

1 **D GRAHAM BOTHA, ESQ.**
2 **Legal Counsel**
3 **Guam Power Authority**
4 **1911 Route 16, Suite 227**
5 **Harmon, Guam 96913**
6 **Ph: (671) 648-3203/3002**
7 **Fax: (671) 648-3290**



8 **BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

9 **IN THE MATTER OF:**

10 The Application of the Guam Power Authority)
11 to Approve the Contract Extension for Supply)
12 of Residual Fuel Oil No. 6 to GPA.)

GPA DOCKET NO. 12-09

PETITION FOR CONTRACT REVIEW

13 **COMES NOW**, the GUAM POWER AUTHORITY (GPA), by and through its counsel
14 of record, D. GRAHAM BOTHA, ESQ., and hereby files GPA's Petition for the Public Utilities
15 Commission of Guam to review and approve the Contract Extension for six months for Supply
16 of Residual Fuel Oil (RFO) No. 6 to Petrobras Singapore Private Ltd., as follows:

17 **BACKGROUND**

18 The Guam Power Authority previously awarded a contract to supply Fuel Oil to Petrobras
19 Singapore Private Limited under GPA-001-10 which expires on February 28, 2013. The CCU in
20 Resolution 2012-42 has approved GPA's request for approval of the procurement of a new fuel
21 oil contract under GPA-068-12. The PUC in an order dated July 30, 2012, authorized the
22 procurement. The CCU in Resolution 2012-80 authorized GPA to proceed with the extension of
23 the fuel supply contract for six months with Petrobras. The CCU in Resolution 2013-04
24 approved the award for the supply of fuel oil under IFB GPA-068-12 to Vitol Asia Pte., Ltd., as
25 the lowest most responsive bidder. Subsequently, a protest was filed with GPA and a stay of
26 procurement for the new fuel supply contract is in effect. The original procurement provided for
27 a three year contract with two additional one year extensions of the contract.

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HORECKY & ASSOCIATES
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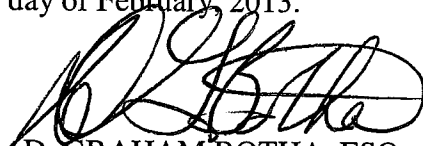
DISCUSSION

GPA hereby petitions the PUC, pursuant to the Contract Review Protocol for the Guam Power Authority, approved by the PUC, to review and approve the Contract Extension for Fuel Oil with Petrobras Singapore Private Ltd. In support of this Petition, GPA hereby provides the PUC with Consolidated Commission on Utilities (CCU) Resolution No. 2012-80, which authorizes the General Manager to enter into a contract extension for six months for the Supply of Fuel Oil with Petrobras Singapore Private Ltd. Said resolution and its exhibits are attached herein as Exhibit A, and incorporated by reference herein as if fully set forth.

CONCLUSION

The PUC should approve GPA's request to proceed with the Contract Extension for six months for Supply of Fuel Oil with Petrobras Singapore Private Ltd. Residual Fuel Oil No. 6 is essential to the operation of the Cabras power plants, and the contract extension for six months is reasonable, prudent, and necessary.

RESPECTFULLY SUBMITTED this 4th day of February, 2013.


D. GRAHAM BOTHA, ESQ.
GPA Legal Counsel



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority • Guam Waterworks Authority
P.O.BOX 2977 • Agaña, Guam 96932

RESOLUTION NO. 2012-80

AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY (GPA) TO PROCEED WITH THE EXTENSION OF THE CONTRACT FOR THE SUPPLY OF RESIDUAL FUEL OIL NO. 6 (GPA-001-10) WITH PETROBAS

WHEREAS, GPA's management entered into a contract pursuant to GPA-001-10, Supply of Residual Fuel Oil No. 6 with Petrobras Singapore Pte., Ltd. (PSPL), as approved by the Consolidated Commission on Utilities on January 12, 2010 through adoption of Resolution No. 2010-09; and

WHEREAS, the three-year (3-year) Contract Period is expiring on February 28, 2013; and

WHEREAS, the Authority released an Invitation For Bid for the Supply of Residual Fuel Oil No. 6 in September 2012 as approved by the Consolidated Commission on Utilities on July 10, 2012 through adoption of Resolution No. 2012-42; and

WHEREAS, the Authority anticipates awarding a contract by March 2013, however, GPA would need to provide adequate mobilization period for the new supplier; and

WHEREAS, GPA and PSPL have negotiated and agreed to a six-month extension up to August 2013, at a premium fee of \$92.80 / MT for HSFO and \$ 117.80 /MT for LSFO; and

WHEREAS, GPA management considers the extension to be reasonable, in the best interests of GPA and its customers, and to allow for adequate transition to the new fuel supplier; and

WHEREAS, GPA requests for authorization for a six-month contract extension of the current contract with Petrobas from March 2013 to August 2013.

NOW THEREFORE, BE IT RESOLVED, by the Consolidated Commission on Utilities, subject to the review and approval of the Guam Public Utilities Commission, as follows:

1. The Consolidated Commission on Utilities finds the negotiated contract price for the six-month extension to be reasonable, prudent and beneficial to GPA and its customers.

- 1 2. GPA is hereby authorized to proceed with the six-month extension of contract
2 GPA-001-12 for the Supply of Residual Fuel Oil No. 6, for a period not to exceed
3 six months, from March 1, 2013 to August 31, 2013, at premium fees of
4 \$92.80/MT for HSFO and \$117.80 / MT for LSFO.
5
6
7

8 **SO RESOLVED AND DULY AND REGULARLY ADOPTED** this 12th day of December, 2012.
9

10 **Certified by:**

Attested by:

11
12 
13

14 **SIMON A. SANCHEZ**

15 Chairperson

16 Consolidated Commission on Utilities
17
18
19
20
21



JOSEPH T. DUENAS

 Secretary

 Consolidated Commission on Utilities

1
2
3 **SECRETARY'S CERTIFICATION**

4 I, **JOSEPH T. DUENAS**, Secretary, Consolidated Commission on Utilities, hereby certifies as follows;

5 The foregoing is a full, true, and correct copy of a resolution duly adopted at a regular meeting of the
6 members of the Consolidated Commission on Utilities of the Guam Power Authority duly and legally
7 held at the meeting place thereof on December 12, 2012, at which meeting all of the said members had
8 due notice and at which at least a majority thereof were present.

9
10 At said meeting, said resolution was adopted by the following vote:

11
12 Ayes 4
13
14 Nays 0
15
16 Abstain 0
17
18 Absent 0
19

20 Said original resolution has not been amended, modified, or rescinded since the date of its
21 adoption, and the same is now in full force and in effect.

22
23 SO CERTIFIED this 12TH DAY OF DECEMBER, 2012



JOSEPH P. DUÉNAS
Secretary, Consolidated Commission on Utilities

Contract Discussion

Price

For each option of extension, the premiums to be applied over the Mean of Platts Singapore 180cst (MOPS 180) are as follows:

Option 1) (6 months)	HSFO: +92.80	LSFO: +117.80
Option 2) (1 year)	HSFO: +92.55	LSFO: +117.55



PETROBRAS
SINGAPORE PRIVATE LTD.

FEBRUARY 2ND, 2013

To:
GUAM POWER AUTHORITY
Aturidat Ilekthresedat Guahan
P. O. Box 2977, Hagatna
Guam 96932-2977

FUEL OIL SUPPLY CONTRACT EXTENSION

REF: GUAM POWER AUTHORITY - PETROBRAS SINGAPORE PRIVATE LTD - FUEL OIL SUPPLY
CONTRACT GPA-001-10

WE ARE PLEASED TO PRESENT THE FOLLOWING TERMS AND CONDITIONS:

1. **BUYER:**
GUAM POWER AUTHORITY
ATURIDAT ILEKTHRESEDAT GUAHAN
P. O. BOX 2977, HAGATNA
GUAM 96932-2977
2. **SELLER:**
PETROBRAS SINGAPORE PRIVATE LTD
8 EU TONG SEN STREET
22-89 THE CENTRAL
SINGAPORE – 059818
3. **PRODUCT:** FUEL OIL

4. **QUALITY:**

THE FUEL OIL DELIVERED HEREUNDER SHALL HAVE THE PHYSICAL AND CHEMICAL
CHARACTERISTICS AS DESCRIBED IN THE FOLLOWING TABLE:

Description	Unit of Measure	Test Method	Alternative Method	Minimum Allowed	Maximum Allowed
Sulphur Content	%mass	ASTM D-4294	ASTM D-2622	N/A	LSFO= 1.19 HSFO = 2.00
Pour Point	Deg C	ASTM D-97	N/A	N/A	21
Flash Point	Deg C	ASTM D-93	N/A	66	N/A
Kinematic Viscosity	cSt at 50°C	ASTM D-445	ASTM D-2161		180
Sediment by Extraction	%mass	ASTM D-473	N/A	N/A	0.1



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Water by Distillation	% by volume	ASTM D-95	N/A	N/A	0.5
Vanadium Content	Parts per million	ASTM D-5708	a) UOP 800 b) ASTM D-5184 c) ASTM D-5863 d) IP 501 e) IP 433 f) ISO 14697 g) IP 470 h) IP 465 i) EN 13131	N/A	100
Silicon Content	Parts per million	ASTM D-5184	a) IP 470 b) IP 377 c) ISO 10487 d) IP 501	N/A	Combined Al+Si Not to exceed 70 ppm.
Aluminum Content	Parts per million	ASTM D-5184	a) IP 470 b) IP 377 c) ISO 10487 d) IP 501	N/A	
Guaranteed Gross Heating Value (HHV)	Million BTU per US Barrel	ASTM D-240	N/A	6.3	N/A
Micro-Carbon Residue	%mass	ASTM D-4530	ASTM D-5245 ASTM D-189	N/A	15
Ash	%mass	ASTM D-482	N/A	N/A	0.1
Asphaltenes	%mass	ASTM D-6560	IP 143	N/A	7
Sodium	ppm	ASTM D-5863/B	ASTM D-5708/B IP 288	N/A	80
Total Sediment (Existent)	%mass	ISO 10307-2	ASTM D-4870 IP 377	N/A	0.15
Compatibility	a) Cleanliness ratio	ASTM D-4740	N/A	N/A	a) 2
	b) Compatibility ratio				b) 2
API Gravity		ASTM D-287	ASTM D-1298 and conversion	11.2	23
Density at 15°C	Kg/L	ASTM D-287	ASTM D-1298 ASTM D-4052		0.991
Odour				Report	
Hydrogen Sulfide content (in liquid phase)	Mg/kg	IP-399	IP-570	N/A	2
Used lubricating Oil (ULO)				The fuel shall be free of ULO	
Zinc	Mg/kg	IP-501	IP 470		15
Phosphorus	Mg/kg	IP-501	IP 500		15
Calcium	Mg/kg	IP-501	IP 470		30

5. CONTRACT PERIOD

THIS CONTRACT TERM SHALL BE FOR SIX (6) MONTHS AND SHALL COMMENCE ON MARCH 1, 2013 AND SHALL CONTINUE UNTIL MIDNIGHT OF AUGUST 31, 2013, WITH OPTION TO EXTEND FOR ONE (1) ADDITIONAL SIX (6) MONTHS TERM, UPON MUTUAL AGREEMENT OF BOTH PARTIES.



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6. QUANTITY

CONTRACTOR AGREES TO FURNISH AND GPA AGREES TO ACCEPT AND PAY FOR ALL OF GPA'S RESIDUAL FUEL OIL REQUIREMENTS FOR POWER GENERATING PLANTS IN GUAM FOR THE TERM OF THE CONTRACT. THE ESTIMATED TOTAL FUEL OIL REQUIREMENT IS ABOUT ONE MILLION AND FIVE HUNDRED THOUSAND BARRELS PER SEMESTER (1,500,000 BBL/SEMESTER).

THE MINIMUM PURCHASE UNDER THE CONTRACT IS 150,000 METRIC TONS PER SEMESTER. THE MAXIMUM PURCHASE UNDER THE CONTRACT IS 250,000 METRIC TONS PER SEMESTER. THE MINIMUM LOT SIZE REQUIRED FOR EACH DELIVERY IS 35,000MT.

(2 semesters
per yr.?)

7. DELIVERY

DES CABRAS ISLAND, GUAM. ANY DEVIATION REQUESTED BY BUYER SHALL BE FOR BUYER'S ACCOUNT AND SUBJECT TO SELLER'S APPROVAL.

8. PRICE

8.1. LOW SULPHUR FUEL OIL (LSFO): (1.19%_w SULPHUR MAX): DES CABRAS ISLAND, GUAM, PRICE SHALL BE BASED ON THE ARITHMETIC AVERAGE OF THE MEAN OF THE HIGH/LOW QUOTATIONS FOR "HSFO 180 CST" AS PUBLISHED IN PLATTS ASIA PACIFIC/ARAB GULF MARKETSCAN UNDER THE HEADING "SINGAPORE" PRICED FOR FIVE (5) VALID CONSECUTIVE QUOTATIONS IMMEDIATELY PRIOR TO B/L DATE, THE B/L DATE AND FIVE (5) IMMEDIATELY AFTER THE B/L DATE PLUS A PREMIUM OF USD 117.80/MT (ONE HUNDRED AND SEVENTEEN DOLLARS AND EIGHTY CENTS PER METRIC TON).

8.2. HIGH SULPHUR FUEL OIL (HSFO): (2.00%_w SULPHUR MAX): DES CABRAS ISLAND, GUAM, PRICE SHALL BE BASED ON THE ARITHMETIC AVERAGE OF THE MEAN OF THE HIGH/LOW QUOTATIONS FOR "HSFO 180 CST" AS PUBLISHED IN PLATTS ASIA PACIFIC/ARAB GULF MARKETSCAN UNDER THE HEADING "SINGAPORE" PRICED FOR FIVE (5) VALID CONSECUTIVE QUOTATIONS IMMEDIATELY PRIOR TO B/L DATE, THE B/L DATE AND FIVE (5) IMMEDIATELY AFTER THE B/L DATE PLUS A PREMIUM OF USD 92.80/MT (NINETY TWO DOLLARS AND EIGHTY CENTS PER METRIC TON).

8.3. IN CASE "NO POSTING" ON THE B/L DATE, NO PRICE WILL BE USED AND THE REMAINING 10-DAYS AVERAGE PRICE WILL BE USED. ALL PRICE POSTINGS ARE AT THE PRICES EFFECTIVE DATES.

8.4. FOR INVOICE CALCULATION PURPOSE, QUANTITY SHALL BE REPORTED IN METRIC TONNES AS DECLARED IN BILL OF LADING.

9. PAYMENT

PAYMENT SHALL BE MADE IN US DOLLARS FUNDS WITHOUT OFFSET, DEDUCTION OR COUNTERCLAIM WITHIN THIRTY (30) CALENDAR DAYS (30 DAYS NET TERM) AFTER THE BILL OF LADING DATE PROVIDED VESSEL TENDERS ITS NOR WITHIN FIFTEEN (15) DAYS AFTER THE B/L DATE, OTHERWISE IT EXTENDS DAY BY DAY (B/L DATE INCLUSIVE). IN CASE PAYMENT DUE ON BANK HOLIDAY OR SATURDAY IN GUAM, PAYMENT SHALL BE MADE IMMEDIATELY PRECEDING BANKING DAY. HOWEVER, SHOULD PAYMENT DUE FALLS ON SUNDAY OR MONDAY BANK HOLIDAY IN GUAM, PAYMENT SHALL BE MADE ON THE IMMEDIATELY FOLLOWING BANKING DAY.

THERE WILL BE NO AVAILABLE CREDIT LINE FOR GPA. LETTER OF CREDIT SHALL BE OPENED NO LATER THAN TWO DAYS BEFORE THE BEGINNING OF LOADING WINDOW AT A FIRST CLASS INTERNATIONAL BANK MUTUALLY AGREEABLE TO BOTH GPA AND THE CONTRACTOR.

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PAYMENT SHALL BE AVAILABLE AT SELLER'S ACCOUNT ON MATURITY DATE. IF BUYER FAILS TO PAY ON THE MATURITY DATE, SELLER SHALL BE REIMBURSED FOR THE INTERESTS RELATED TO THE TIME OF DELAY. INTEREST RATE SHALL BE CALCULATED BASED ON THE ONE MONTH LONDON INTERBANK OFFERED RATE (LIBOR) FOR US DOLLAR DEPOSITS OFFERED BY BLOOMBERG PUBLICATION AT 11:00 A.M. LONDON TIME, AS QUOTED ON PAGE BBAM IN EFFECT ON THE DATE BUYER'S PAYMENT WAS DUE, PLUS THREE PERCENT (3.0%) PER ANNUM.

10. GOVERNING LAW AND DISPUTES:

THIS CONTRACT SHALL IN ALL RESPECTS BE GOVERNED BY LAWS OF GUAM. THE PROVISIONS OF THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS ARE EXPRESSLY EXCLUDED.

THIS CONTRACT SHALL NOT BE CONSTRUED TO CONFER ANY BENEFIT ON ANY PERSON NOT BEING A PARTY TO THIS CONTRACT NOR SHALL IT PROVIDE ANY RIGHTS TO SUCH PERSON TO ENFORCE ANY OF ITS PROVISIONS. THE PROVISIONS OF THE ENGLISH CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999 ARE EXPRESSLY EXCLUDED.

IN THE EVENT OF ANY CONTROVERSY, DISPUTE OR DIFFERENCE OF ANY NATURE (A "DISPUTE") BETWEEN THE PARTIES ARISING FROM OR IN CONNECTION WITH THIS CONTRACT, EITHER PARTY MAY GIVE NOTICE TO THE OTHER IN WRITING OF THE EXISTENCE OF SUCH DISPUTE SPECIFYING ITS NATURE AND THE POINTS AT ISSUE. IF THE DISPUTE SHALL NOT HAVE BEEN AMICABLY RESOLVED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF SAID NOTICE, THEN THE SAME SHALL BE EXCLUSIVELY AND DEFINITELY RESOLVED THROUGH FINAL AND BINDING ARBITRATION IN NEW YORK, BY THE AMERICAN ARBITRATION ASSOCIATION ('AAA'), IN ACCORDANCE WITH THE RULES OF ARBITRATION OF SUCH INSTITUTION IN EFFECT AS OF THE DATE THE EXISTENCE OF THE CONTROVERSY IS NOTIFIED BY ONE OF THE PARTIES. THE ARBITRATION SHALL BE CONDUCTED BY THREE ARBITRATORS, UNLESS ALL PARTIES TO THE DISPUTE AGREE TO A SOLE ARBITRATOR WITHIN THIRTY (30) DAYS AFTER THE FILING OF THE ARBITRATION. EACH PARTY TO THE DISPUTE SHALL APPOINT ONE ARBITRATOR WITHIN THIRTY (30) DAYS OF THE FILING OF THE ARBITRATION, AND THE TWO ARBITRATORS SO APPOINTED SHALL SELECT THE PRESIDING ARBITRATOR WITHIN THIRTY (30) DAYS AFTER THE LATTER OF THE TWO ARBITRATORS HAVE BEEN APPOINTED BY THE PARTIES TO THE DISPUTE. IF A PARTY TO THE DISPUTE FAILS TO APPOINT ITS PARTY-APPOINTED ARBITRATOR OR IF THE TWO PARTY-APPOINTED ARBITRATORS CANNOT REACH AN AGREEMENT ON THE PRESIDING ARBITRATOR WITHIN THE APPLICABLE TIME PERIOD, THEN LCIA SHALL APPOINT THE REMAINDER OF THE THREE ARBITRATORS. THE ARBITRATION PROCEEDINGS SHALL BE CONDUCTED IN ENGLISH AND THE ARBITRATOR(S) SHALL BE FLUENT IN THE ENGLISH LANGUAGE. THE AWARD OF THE ARBITRAL TRIBUNAL SHALL BE FINAL AND BINDING. JUDGMENT ON THE AWARD OF THE ARBITRAL TRIBUNAL MAY BE ENTERED AND ENFORCED IN ANY COURT HAVING JURISDICTION THEREOF. THE COSTS OF THE ARBITRATION PROCEEDINGS, INCLUDING ATTORNEYS' FEES, SHALL BE BORNE IN THE MANNER DETERMINED BY THE ARBITRAL TRIBUNAL. ANY RIGHT TO APPEAL OR CHALLENGE ANY ARBITRAL DECISION OR AWARD IS HEREBY WAIVED. THE PARTIES MAY SEEK A PRELIMINARY INJUNCTION OR OTHER PRELIMINARY JUDICIAL RELIEF, IF IN ITS JUDGMENT SUCH ACTION IS NECESSARY TO AVOID IRREPARABLE DAMAGE. IT IS EXPRESSLY AGREED THAT INDIRECT, SPECIAL, PUNITIVE AND CONSEQUENTIAL DAMAGES SHALL NOT BE AWARDED.

11. LAYTIME AND DEMURRAGE:

11.1. LAYTIME: SHIP LAYTIME OF THIRTY-SIX (36) HOURS AT THE DISCHARGE PORT SHALL COMMENCE SIX (6) HOURS AFTER THE TENDER OF NOTICE OF READINESS (NOR) OR WHEN THE VESSEL BERTHS, WHICHEVER OCCURS FIRST, AND TO CEASE UPON LAST CARGO HOSES DISCONNECTION.

11.2. DEMURRAGE: AS PER CHARTER PARTY RATES. CLAIMS SHALL BE SUBMITTED TO GPA WITHIN 90 DAYS AFTER BILL OF LADING DATE. AFTER THIS PERIOD, NO CLAIMS SHALL BE ACCEPTED BY ANY PARTIES.



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12. OTHER TERMS:

AS PER PETROBRAS SINGAPORE PRIVATE LIMITED – GUAM POWER AUTHORITY CONTRACT REF GPA-001-10 WITH ITS AMENDMENTS NUMBER 1 AND 2, EXCEPT FOR THE AMENDMENTS MENTIONED BELOW. THESE SECTIONS SUPERSEDES ANY OTHER SECTIONS IN THE AGREEMENT, PROPOSAL, RECAP OR CONTRACT. ALL OTHER PROVISIONS OF THE CONTRACT SHALL REMAIN THE SAME.

Section 1.02. FUEL OIL TO BE SUPPLIED
SHALL BE DELETED ENTIRELY.
AND REPLACE WITH:

CONTRACTOR AGREES TO FURNISH AND GPA AGREES TO ACCEPT AND PAY FOR ALL OF GPA'S RESIDUAL FUEL OIL REQUIREMENTS FOR POWER GENERATING PLANTS IN GUAM FOR THE TERM OF THE CONTRACT. THE ESTIMATED TOTAL FUEL OIL REQUIREMENT IS ABOUT ONE MILLION AND FIVE HUNDRED THOUSAND BARRELS PER SEMESTER (1,500,000 BBL/SEMESTER).

THE MINIMUM PURCHASE UNDER THE CONTRACT IS 150,000 METRIC TONS PER SEMESTER. THE MAXIMUM PURCHASE UNDER THE CONTRACT IS 250,000 METRIC TONS PER SEMESTER. THE MINIMUM LOT SIZE REQUIRED FOR EACH DELIVERY IS 35,000MT.

Section 1.03. TERM

PARAGRAPH 2: SHALL BE DELETED ENTIRELY AND REPLACE WITH:

THIS CONTRACT TERM SHALL BE FOR SIX (6) MONTHS AND SHALL COMMENCE ON MARCH 1, 2013 AND SHALL CONTINUE UNTIL MIDNIGHT OF AUGUST 31, 2013, WITH OPTION TO EXTEND FOR ONE (1) ADDITIONAL SIX (6) MONTHS TERM, UPON MUTUAL AGREEMENT OF BOTH PARTIES.

Section 1.04. CONTRACT PRICE

ADD:

FIXED PREMIUM FEE FOR THE SIX (6) MONTHS CONTRACT EXTENSION FROM MARCH 1ST 2013 TO AUGUST 31, 2013 SHALL BE AS FOLLOWS:

1. LOW SULPHUR FUEL OIL (LSFO): (1.19% SULPHUR MAX): USD 117.80/MT (ONE HUNDRED AND SEVENTEEN DOLLARS AND EIGHTY CENTS PER METRIC TON)
2. HIGH SULPHUR FUEL OIL (HSFO): (2% SULPHUR MAX): USD 92.80/MT (NINETY TWO DOLLARS AND EIGHTY CENTS PER METRIC TON).

Section 1.05 INVOICE PRICE DETERMINATION

SHALL BE DELETED ENTIRELY.
AND REPLACE WITH:

LOW SULPHUR FUEL OIL (LSFO): (1.19%_w SULPHUR MAX): DES CABRAS ISLAND, GUAM, PRICE SHALL BE BASED ON THE ARITHMETIC AVERAGE OF THE MEAN OF THE HIGH/LOW QUOTATIONS FOR "HSFO 180 CST" AS PUBLISHED IN PLATTS ASIA PACIFIC/ARAB GULF MARKETSCAN UNDER THE HEADING "SINGAPORE" PRICED FOR FIVE (5) VALID CONSECUTIVE QUOTATIONS IMMEDIATELY PRIOR TO B/L DATE, THE B/L DATE AND FIVE (5) IMMEDIATELY AFTER THE B/L DATE PLUS A PREMIUM OF USD 117.80/MT (ONE HUNDRED AND SEVENTEEN DOLLARS AND EIGHTY CENTS PER METRIC TON).



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HIGH SULPHUR FUEL OIL (HSFO): (2.00%_w SULPHUR MAX): DES CABRAS ISLAND, GUAM, PRICE SHALL BE BASED ON THE ARITHMETIC AVERAGE OF THE MEAN OF THE HIGH/LOW QUOTATIONS FOR "HSFO 180 CST" AS PUBLISHED IN PLATTS ASIA PACIFIC/ARAB GULF MARKETSCAN UNDER THE HEADING "SINGAPORE" PRICED FOR FIVE (5) VALID CONSECUTIVE QUOTATIONS IMMEDIATELY PRIOR TO B/L DATE, THE B/L DATE AND FIVE (5) IMMEDIATELY AFTER THE B/L DATE PLUS A PREMIUM OF USD 92.80/MT (NINETY TWO DOLLARS AND EIGHTY CENTS PER METRIC TON).

IN CASE "NO POSTING" ON THE B/L DATE, NO PRICE WILL BE USED AND THE REMAINING 10-DAYS AVERAGE PRICE WILL BE USED. ALL PRICE POSTINGS ARE AT THE PRICES EFFECTIVE DATES.

FOR INVOICE CALCULATION PURPOSE, QUANTITY SHALL BE REPORTED IN METRIC TONNES AS DECLARED IN BILL OF LADING.

Section 1.07 TERMS OF PAYMENT
SHALL BE DELETED ENTIRELY.
AND REPLACE WITH:

PAYMENT SHALL BE MADE IN US DOLLARS FUNDS WITHOUT OFFSET, DEDUCTION OR COUNTERCLAIM WITHIN THIRTY (30) CALENDAR DAYS (30 DAYS NET TERM) AFTER THE BILL OF LADING DATE PROVIDED VESSEL TENDERS ITS NOR WITHIN FIFTEEN (15) DAYS AFTER THE B/L DATE, OTHERWISE IT EXTENDS DAY BY DAY (B/L DATE INCLUSIVE). IN CASE PAYMENT DUE ON BANK HOLIDAY OR SATURDAY IN GUAM, PAYMENT SHALL BE MADE IMMEDIATELY PRECEDING BANKING DAY. HOWEVER, SHOULD PAYMENT DUE FALLS ON SUNDAY OR MONDAY BANK HOLIDAY IN GUAM, PAYMENT SHALL BE MADE ON THE IMMEDIATELY FOLLOWING BANKING DAY.

THERE WILL BE NO AVAILABLE CREDIT LINE FOR GPA. LETTER OF CREDIT SHALL BE OPENED NO LATER THAN TWO DAYS BEFORE THE BEGINNING OF LOADING WINDOW AT A FIRST CLASS INTERNATIONAL BANK MUTUALLY AGREEABLE TO BOTH GPA AND THE CONTRACTOR. PAYMENT SHALL BE AVAILABLE AT SELLER'S ACCOUNT ON MATURITY DATE. IF BUYER FAILS TO PAY ON THE MATURITY DATE, SELLER SHALL BE REIMBURSED FOR THE INTERESTS RELATED TO THE TIME OF DELAY. INTEREST RATE SHALL BE CALCULATED BASED ON THE ONE MONTH LONDON INTERBANK OFFERED RATE (LIBOR) FOR US DOLLAR DEPOSITS OFFERED BY BLOOMBERG PUBLICATION AT 11:00 A.M. LONDON TIME, AS QUOTED ON PAGE BBAM IN EFFECT ON THE DATE BUYER'S PAYMENT WAS DUE, PLUS THREE PERCENT (3.0%) PER ANNUM.

Section 1.10 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA
SHALL BE DELETED ENTIRELY.

Section 2.01 PRODUCT AND QUALITY
SHALL BE DELETED ENTIRELY.
AND REPLACE WITH:

THE FUEL OIL DELIVERED HEREUNDER SHALL HAVE THE PHYSICAL AND CHEMICAL CHARACTERISTICS AS DESCRIBED IN THE FOLLOWING TABLE:

Description	Unit of Measure	Test Method	Alternative Method	Minimum Allowed	Maximum Allowed
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GA



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Sulphur Content	%mass	ASTM D-4294	ASTM D-2622	N/A	LSFO= 1.19 HSFO = 2.00
Pour Point	Deg C	ASTM D-97	N/A	N/A	21
Flash Point	Deg C	ASTM D-93	N/A	66	N/A
Kinematic Viscosity	cSt at 50°C	ASTM D-445	ASTM D-2161		180
Sediment by Extraction	%mass	ASTM D-473	N/A	N/A	0.1
Water by Distillation	% by volume	ASTM D-95	N/A	N/A	0.5
Vanadium Content	Parts per million	ASTM D-5708	a) UOP 800 b) ASTM D-5184 c) ASTM D-5863 d) IP 501 e) IP 433 f) ISO 14597 g) IP 470 h) IP 465 i) EN 13131	N/A	100
Silicon Content	Parts per million	ASTM D-5184	a) IP 470 b) IP 377 c) ISO 10487 d) IP 501	N/A	Combined Al+Si Not to exceed 70 ppm.
Aluminum Content	Parts per million	ASTM D-5184	a) IP 470 b) IP 377 c) ISO 10487 d) IP 501	N/A	
Guaranteed Gross Heating Value (HHV)	Million BTU per US Barrel	ASTM D-240	N/A	6.3	N/A
Micro-Carbon Residue	%mass	ASTM D-4530	ASTM D-5245 ASTM D-189	N/A	15
Ash	%mass	ASTM D-482	N/A	N/A	0.1
Asphaltenes	%mass	ASTM D-6560	IP 143	N/A	7
Sodium	ppm	ASTM D-5863/B	ASTM D-5708/B IP 288	N/A	80
Total Sediment (Existent)	%mass	ISO 10307-2	ASTM D-4870 IP 377	N/A	0.15
Compatibility	a) Cleanliness ratio	ASTM D-4740	N/A	N/A	a) 2
	b) Compatibility ratio				b) 2
API Gravity		ASTM D-287	ASTM D-1298 and conversion	11.2	23
Density at 15°C	Kg/L	ASTM D-287	ASTM D-1298 ASTM D-4052		0.991
Odour				Report	
Hydrogen Sulfide content (in liquid phase)	Mg/kg	IP-399	IP-570	N/A	2
Used lubricating Oil (ULO)				The fuel shall be free of ULO	
Zinc	Mg/kg	IP-501	IP 470		15



PETROBRAS
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Phosphorus	Mg/kg	IP-501	IP 500		15
Calcium	Mg/kg	IP-501	IP 470		30

NOTE ITEM 16: CONTRACTOR SHALL ENSURE THAT EACH SHIPMENT OF FUEL OIL IS COMPATIBLE WITH A REPRESENTATIVE SAMPLE OF THE PREVIOUS SHIPMENT OF THE SAME GRADE. TESTING FOR COMPATIBILITY WILL BE CONDUCTED AT LOADPORT ACCORDING TO THE TEST METHOD ASTM D-4740 MUTUALLY AGREED BETWEEN BOTH PARTIES AND THE CONTRACTOR WILL GUARANTEE SPOT RATING OF 2 OR BETTER. THE AUTHORITY RESERVES THE RIGHT TO REQUIRE THE SUPPLIER TO ADD AND TO CONDUCT ADDITIONAL TESTS AS MAY BE REQUIRED.

Section 3.03 SPECIFICATIONS
SHALL BE DELETED ENTIRELY.

Section 3.05 FORCE MAJURE
PLEASE ADD THE FOLLOWING PARAGRAPH: "FORCE MAJEURE CLAIMS SHALL BE SUBMITTED WITHIN SIXTY (60) DAYS. AFTER THIS PERIOD, NO CLAIMS SHALL BE ACCEPTED BY ANY PARTIES."

12.10. Section 3.11 DISPUTES
SHALL BE DELETED ENTIRELY
AND REPLACE WITH:

GOVERNING LAW AND DISPUTES:

THIS CONTRACT SHALL IN ALL RESPECTS BE GOVERNED BY LAWS OF GUAM. THE PROVISIONS OF THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS ARE EXPRESSLY EXCLUDED.

THIS CONTRACT SHALL NOT BE CONSTRUED TO CONFER ANY BENEFIT ON ANY PERSON NOT BEING A PARTY TO THIS CONTRACT NOR SHALL IT PROVIDE ANY RIGHTS TO SUCH PERSON TO ENFORCE ANY OF ITS PROVISIONS. THE PROVISIONS OF THE ENGLISH CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999 ARE EXPRESSLY EXCLUDED.

IN THE EVENT OF ANY CONTROVERSY, DISPUTE OR DIFFERENCE OF ANY NATURE (A "DISPUTE") BETWEEN THE PARTIES ARISING FROM OR IN CONNECTION WITH THIS CONTRACT, EITHER PARTY MAY GIVE NOTICE TO THE OTHER IN WRITING OF THE EXISTENCE OF SUCH DISPUTE SPECIFYING ITS NATURE AND THE POINTS AT ISSUE. IF THE DISPUTE SHALL NOT HAVE BEEN AMICABLY RESOLVED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF SAID NOTICE, THEN THE SAME SHALL BE EXCLUSIVELY AND DEFINITELY RESOLVED THROUGH FINAL AND BINDING ARBITRATION IN NEW YORK, BY THE AMERICAN ARBITRATION ASSOCIATION ('AAA'), IN ACCORDANCE WITH THE RULES OF ARBITRATION OF SUCH INSTITUTION IN EFFECT AS OF THE DATE THE EXISTENCE OF THE CONTROVERSY IS NOTIFIED BY ONE OF THE PARTIES. THE ARBITRATION SHALL BE CONDUCTED BY THREE ARBITRATORS, UNLESS ALL PARTIES TO THE DISPUTE AGREE TO A SOLE ARBITRATOR WITHIN THIRTY (30) DAYS AFTER THE FILING OF THE ARBITRATION. EACH PARTY TO THE DISPUTE SHALL APPOINT ONE ARBITRATOR WITHIN THIRTY (30) DAYS OF THE FILING OF THE ARBITRATION, AND THE TWO ARBITRATORS SO APPOINTED SHALL SELECT THE PRESIDING ARBITRATOR WITHIN THIRTY (30) DAYS AFTER THE LATTER OF THE TWO ARBITRATORS HAVE BEEN APPOINTED BY THE PARTIES TO THE DISPUTE. IF A PARTY TO THE DISPUTE FAILS TO APPOINT ITS PARTY-APPOINTED ARBITRATOR OR IF THE TWO PARTY-APPOINTED ARBITRATORS CANNOT REACH AN AGREEMENT ON THE PRESIDING ARBITRATOR



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WITHIN THE APPLICABLE TIME PERIOD, THEN LCIA SHALL APPOINT THE REMAINDER OF THE THREE ARBITRATORS. THE ARBITRATION PROCEEDINGS SHALL BE CONDUCTED IN ENGLISH AND THE ARBITRATOR(S) SHALL BE FLUENT IN THE ENGLISH LANGUAGE. THE AWARD OF THE ARBITRAL TRIBUNAL SHALL BE FINAL AND BINDING. JUDGMENT ON THE AWARD OF THE ARBITRAL TRIBUNAL MAY BE ENTERED AND ENFORCED IN ANY COURT HAVING JURISDICTION THEREOF. THE COSTS OF THE ARBITRATION PROCEEDINGS, INCLUDING ATTORNEYS' FEES, SHALL BE BORNE IN THE MANNER DETERMINED BY THE ARBITRAL TRIBUNAL. ANY RIGHT TO APPEAL OR CHALLENGE ANY ARBITRAL DECISION OR AWARD IS HEREBY WAIVED. THE PARTIES MAY SEEK A PRELIMINARY INJUNCTION OR OTHER PRELIMINARY JUDICIAL RELIEF, IF IN ITS JUDGMENT SUCH ACTION IS NECESSARY TO AVOID IRREPARABLE DAMAGE. IT IS EXPRESSLY AGREED THAT INDIRECT, SPECIAL, PUNITIVE AND CONSEQUENTIAL DAMAGES SHALL NOT BE AWARDED

Section 3.14 TRANSPORTATION
(c1) SHIP DEMURRAGE

ADD AFTER SECOND PARAGRAPH:

"AFTER THIS PERIOD, NO CLAIMS SHALL BE ACCEPTED BY ANY PARTIES."

Section 4.05 DEFAULT
SHALL BE DELETED ENTIRELY AND REPLACED BY:

"IF THE PARTY REFUSES OR FAILS TO PERFORM ANY OF THEIR OBLIGATIONS UNDER THIS AGREEMENT, NON-BREACHING PARTY SHALL NOTIFY THE PARTY EITHER BY E-MAIL OR IN WRITING WITHIN THIRTY (30) DAYS OF THE BREACH. IF THE PARTY DOES NOT REMEDY THE BREACH WITHIN 30 DAYS AFTER THE DATE OF NOTIFICATION, NON-BREACHING PARTY MAY BY GIVING WRITTEN NOTICE TO PARTY TERMINATE THE AGREEMENT IN WHOLE OR SUSPEND TAKING OF DELIVERY UNDER THE CONTRACT.

IN THE EVENT OF PARTIAL TERMINATION OR SUSPENSION UNDER THIS PROVISION, GPA RESERVES THE RIGHT TO PROCURE FUEL OIL SUPPLY FROM ANOTHER SOURCE IMMEDIATELY UPON NOTIFICATION TO CONTRACTOR EITHER BY E-MAIL OR IN WRITING. FUEL TO BE PROCURED SHALL BE AT THE PREVAILING MARKET RATE AND THE CONTRACTOR SHALL BE LIABLE FOR THE DIFFERENCE BETWEEN THE CONTRACT PRICE AND THE PREVAILING MARKET PRICE AT THE TIME OF PARTIAL TERMINATION OR SUSPENSION.

IN THE EVENT OF TERMINATION, THE CONTRACTOR SHALL NOT BE LIABLE FOR THE DIFFERENCE BETWEEN THE CONTRACT PRICE AND THE PREVAILING MARKET PRICE AT THE TIME OF TERMINATION."

Section 5.04 ASSIGNMENT
SHALL BE DELETED ENTIRELY AND REPLACED BY:

"NEITHER PARTY SHALL HAVE THE RIGHT TO TRANSFER OR ASSIGN THIS AGREEMENT, IN WHOLE OR IN PART, OR ANY RIGHT AND OBLIGATIONS ARISING THEREFROM, TO A THIRD PARTY WITHOUT THE PRIOR WRITTEN CONSENT OF THE OTHER PARTY, SUCH CONSENT NOT TO BE UNREASONABLY WITHHELD. ANY ATTEMPTED ASSIGNMENT OR TRANSFER WITHOUT SUCH PRIOR CONSENT SHALL BE NULL AND VOID.



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NOTWITHSTANDING THE FOREGOING, BOTH PARTIES SHALL HAVE THE RIGHT TO ASSIGN THIS AGREEMENT TO AN AFFILIATE WITHOUT THE OTHER PARTY'S WRITTEN CONSENT REQUIRED. IN CASE OF SUCH ASSIGNMENT, THE ASSIGNING PARTY SHALL INFORM THE OTHER PARTY THEREOF IN WRITING AND WITHOUT UNDUE DELAY.

FOR THE PURPOSES OF THIS AGREEMENT, "AFFILIATE" MEANS ANY COMPANY OR LEGAL ENTITY WHICH (A) CONTROLS EITHER DIRECTLY OR INDIRECTLY A PARTY HERETO, OR (B) IS CONTROLLED DIRECTLY OR INDIRECTLY BY SUCH PARTY, OR (C) IS DIRECTLY OR INDIRECTLY CONTROLLED BY A COMPANY OR ENTITY WHICH DIRECTLY OR INDIRECTLY CONTROLS SUCH PARTY. "CONTROL" FOR PURPOSES OF THE PREVIOUS SENTENCE MEANS THE ABILITY TO DIRECT THE MANAGEMENT AND POLICIES OF A COMPANY OR LEGAL ENTITY, WHETHER THROUGH OWNERSHIP OF SECURITIES, BY CONTRACT OR OTHERWISE.

THIS AGREEMENT SHALL BE BINDING UPON, AND INURE TO THE BENEFIT OF THE SUCCESSORS AND PERMITTED ASSIGNEES OF THE PARTIES."

Section 5.08 GOVERNING LAW
SHALL BE DELETED ENTIRELY.

VENINA VELOSA DA FONSECA
MANAGING DIRECTOR
PETROBRAS SINGAPORE PTE LTD

JOAQUIN C. FLORES, P.E.
GENERAL MANAGER
GUAM POWER AUTHORITY

Venina Velosa da Fonseca
Managing Director
Petrobras Singapore Private Limited
Reg. No. 200604967H

Projected Premium Fee Cost for 6 months (March 01, 2013-August 31, 2013)	Current Contract GPA-001-10	Contract Extn GPA-001-10	New Bid GPA-068-12 Bid
	Petrobras Singapore Pte., Ltd.	Petrobras Singapore Pte., Ltd.	Vitol Asia Pte., Ltd.
1. LSFO, 1.19% Sulfur max. Premium Fee Cost (\$/mt) Premium Fee Cost (\$/bbl) Estimated Quantity (bbls/month) Total for 6 months (bbls) Total Premium Fee Cost (\$) Variance w/ current Contract Variance w/ Contract Extn	\$42.910 \$6.501 69,000 414,000 \$2,691,414.00 	\$117.800 \$18.406 69,000 414,000 \$7,620,187.50 \$4,928,773.50 183% 	\$118.050 \$18.445 69,000 414,000 \$7,636,359.38 \$4,944,945.38 184% \$16,171.88 0.33%
2. HSFO, 2.00% Sulfur max. Premium Fee Cost (\$/mt) Premium Fee Cost (\$/bbl) Estimated Quantity (bbls/month) Total for 6 months (bbls) Total Premium Fee Cost (\$) Variance w/ current Contract Variance w/ Contract Extn	\$20.440 \$4.499 161,000 966,000 \$4,346,034.00 	\$92.550 \$14.461 161,000 966,000 \$13,969,265.63 \$9,623,231.63 221% 	\$93.050 \$14.539 161,000 966,000 \$14,044,734.38 \$9,698,700.38 223% \$75,468.75 0.78%
3. Total RFO Premium Fee Cost (\$/mt) Premium Fee Cost (\$/bbl) Estimated Quantity (bbls/month) Total for 6 months (bbls) Total Premium Fee Cost (\$) Variance w/ current Contract Variance w/ Contract Extn	\$32.637 \$5.100 230,000 1,380,000 \$7,037,448.00 	\$100.125 \$15.645 230,000 1,380,000 \$21,589,453.13 \$14,552,005.13 207% 	\$100.550 \$15.711 230,000 1,380,000 \$21,681,093.75 \$14,643,645.75 208% \$91,640.63 0.63%