

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:)
) GPA Docket 12-12
)
The Application of Guam Power) **ORDER**
Authority Requesting Approval of the)
Engineering and Technical Services)
Contract with R.W. Beck (dba SAIC).)
_____)

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission [“PUC”] upon the Petition of Guam Power Authority [“GPA”] for contract review and approval of the Engineering and Technical Services Contract with R.W. Beck (dba SAIC).¹

BACKGROUND

2. The Guam Power Authority entered into a contract for Engineering and Technical Services with R.W. Beck in March of 2011.²
3. For the past year and a half, GPA issued task orders to R.W. Beck for various Engineering and Technical Services including Smart Grid Engineering Services, the Integrated Resource Plan, LNG Feasibility Study, and Renewable Acquisition Report. These task orders have already been expended in the total amount of \$1,483,850.00.³
4. The breakdown by fiscal year of the fees and expenses incurred by GPA for engineering and technical services of R.W. Beck are set forth in Exhibits A and B to Consolidated Commission on Utilities Resolution No. 2012-12.⁴
5. When GPA issued RFP10-010 for Engineering and Technical Services therefore, it did not seek PUC approval of the contract.⁵

¹ GPA Petition for Contract Review, Requesting Approval of Engineering and Technical Service Contract with R.W. Beck, GPA Docket 12-12, filed October 29, 2012.

² Id. at p. 1.

³ Id.; GPA provided Counsel with a Summary of Engineering Planning Services Contract Invoices by Project on November 9, 2012, which indicates obligations in the total amount of \$1,445,599.32.

⁴ Guam Consolidated Commission on Utilities Resolution No. 2012-12, issued February 14, 2012, Exhibit “A” and Exhibit “B”.

⁵ GPA Petition for Contract Review Requesting Approval of the Engineering and Technical Service Contract with R.W. Beck, GPA Docket 12-12, filed October 29, 2012.

6. GPA now requests that the PUC approve the additional task orders for R.W. Beck in the amount of \$1,115,000, for services including Strategic Planning (\$50,000); Transmission Planning (\$150,000); Integrated Resource Plan (\$840,000); and Regulatory Support (\$75,000). Approval is also sought for the amount of \$1.483M already expended under the current contract period.⁶
7. PUC Counsel issued his report herein on November 14, 2012.⁷ The PUC adopts the recommendations set forth therein.

DETERMINATIONS

8. In CCU Resolution No. 2012-12, the CCU authorized the General Manager to increase the R.W. Beck Contract from the original amount of \$1.483M in the additional amount of \$1.115M.⁸
9. The Contract Review Protocol for GPA requires it to have prior PUC approval under 12 GCA §12004 for “all professional service procurements in excess of \$1,500,000.”⁹
10. If, for a multi-year procurement, the total costs over the entire procurement exceed the review threshold, GPA must obtain PUC approval.¹⁰
11. Due to the broad range of Smart Grid Engineering Services activities undertaken by R.W. Beck, it is plausible that, when GPA originally entered into its Engineering Services contract with Beck, it did not know whether the contract would eventually exceed \$1.5M.¹¹

⁶ Id. at p. 1; see also Exhibits A& B to CCU Resolution No. 2012-12.

⁷ PUC Counsel Report, GPA Docket 12-12, issued November 14 2012.

⁸ Consolidated Commission on Utilities Resolution No. 2012-12, issued February 14, 2012; the CCU also issued a number of prior Resolutions which approved various purchase orders under the Engineering Technical Services Contract. See CCU Resolution 2011-23, issued May 10, 2011; CCU Resolution 2011-46, issued September 6, 2011; and CCU Resolution 2012-11, issued February 14, 2012.

⁹ Contract Review Protocol for Guam Power Authority, Administrative Docket, filed February 15, 2008 at ¶1(c).

¹⁰ Id. at ¶4(b),(c), and (d).

¹¹ CCU Resolution No. 2012-12, issued February 14, 2012, at p. 1.

12. The LNG study undertaken by R.W. Beck has apparently proven to be more detailed and costly than originally contemplated.¹²
13. There were also amendments and revisions to the task orders for services performed on the IRP Update and the Renewable Acquisition. Both necessitated amendments to increase the funding for the original purchase orders.¹³
14. Although the requested contract increase in the amount of \$1.115M appears considerable, the amount is for services that will be performed by R.W. Beck over a period of five years (from 2012-2016). Many of these expenses relate to the Update of the Integrated Resource Plan (every 2 years) and expenses related to the study of new generation resource procurement.¹⁴
15. GPA has utilized the services of R.W. Beck for many years; it is reasonable to assume that Beck has gained considerable knowledge of GPA's operations and needs.
16. GPA has demonstrated that the services of its Engineering Consultant, R.W. Beck, are necessary to support the additional tasks of strategic planning, transmission planning, Integrated Resource Plan and Regulatory support.

ORDERING PROVISIONS

After careful review and consideration of the above determinations, the Petition of GPA, the Report of PUC Counsel, and the record herein, for good cause shown and on motion duly made, seconded, and carried by the undersigned Commissioners, the Guam Public Utilities Commission HEREBY ORDERS that:

1. The PUC hereby grants GPA's application for approval of the Engineering and Technical Services Contract with R.W. Beck (dba SAIC).
2. The PUC approves and ratifies the prior expenditures of \$1,483,850.00 under the Contract for Smart Grid Engineering Services, the Integrated Resource Plan, LNG Feasibility Study, and Renewable Acquisition Support.

¹² Id. at p. 2.

¹³ Exhibit B to CCU Resolution No. 2012-12, issued February 14, 2012.

¹⁴ Id.

3. In addition, GPA is authorized to expend up to \$1,115,000.00 for fiscal years 2012 through 2016 for Strategic Planning, Transmission Planning, Integrated Resource Plan, and Regulatory Support.
4. GPA shall file an annual report with the PUC, on or before the 15th day of December of each year, listing in detail its annual expenditures for R.W. Beck's services under the Engineering Planning Services Contract. Said expenditures shall be indicated by task # and category.
5. If GPA will exceed the estimated total annual expenditure for R.W. Beck services in any fiscal year under the Contract (the annual expenditure estimates for proposed tasks for R.W. Beck are set forth as GRAND TOTAL for each year, 2012-2016, Exhibit C to CCU Resolution 2012-12), GPA shall obtain prior PUC approval before making any expenditure in excess of the grand total annual expenditure estimate for such year.
6. 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 20th day of November, 2012.

Jeffrey C. Johnson
Chairman

Rowena E. Perez
Commissioner

Joseph M. McDonald
Commissioner

Michael A. Pangelinan
Commissioner

Filomena M. Cantoria
Commissioner

Peter Montinola
Commissioner