

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:) GPA Docket 16-04
)
The Petition of the Guam Power Authority)
for Approval of the Extension of the TRC) **ORDER**
Contract for Environmental Engineering)
and Technical Services.)
_____)

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission [“PUC”] upon the Petition of the Guam Power Authority [“GPA”] for approval of the Extension of the TRC Contract for Environmental Engineering and Technical Services.¹

BACKGROUND

2. Pursuant to the Contract Review Protocol for the Guam Power Authority, GPA petitions the PUC to review and approve its Petition for the extension of the TRC Contract for Environmental Engineering and Technical Services.²
3. The present Environmental Engineering Technical Services Contract between TRC Environmental Corporation [“TRC”] and GPA expires on May 31, 2016.³
4. The proposed contract extension would be for an additional period of five (5) years commencing on June 1, 2016 and expiring on May 31, 2021.⁴
5. GPA also seeks to increase the amount of revenue funds available for the TRC Contract to a total of \$1,725,000; the amount of bond funds allocated to the Contract would be increased to a total of \$1,900,000 to continue tasks for the Ambient Air Quality Monitoring (AAQM) Program.⁵

¹ GPA Petition for Approval of the Extension of the TRC Contract for Environmental Engineering and Technical Services, GPA Docket 16-04, filed April 11, 2016.

² Id. at p. 2.

³ Consolidated Commission on Utilities Resolution No. 2015-52, Authorizing the Management of the Guam Power Authority to Increase the Funds and Extend the Contract for Environmental Engineering and Technical Services adopted October 27, 2015, and Exhibit D attached thereto, DRAFT CONTRACT EXTENSION Amendment No. 1 to RFP-11-001.

⁴ Id.

⁵ GPA Petition for Approval of the Extension of the TRC Contract for Environmental Engineering and Technical Services, GPA Docket 16-04, filed April 11, 2016.

6. On June 20, 2011, the PUC authorized GPA Management to award a 5 year contract to TRC for services including Ambient Air Quality Monitoring, Air Quality Modeling for purposes related to redesignation of non-attainment areas to attainment areas, evaluation and reporting on fuel switching in compliance with plant operations, and other engineering/technical services.⁶
7. On June 11, 2012, PUC authorized GPA to expend bond funds in an amount of up to \$1.5M for the Ambient Air Quality Monitoring Project for the first year contract with TRC.⁷
8. The Consolidated Commission on Utilities has approved the five year extension of the TRC Contract and the increased spending authorization levels for bond and revenue funds.⁸
9. On April 23, 2016, PUC Counsel filed his Report in this Docket; the PUC adopts the Recommendations in the Report.⁹

DETERMINATIONS

10. The PUC previously determined that GPA does need the outside services of a qualified contractor to operate and maintain the Ambient Air Quality Monitoring Plan, to construct a meteorological Tower, and to undertake various testing and audit functions.¹⁰
11. GPA anticipates that, in the near future, use of the allotted bond funds may be necessary to install and establish the Ambient Air Quality Monitoring Program. This involves the purchase and installation of monitoring devices/equipment at various locations on island.¹¹
12. In addition, TRC is assisting GPA with the preparation of various other necessary items, such as the Environmental Strategic Plan, the Integrated Resource Plan, and

⁶ PUC Order, GPA Docket 10-09, dated June 20, 2011, at p. 3.

⁷ PUC Order, GPA Docket 10-09, dated June 11, 2012, at p. 3.

⁸ Consolidated Commission on Utilities Resolution No. 2015-52, Authorizing the Management of the Guam Power Authority to Increase the Funds and Extend the Contract for Environmental Engineering and Technical Services, adopted October 27, 2015.

⁹ PUC Counsel Report, GPA Docket 16-04, dated April 23, 2016.

¹⁰ PUC Order, GPA Docket 10-09, dated December 15, 2010.

¹¹ Conference between PUC Counsel Frederick Horecky, Special Projects Engineer Paz Tison and Environmental Manager Sylvia Ipanag on April 19, 2016.

the State Implementation Plan. The services rendered by TRC are necessary to assist GPA in complying with environmental regulations.

13. To date, GPA has only spent \$159,017.46 for TRC from the Bond Funds allocated through the Ambient Air Quality Monitoring Program.¹²
14. GPA's request for an increase in authorization for bond funds allocated to the TRC contract up to a total of \$1.9M should be approved. The purpose is to continue tasks for Ambient Air Quality Monitoring. As much as \$1.2M of this amount will be for the construction and installation of air quality monitoring equipment.¹³
15. For other tasks such as the Environmental Strategic Plan, IRP, and regulatory support, GPA utilizes revenue funds to pay for such services. To date, from the commencement of the TRC contract, GPA has paid TRC a total of \$840,156.86, including revenue funds.¹⁴
16. For the next five years, GPA proposes a projected annual budget for the TRC Contract at \$175,000.00 per year. This includes services for the projects previously mentioned and "Consent Decree Support" in an amount of \$100,000 per year.
17. In addition to the roughly \$840,150.86 already expended, GPA seeks authorization for the expenditure up to \$1,725,000 in revenue funds for the tasks set forth in its Cost Proposal, Exhibit D to CCU Resolution No. 2015-52.¹⁵
18. A proposed annual budget for five years of \$175,000 per year for the TRC Contract in revenue funds appears reasonable. A major portion of that budget is for "Consent Decree Support."
19. GPA must present a draft of any proposed Settlement and Consent Decree to the PUC for prior review and approval before it enters into such Consent Decree. The Contract Review Protocol requires prior PUC approval for any GPA obligation which will exceed a cost of \$1.5M.¹⁶

¹² Exhibit B to CCU Resolution Consolidated Commission on Utilities Resolution No. 2015-52.

¹³ Conference between PUC Counsel Frederick Horecky, Special Projects Engineer Paz Tison and Environmental Manager Sylvia Ipanag on April 19, 2016.

¹⁴ Exhibit B to Consolidated Commission on Utilities Resolution No. 2015-52.

¹⁵ Exhibit D COST PROPOSAL to Consolidated Commission on Utilities No. 2015-52.

¹⁶ Contract Review Protocol for Guam Power Authority, Administrative Docket, dated February 15, 2008, par. 1(e).

ORDERING PROVISIONS

After review of the record herein, including GPA's Petition for Approval of the Extension of the TRC Contract 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 Extension of the TRC Contract for Environmental Engineering and Technical Services is approved.
2. GPA is authorized to expend bond funds allocated to the TRC contract up to a total of \$1,900,000.00 to continue tasks for Ambient Air Quality Monitoring.
3. GPA is authorized to expend revenue funds allocated to the TRC Contract up to a total of \$1,725,000 to continue the tasks illustrated in Exhibit D attached to the CCU Resolution No. 2015-52.
4. GPA must obtain prior review and approval of any proposed Settlement and Consent Decree to the PUC for prior review and approval before it enters into such Consent Decree.
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 §§12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

Dated this 28th day of April, 2016.

Jeffrey C. Johnson
Chairman

Joseph M. McDonald
Commissioner

Rowena E. Perez
Commissioner

Peter Montinola
Commissioner

Order
Extension of the TRC Contract
GPA Docket 16-04
April 28, 2016

Michael A. Pangelinan
Commissioner

Andrew L. Niven
Commissioner

Filomena M. Cantoria
Commissioner