



### DETERMINATIONS

6. The Contract supplies the required Diesel Engine Cylinder Lubrication Oil for GPA Generation Plants (Cabras Unit Nos. 3 & 4) in order to provide stable and uninterrupted supply of electricity to meet the island wide utility power demand.<sup>6</sup>
7. GPA has considered the alternative of soliciting new bids for this contract; however, soliciting new bids would likely yield increased premium fees due to rising cost in the delivery of the services and resulting in increased bid offers and contract cost.<sup>7</sup>
8. Additionally, IP&E has apparently satisfactorily complied with its contractual obligations over the three (3) year base period of the contract.<sup>8</sup>

### **ORDERING PROVISIONS**

After review of the record herein, GPA's Petition for Approval to Exercise Extension Option under the Diesel Engine Cylinder Lubrication Oil Contract with IP&E Guam, and the PUC Counsel Report, for good cause shown, on motion duly made, seconded and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

1. GPA's Petition for Approval to exercise Extension Option under the Diesel Engine Cylinder Lubrication Oil Contract with Isla Petroleum and Energy LLC (IP&E Guam) is hereby approved.
2. GPA is authorized to enter into an extension of said contract for the period of February 1, 2013 until January 31, 2015.
3. The recommendations and reasoning contained in the Counsel Report are adopted.
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 §§12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

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<sup>6</sup>Exhibit "A" to CCU Resolution No. 2012-22, adopted April 10, 2012, at p. 3 of 7.

<sup>7</sup> Id.

<sup>8</sup> Id.

Order  
Contract Extension of  
Diesel Engine Cylinder Lubrication Oil  
Contract with IP&E Guam  
GPA Docket 12-04  
July 30, 2012

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Dated this 30th day of July, 2012.

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Jeffrey C. Johnson  
Chairman

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Rowena E. Perez  
Commissioner

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Joseph M. McDonald  
Commissioner

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Michael A. Pangelinan  
Commissioner

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Filomena M. Cantoria  
Commissioner