

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:)

) GPA DOCKET 22-04

The Application of the Guam Power)

Authority for Approving the Contract for)

Supply of Diesel Fuel Oil to GPA.)

ORDER OF RATIFICATION

This matter comes before the Guam Public Utilities Commission [PUC], upon the ORDER signed herein by Chairman Jeffrey C. Johnson on December 24, 2021. A true and correct copy of said ORDER is attached hereto as Exhibit "1". The ORDER authorized GPA to award a Diesel Fuel Oil Contract to Mobil Oil Guam Inc. effective January 1, 2022, for the supply of ULSD to the Piti 7,8, and 9 plants.

The ALJ REPORT dated December 15, 2021, recommended that the PUC approve GPA's Petition to proceed with the Contract for Supply of ULSD to GPA for the Piti 7, 8, and 9 plants. In accordance with the Contract, GPA should be authorized to expend up to the amounts of \$76,117,000 for the first year of the contract with Mobil Oil Guam, Inc., and \$114,175,500 for the second year of the Contract, for a total of \$190,292,500 for the 2-year contract base period. The Contract commenced on January 1, 2022 and would expire on December 31, 2023. There would also be three 1-year extension options, renewable annually, upon mutual agreement of the parties.¹

The PUC did not have a monthly meeting during December, 2021. The Chairman determined that it was necessary to take interim, emergency action to approve the commencement of the Fuel Supply Contract. He further certified that GPA's Petition for Approval of the Contract could not await Commission action at the scheduled

¹ Guam Consolidated Commission on Utilities, GPA Resolution No. FY2022-04, Authorizing Management to Award the Contract for the Bulk Supply of Ultra Low Sulfur Diesel (ULSD) Fuel Oil, adopted and approved on November 23, 2021.

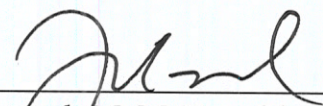
meeting for January 2022. The Commissioners authorized the Chairman to approve the Contract.

The Commission has reviewed the ALJ Report dated December 15, 2021, and the Order of the Chairman dated December 24, 2021. The Commission binds that it was necessary for the Chairman to approve the Contract for Supply of ULSD to GPA for the Piti 7, 8 & 9 plants, for the reason stated in the Order and the ALJ Report.

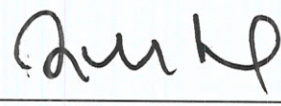
The Chairman's Order is hereby ratified and approved.

SO ORDERD this 27th day of January 2022.

Jeffrey C. Johnson
Chairman

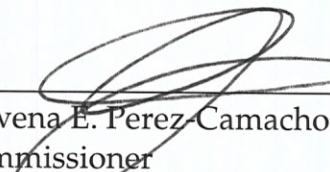


Joseph M. McDonald
Commissioner

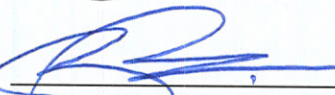


Peter Montinola
Commissioner

Pedro S.N. Guerrero
Commissioner



Rowena E. Perez-Camacho
Commissioner



Michael A. Pangelinan
Commissioner

Doris Flores Brooks
Commissioner

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IN THE MATTER OF:)	GPA DOCKET 22-04
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Authority for Approving the Contract for)	ORDER
Supply of Diesel Fuel Oil to GPA.)	
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This matter comes before the Chairman of the Guam Public Utilities Commission [PUC], Jeffrey C. Johnson, upon the Administrative Law Judge [ALJ] Report dated December 15, 2021. GPA has filed a Petition for Approving the Contract for Supply of Diesel Fuel Oil to GPA.

Said Report indicates that the new Ultra Low Sulfur Diesel Fuel Oil Bulk Supply Contract between GPA and Mobil Oil Guam, Inc., which will provide the essential fuel supply to run the Piti 7, 8 & 9 units, will commence on January 1, 2022 and expire on December 31, 2023, subject to three 1-year extension options.

The PUC will not have a monthly meeting during December, 2021, and will not meet again until January 27, 2022. Thus, the PUC Commissioners will not be able to address the matter until after the time at which the Contract would commence.

The Chairman adopts the ALJ Report in this matter dated December 15, 2021 and finds that a supply of ULSD is necessary for GPA to maintain its electric power generation capacity at the Piti 7, 8, & 9 plants.

Since the new ULSD Fuel Supply Contract is scheduled to commence on January 1, 2022, it is necessary for the Chairman to take interim, emergency action to approve the commencement of the Fuel Supply Contract.

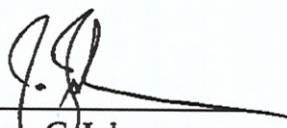
The Chairman hereby certifies that GPA's request for Approval of the Contract for Supply of Diesel Fuel Oil for the Piti 7, 8 & 9 plants, cannot await Commission action at the next scheduled meeting in January 2022. The Commissioners have approved the proposed action by the Chairman.

Pursuant to 12 GCA §12105(b), the PUC, through its Chairman, hereby approves the Petition of the Guam Power Authority to Contract with Mobil Oil Guam, Inc., for the supply of diesel fuel oil to the Piti 7, 8, & 9 plants.

WHEREFORE, PUC ORDERS that:

1. GPA's Petition to proceed with the Contract for Supply of ULSD to GPA for the Piti 7, 8, & 9 plants it is approved.
2. In accordance with the Contract, GPA is authorized to expend up to the amounts of \$76,117,000 for the first year of the Contract, and \$114,175,500 for the second year of the contract, for a total of \$190,292,500 for the 2-year contract base period.
3. This Order is subject to ratification by the PUC at its next meeting.

Dated this 24th day of December, 2021.



Jeffrey C. Johnson
Chairman

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IN THE MATTER OF:)	GPA DOCKET 22-04
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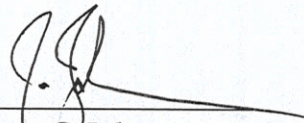
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Dated this 24th day of December, 2021.



Jeffrey C. Johnson
Chairman

**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION
REGULAR MEETING
SUITE 202, GCIC BUILDING
414 W. SOLEDAD AVE., HAGATNA, GUAM
6:30 p.m., January 27, 2022**

Agenda

- 1. Call to Order**
- 2. Approval of Minutes of October 28, 2021, and December 2, 2021**
- 3. Guam Power Authority**
 - **GPA Docket 22-04, Petition for Approval of Contract for Supply of Diesel Fuel Oil to GPA, ALJ Report, Proposed PUC Order Ratifying Chairman's Order**
 - **GPA Docket 22-05, Petition to Set the Levelized Energy Adjustment Clause (LEAC) Factor effective February 1, 2022, ALJ Report, and Proposed Order**
- 4. Guam Waterworks Authority**
 - **GWA Docket 22-05, Petition of Guam Waterworks Authority to Procure an Indefinite Delivery/Indefinite Quantity Design-Build Contract and an Indefinite Delivery/Indefinite Quantity Professional Project/Construction Management Contract for GWA's Islandwide Sewer Collection/Transmission System Repair, Rehabilitation, and Replacement Project, ALJ Report, and Proposed Order**
- 6. Administrative Matters**
 - **FY 2021 PUC Annual Report**
- 7. Adjournment**