



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:

)
) GPA Docket 15-19
)

The Application of the Guam Power
Authority to Approve the FY2016 GPA
CIP Ceiling Cap

) ORDER
)
)

INTRODUCTION

This matter comes before the Guam Public Utilities Commission [PUC] upon GPA's Petition for Request for Approval of FY2016 GPA CIP Ceiling Cap.¹ Therein, GPA requests PUC approval of its FY2016 Capital Improvement Project Cap in the amount of \$12,067,780, which consists of General Plant (\$12,067,780) and Engineering (\$0).² The Guam Consolidated Commission on Utilities [CCU] has approved the FY2016 Capital Improvement Project Ceiling Cap requested by GPA.³

BACKGROUND

The Contract Review Protocol for the Guam Power Authority requires that GPA's annual level ("cap") of internally funded Capital Improvement Projects ("CIP") be set by the PUC before November 15th of each fiscal year.⁴

The CIP Cap proposed for FY2016 is generally consistent, in terms of dollar amount, with the CIP Cap levels of prior years. The prior year cap levels were as follows:

FY2014 Cap: \$7,363,110.
FY2013 Cap: \$10,135,760.
FY2012 Cap: \$13.581M.
FY2011 Cap: \$5M.⁵
FY2010 Cap: \$16,390,707.⁶

¹ GPA Petition for Contract Review (Application to Approve the FY2016 GPA CIP Ceiling Budget), GPA Docket 15-19, filed September 15, 2015.

² Id. at p. 1.

³ Guam Consolidated Commission on Utilities (CCU) Resolution No. 15-42, Relative to the Adoption of a Budget for the Guam Power Authority for Fiscal Year 2016, adopted August 25, 2015.

⁴ §1.F of the Contract Review Protocol, at p. 2.

⁵ PUC Order, GPA Docket 13-16, dated October 29, 2013, at pgs. 1-2.

⁶ PUC Order, GPA Docket 10-05, dated October 29, 2010, at pg. 1.

The CIPs included within the Cap are for “general plant.” The expenditures are for items including computers, office equipment, plant improvements and other miscellaneous items.⁷ GPA has listed all of the items, as well as approved cost of each, in Attachment A to the Petition. One of the items under Transportation is 3 65 ft. and 3 55ft. bucket trucks at a cost of \$1.7M. GPA will need to seek approval for procurement of such item under the Contract Review Protocol, as it exceeds the \$1.5M threshold.⁸

The Contract Review Protocol does not require that GPA provide justifications for the items listed under General Plant.⁹ Many of the items involve computer hardware and software upgrades for the various divisions within GPA. There are a number of items relating to plant and substation renovations and upgrades.¹⁰ The expenditures listed appear to be reasonable; purchase of the items indicated could reasonably be expected to lead to the maintenance and upgrading of GPA operations.

GPA Counsel indicates that what GPA has provided is a General Plant (CIP) Approved Budget; it has been the case that GPA does not always expend all amounts indicated in the budget for the stated items.¹¹

DETERMINATIONS

Based upon the recognition that the FY2016 general plant budget is consistent with that of prior fiscal years, and subject to GPA’s ability to carry out the capital improvement projects using internally-funded dollars, the \$12,067,780 Ceiling Cap should be approved.

The PUC finds that GPA’s FY2016 Internally funded CIP ceiling cap, consisting of general plant in the amount of \$12,067,780, should be approved. Such CIP cap is reasonable, prudent and in the interest of the ratepayers.

However, prior to expending the amount of \$1.7M for the bucket trucks, GPA should seek approval for procurement of such item under the Contract Review Protocol.

⁷ GPA Petition for Contract Review (Application to Approve the FY2016 GPA CIP Ceiling Budget), GPA Docket 15-19, filed September 15, 2015, Attachment 1.

⁸ Id. at Attachment 1; Contract Review Protocol at par. 1a) .

⁹ Id.

¹⁰ Id.


¹¹ Phone conversation between GPA Counsel Graham Botha and PUC Counsel Fred Horecky, GPA Docket 15-19, September 15, 2015.

ORDERING PROVISIONS


Upon consideration of the record herein, the Petition of GPA, and the presentation of Counsel, and for good cause shown, on motion duly made, seconded, and carried by the affirmative vote of the undersigned Commissioners, the Commission **HEREBY ORDERS** that:

1. The GPA FY2016 internally funded CIP ceiling cap, which consists of General Plant, is approved in the amount of \$\$12,067,780.
2. The General Plant budget is consistent with prior budgets and appears reasonable; no prudence concerns are noted.
3. GPA shall file a complete reconciliation of the FY2015 expenditures on or before December 15, 2015, as required by the Contract Review Protocol.
4. Before GPA expends amounts for the bucket trucks at \$1.7M, it shall seek prior approval from the PUC for procurement authority.
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 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 24th day of September, 2015.



Jeffrey C. Johnson
Chairman



Rowena E. Perez
Commissioner

Joseph M. McDonald
Commissioner



Michael A. Pangelinan
Commissioner

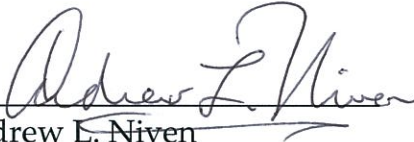
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Peter Montinola
Commissioner



Filomena M. Cantoria
Commissioner



Andrew E. Niven
Commissioner