements the revisions of Exhibit "2".
2. Upon submission by GPA of its completed technical plan with full project details, such plan shall be reviewed by PUC pursuant to the Contract Review Protocol.
3. Nothing contained by GPA in the RFQ shall bind the PUC in its subsequent review of GPA's technical procurement.
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 §§12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

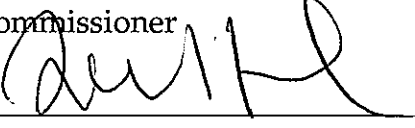
Dated this 30th day of November, 2017.



Jeffrey C. Johnson
Chairman

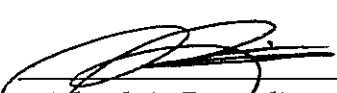


Joseph M. McDonald
Commissioner


Filomena M. Cantoria
Commissioner


Peter Montinola
Commissioner

Rowena E. Perez
Commissioner



Michael A. Pangelinan
Commissioner



Andrew L. Niven
Commissioner

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:) GPA Docket 17-20
)
The Application of the Guam Power)
Authority to Approve A Bond Issuance to) **ORDER OF ADJOURNMENT**
Refinance the Outstanding 2010 Series A) **OF MEETING**
Revenue Bonds.)

This matter came before the Guam Public Utilities Commission ("Commission") on November 28, 2017, upon the amended petition of the Guam Power Authority ["GPA"] to issue additional senior revenue bonds for the purpose of refunding and retiring all or a portion of GPA's outstanding 2010 Series A Revenue Bonds (the "Prior Bonds"), in accordance with Chapter 8, Title 12, Guam Code Annotated (§8101 et seq.), as amended from time to time (the "Act").

However, upon the presentation of the Administrative Law Judge ["ALJ"] this evening, it appears that the Guam Legislature has not yet addressed or approved the refunding/refinancing proposed by GPA. In its Order dated September 28, 2017, the PUC held that it would not further consider GPA's proposed refunding unless and until there is legislation authorizing the refunding and approval by both the Governor and the Guam Economic Development Authority ["GEDA"].

The Guam Legislature may possibly consider the matter of GPA's bond refinancing within the next few days. In such case, it will be necessary for the PUC to expeditiously consider whether GPA's Bond Refinancing should be approved.

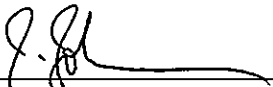
Upon motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby **ORDERS** that:

1. In accordance with 5 GCA §8109, a public body such as PUC is authorized to adjourn a regular meeting, such as this PUC meeting of November 30, 2017, to a time and place specified in the Order of Adjournment.

2. This meeting is hereby adjourned to December 5th 2017, at 6:30 p.m. to enable the Commission to further consider GPA's Amended Petition for Bond Refunding/Refinancing. The meeting will be held at Suite 202, GCIC Bldg., Hagatna, Guam.


3. A copy of this Order of Adjournment shall be posted on the door of the Guam Election Conference Room, second floor, GCIC Bldg. Suite 202, within twenty four (24) hours after the time of the adjournment.

Dated this 30th day of November, 2017.




Jeffrey C. Johnson
Chairman

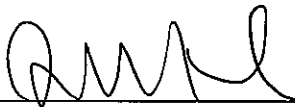
Rowena E. Perez
Commissioner



Joseph M. McDonald
Commissioner

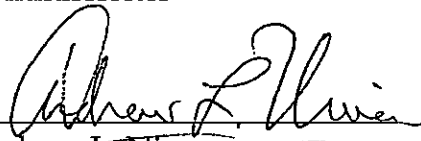


Michael A. Pangelinan
Commissioner



Peter Montinola
Commissioner

Filomena M. Cantoria
Commissioner



Andrew L. Niven
Commissioner