

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:

The Application of the Guam Power
Authority for Approving the Contract for
Supply of Diesel Fuel Oil to GPA.

GPA DOCKET 22-04

ORDER



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.

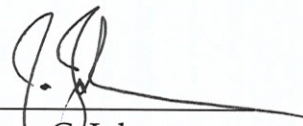
The Chairman hereby certifies that GPA's request for Approval of the Contract for Supply of Diesel Fuel Oil for the Piti 7, 8 & 9 plants, cannot await Commission action at the next scheduled meeting in January 2022. The Commissioners have approved the proposed action by the Chairman.

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