

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:

GPA DOCKET 11-13

GUAM POWER AUTHORITY'S  
PETITION FOR REVIEW AND  
APPROVAL OF THE DISTRIBUTION  
MANAGEMENT SYSTEMS  
CONTRACT (SMART GRID PROJECT)

ORDER

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Petition of the Guam Power Authority ["GPA"] for contract review and approval of GPA's Distribution Management Systems Contract with JMI-Edison ["JMI"].<sup>1</sup>
2. According to the Petition, the implementation of this Contract for Distribution Management Systems is critical to the success of GPA's Smart Grid Project, and is reasonable, prudent and necessary.<sup>2</sup>
3. The cost of the Contract with JMI-Edison is the amount of \$2,249,620.00.<sup>3</sup>

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.<sup>4</sup>
5. 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 Distribution

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<sup>1</sup> GPA Petition for Review and Approval of Distribution Management Systems Contract under GPA Smart Grid Project, GPA Docket 11-13, filed March 12, 2013.

<sup>2</sup> Id. at p. 2.

<sup>3</sup> Id.

<sup>4</sup> PUC Order, GPA Docket 10-01, issued July 27, 2010, at p. 2.

Management System [“DMS”], and authorized GPA to obligate funds up to the full amount of \$17M.<sup>5</sup>

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.<sup>6</sup>
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.<sup>7</sup>
8. The most recent action of the PUC regarding Smart Grid was approval of GPA’s Substation Automation Contract with Black Construction Corporation [“Black”] on July 30, 2012.<sup>8</sup>

### **DETERMINATIONS**

9. GPA conducted due diligence in procuring and negotiating the contract with JMI-Edison
10. GPA has demonstrated that the implementation of its contract for Distribution Management Systems is critical to the success of GPA’s Smart Grid Project.
11. 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.
12. The Statement of Work in the contract sets out the duties and responsibilities of the parties in considerable detail.<sup>9</sup>

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<sup>5</sup> PUC Order GPA Docket 11-13, issued December 19, 2011, at p. 2.

<sup>6</sup> Id.

<sup>7</sup> Id. at p. 3.

<sup>8</sup> PUC Order, GPA Docket 11-13, issued July 30, 2012, at p. 2.

<sup>9</sup> Attachment “A”, Statement of Work, to the Contract between GPA and JMI-Edison [attached to the GPA Petition for Contract Review herein].

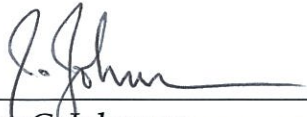
13. Among other benefits, DMS can improve the distribution system's efficiency and reliability.<sup>10</sup>

### **ORDERING PROVISIONS**

After review of the record herein, GPA's Petition for review and approval of the Distribution Management Systems Contract with JMI-Edison, and the PUC Counsel Report, for good cause shown, the Guam Public Utilities Commission **HEREBY ORDERS** that:

1. GPA's Petition for review and approval of the Distribution Management Systems Contract with JMI-Edison is hereby granted.
2. The recommendations and reasoning contained in the PUC Counsel Report are hereby adopted.
3. GPA is authorized to expend up to the amount of \$2,249,620.00 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.

Dated this 26th day of March, 2013.

  
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Jeffrey C. Johnson  
Chairman

  
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Joseph M. McDonald  
Commissioner

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<sup>10</sup> Attachment "A" Statement of Work, at p. 4.

Order  
Distribution Management Systems Contract  
[Smart Grid Project]  
GPA Docket 11-13  
March 26, 2013

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Rowena E. Perez  
Commissioner



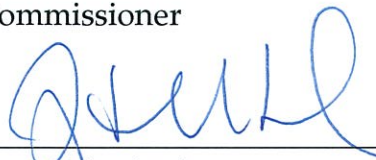
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Michael A. Fangelinan  
Commissioner



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Filomena M. Cantoria  
Commissioner



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Peter Montinola  
Commissioner