

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:)
) GPA DOCKET 11-13
)
GUAM POWER AUTHORITY'S)
PETITION FOR REVIEW AND APPROVAL) ORDER
OF NETWORK COMMUNICATIONS)
CONTRACT (SMART GRID PROJECT))
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_____)

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Request of the Guam Power Authority ["GPA"] for contract review and approval of GPA's Network Communications Contract with Tropos Networks Inc.¹
2. According to the Request, the implementation of this contract for "Network Backhaul Solution" is critical to the success of GPA's Smart Grid Project.²
3. The cost of the contract for Network Communications with Tropos Networks Inc. is the amount of \$5,243,775.23.

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 Network Communications, and authorized GPA to obligate funds up to the full amount of \$17M.⁴

¹ GPA Request for Approval of Tropos Network Contract under GPA Smart Grid Project, GPA Docket 11-13, filed April 20, 2012.

² Id.

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

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

6. The PUC also approved and implemented measures to assist GPA in rapidly implementing its Smart Grid Program.⁵

THE NETWORK COMMUNICATIONS CONTRACT
WITH TROPOS NETWORKS INC.

7. PUC Legal Counsel has submitted his report, which recommends approval of the proposed contract with Tropos Networks Inc. [Tropos]. Counsel has described in detail the nature of the proposed contract. The PUC adopts the Counsel Report herein.
8. At all stages of the procurement and selection process, GPA was assisted by its project PMO, Black & Veatch.⁶
9. In approving the Contract with Tropos, the Consolidated Commission on Utilities recognized that GPA intends "to implement a network backhaul solution to allow for connectivity of Smart Grid applications..."⁷
10. The Smart Grid Network Communications is the system through which data will be communicated from the automated meter infrastructure to the Meter data management system, and will also include communications for the other Smart Grid Components (Substation Automation, Distribution Automation, Distribution Management System, Outage Management System, and Load Control Management System).⁸
11. Tropos will supply all of the required software and hardware for the Network Backhaul System [NBS] as well as necessary services in order to successfully implement the NBS at GPA.⁹

⁵ Id. at p. 2.

⁶ Memorandum to General Manager, RFP No. 004 Network Communications Contract Recommendation, dated April 9, 2012; see also ABSTRACT, GPA SGIG RFP No. 004 Network Communications, p. 2.

⁷ CCU Resolution No. 2012-24, authorizing Management of the Guam Power Authority to contract services for Island-Wide Network Backhaul Communications in support of Smart Grid initiatives, issued April 10, 2012.

⁸ Id. at p. 2.

⁹ ABSTRACT, GPA SGIG RFP NO. 004 NETWORK COMMUNICATIONS, p. 1.

DETERMINATIONS

12. GPA conducted due diligence in procuring and negotiating the contract with Tropos.
13. GPA has demonstrated that the implementation of its contract for the Network Backhaul Solution is critical to the success of GPA's Smart Grid Project.
14. Approval of this contract will not have any additional impact upon customer power rates. Funding for this contract was already included in the 2010 bond issuance and does not involve the expenditure of additional ratepayer funds.

ORDERING PROVISIONS

After a review of the record herein, GPA's Request for review and approval of its Network Communications Contract with Tropos Networks Inc., and the PUC Counsel Report, for good cause shown, the Guam Public Utilities Commission, by and through its Chairman in accordance with 12 GCA §12004, HEREBY ORDERS that:

1. GPA's Petition for review and approval of the Network Communications Contract with Tropos Networks Inc., is hereby granted.
2. The recommendations and reasoning contained in the Counsel Report are adopted.
3. GPA is authorized to expend up to the amount of \$5,243,775.23 for said Contract.
4. GPA shall continue to comply with its monthly reporting requirements to the PUC as set forth in the PUC Order dated July 27, 2011. GPA shall submit ongoing progress reports to the PUC concerning this contract and other ongoing Smart Grid projects.
5. 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 the 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.

Order
GPA's Request for Approval
of Network Communications Contract
[Smart Grid Project]
GPA Docket 11-13
April 30, 2012

Dated this 30th day of April, 2012.

Jeffrey C. Johnson
Chairman