

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:)	GPA DOCKET 11-13
)	
GUAM POWER AUTHORITY'S)	
PETITION FOR REVIEW AND)	PUC COUNSEL REPORT
APPROVAL OF ELECTRIC SMART)	
METER AND ADVANCE METER)	
INFRASTRUCTURE (AMI) CONTRACT)	
(SMART GRID PROJECT))	
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INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission ["PUC"] upon Guam Power Authority's ["GPA"] Petition for contract review and approval of GPA's Electric Smart Meter and Advance Meter Infrastructure (AMI) Contract with Landis & Gyr Technologies LLC ["Landis & Gyr"].¹
2. According to the Petition, the implementation of this Contract for the Electric Smart Meter is critical to the success of GPA's Smart Grid Project, and is reasonable, prudent and necessary.²
3. The cost of the Contract with Landis & Gyr is the amount of \$9,759,421.90.

BACKGROUND

4. The Smart Grid Project has been before the Commission on numerous occasions. Previously, PUC authorized GPA to issue revenue bonds, which included approximately \$17M for the Smart Grid project. PUC further approved the expenditure of funds for Smart Grid under the Contract Review Protocol and the implementation of the Smart Grid Project.³
5. More recently, on December 19, 2011, the PUC approved GPA's intent to proceed with six major contracts for different aspects of the Smart Grid Project, including

¹ GPA Request for Approval of Landis & Gyr Contract under GPA Smart Grid Project, GPA Docket 11-13, filed May 30, 2012.

² Id.

³ PUC Order, GPA Docket 10-01, issued July 27, 2010, at p. 2.

Smart Meter and Advance Meter Infrastructure, and authorized GPA to obligate funds up to the full amount of \$17M.⁴

6. The PUC also approved and implemented measures to assist GPA in rapidly implementing its Smart Grid Program; if expeditious action is not taken by GPA to implement Smart Grid, there is the possibility that its Grant could be terminated by the U.S. Department of Energy.⁵
7. In said Order, the PUC implemented an expedited procedure for Smart Grid projects whereby GPA would not need to obtain prior PUC approval for procurements of Smart Grid Projects, but only to obtain final review and PUC approval of Smart Grid Contracts.⁶
8. On April 30, 2012, the Chairman approved the Network Communications Contract with Tropos, Inc.⁷ The Commission ratified the Order at its May 7, 2012, meeting.⁸

**THE ELECTRIC SMART METER AND ADVANCE METER INFRASTRUCTURE
CONTRACT WITH LANDIS & GYR**

9. In the Request for Proposal (GPA SGIG RFP NO. 001) GPA procured an AMI Network. The AMI Network will facilitate two-way communications with smart meters, and enable advanced control capabilities, remote connect/disconnect ability, outage notification, restoration verification, instantaneous tamper/theft notification, and distributed energy configuration and upgrade ability. The AMI network will provide a "Home Area Network" (HAN) infrastructure.⁹
10. Under the Contract, Landis & Gyr will provide smart electric meters to approximately 52,000 customers, automation to the electric distribution system, and infrastructure necessary to support two-way flow of energy and information.¹⁰

⁴ PUC Order GPA Docket 11-13, issued December 19, 2011, at p. 2.

⁵ Id. at p. 2.

⁶ Id. at p. 3.

⁷ PUC Order, GPA Docket 11-13, issued April 30, 2012.

⁸ Minutes of PUC meeting on May 7, 2012.

⁹ GPA Petition for Approval of Landis & Gyr Contract, GPA Docket 11-13, ABSTRACT at p. 1.

¹⁰ Id.

11. Seven vendors responded to GPA's RFP for Electric Smart Meters and Advance Meter Infrastructure. After careful review, the GPA Evaluation Team determined that Landis & Gyr was the most qualified proposer.¹¹
12. GPA has also presented its proposed contract with Landis & Gyr Technologies, LLC, which is a contract term of two years or until all activities required under the contract have been satisfactorily completed.¹² The Contract contains a detailed Statement of Work. It sets out the duties and responsibilities of the parties in considerable detail.
13. Delivery of the system will include collectors, standard routers, and 52,500 electric smart meters. The parties have developed a schedule which anticipates a twenty four (24) month project management period.¹³
14. Under the Contract, Landis & Gyr will provide GPA with project management, technical support, change management services, software installation, gap assessment, software configuration, conversion, interface development, report writing, training, testing support, and post-live support services to insure the successful implementation of a robust AMI system for GPA and its' customers.¹⁴
15. In CCU Resolution No. 2012-28, the GPA General Manger was authorized to enter into the contract with Landis & Gyr Technologies LLC.¹⁵
16. Landis & Gyr provides certain limited warranties for software, services and Equipment (repair or replacement of equipment for manufacturing defects within 62 months of the shipment date).¹⁶

¹¹ Id.

¹² Master Supply and Services Contract between GPA and Landis & Gyr Technologies, LLC, attached to the GPA Petition herein.

¹³ Id.

¹⁴ ABSTRACT, supra at p. 1.

¹⁵ Consolidated Commission on Utilities Resolution No. 2012-28, adopted May 22, 2012.

¹⁶ Contract, supra at pgs. 13-15.

RECOMMENDATIONS

17. Counsel recommends that the PUC approve GPA's award for the electric smart meters and Advance Meter Infrastructure Contract to Landis & Gyr Technologies LLC.
18. GPA should be authorized to expend an amount up to \$9,759,421.90 for such contract.
19. The PUC has previously given broad support for the Smart Grid Project, approved funding for the project, and specifically authorized GPA to proceed with the Electric Smart Meter and Advance Meter Infrastructure.
20. The Advance Meter Infrastructure is critical for the success of the Smart Grid Project. Without its implementation, GPA will be unable to obtain any of the projected benefits of the Smart Grid Project (SG).
22. GPA indicates that electric meter production and delivery is a critical milestone for three other GPA SGIG vendor deployments, including Network Communications, Meter Data Management Services and APEX Coverage, Meter Installation.¹⁷
21. A Proposed Order is submitted herewith for the consideration of the Commission.

Dated this 11th day of June, 2012.

Frederick J. Horecky
PUC Legal Counsel

¹⁷ Email from GPA Counsel Graham Botha to PUC Counsel dated June 8, 2012.