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Public Utilities Commission
GUAM

January 27, 2022

VIA HAND DELIVERY

The Honorable Governor Lourdes A. Leon Guerrero
Maga'haga of Guam
Ricardo J. Bordallo Governor's Complex
Adelup, Guam

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OFFICE OF THE SPEAKER
THERESE M. TERLAJE
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Time: 1:15pm
Received: [signature]

The Honorable Speaker Therese Terlaje
Speaker, 36th Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagatna, Guam 96910

Re: Guam Public Utilities Commission FY2021 Annual Report

Dear Governor Leon Guerrero and Speaker Terlaje:

In accordance with the mandate of 12 GCA § 12104, the Guam Public Utilities Commission ["PUC"] respectfully submits its Annual Report for Fiscal Year 2021.

Attachment A, enclosed herewith, sets forth the major regulatory actions undertaken by the PUC in FY2021.

A significant action taken by the PUC was the approval of the Creation by GPA of a "Condominium Rate" Schedule, new Rate Schedule "D", Condominium Service. As a result of a Petition filed by Guam Association of Realtors and certain Senators of the

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Guam Legislature, GPA agreed to create a new rate schedule for condominiums and apartments. Previously, many condominiums and apartment buildings had been charged commercial power rates. There had been at least three efforts by the Guam Legislature to apply residential rates to condominiums and apartment buildings, but no legislation was ever passed.

After detailed investigation and proceedings by the PUC, the new Schedule "D" Condominium Service was approved by the PUC; condominium and apartment residents are now afforded rates like residential rates. The PUC recognized that the creation of Condominium Service rate was based upon principles of fairness and equity, and that such rates were "just and reasonable." Although the creation of this new rate resulted in some loss of revenue for GPA, GPA agreed not to seek recovery of such lost revenues through ratepayer rate increases.

Several dockets heard by the PUC during FY2021 involved preparation for the new 198MW Ukudu Plant, and the process of altering GPA plants so that they could run on ultra-low sulfur diesel instead of high sulfur fuel oil. The following actions were taken by PUC:

(1) Approval of compensation increases for the Stanley Consultants Engineering, Procurement and Construction Management (EPCM) Contract. Under this Contract, Stanley provides extensive services to GPA regarding the new powerplant, including work on the procurement process, advising GPA on the construction and commissioning process for the plant, acting as Owner's representative, and assistance regarding environmental permitting and construction permits.

(2) Approval of the Contract with Marianas Energy Company ["MEC"] for the Conversion of the Piti 8 & 9 plants to Ultra Low Sulfur Diesel ["ULSD"].

(3) Approval of a procurement by GPA for its Engineering, Procurement and Construction Management Contract, as its prior contract with Stanley Consultants expires in March 2022.

(4) Approval of Amendments to the Energy Conversion Agreement between GPA and KEPCO for the 198MW Power Plant, including authorization to build a 41MW diesel engine facility at Cabras, rather than a 65MW standby generator facility at the Ukudu site, change of the Commercial Operation Date for the 198MW power plant from October 31, 2022 to April 2024, and "Minor Source" permitting for the new plant rather than "major source" permitting.

Rapidly rising fuel oil prices presented the PUC with difficult situations in setting the bi-annual Levelized Energy Adjustment Clause Factor (LEAC). Since June 1, 2020, the cost of high sulfur fuel oil had increased by over 61%, and diesel fuel prices by over 49%. GPA petitioned the PUC to set the LEAC Factor effective February 1, 2021, for the next 6-month period at $.086800/kWh, which reflected "no increase" in the LEAC Factor. However, due to the rapidly increasing fuel oil prices, and a LEAC "under-recovery" by GPA of over $15M, the PUC ordered that the LEAC Factor be increased to $0.11000/kWh for meters read on and after February 1, 2021, and through July 31, 2021.

For the LEAC Factor effective August 1, 2021, GPA sought to increase the LEAC Factor from $0.11000/kWh to $0.167564/kWh affective for meters read on or after August 1, 2021. Fuel prices continued to rise, and GPA's LEAC "under-recovery" balance increased to approximately $30M. Instead of approving the entire increase requested by GPA, the PUC adopted a 3 step LEAC whereby the factor would be increased to $0.130400/kWh effective August 1, 2021; $0.15080/kWh effective October 1, 2021; and $0.171458/kWh effective December 1, 2021. The PUC determined that ratepayers could more easily bear a 3 step increase rather than one drastic increase. GPA was also ordered to apply $10M from its Self-Insurance Program Fund and $5M from CIP Funds to offset the LEAC under-recovery balance. PUC did everything it could to minimize rate increases to ratepayers during the pandemic.

Finally, regarding GPA, the PUC denied a request by GPA to create a new Energy Storage Rate Schedule. GPA sought to require new net metering customers to either install frequency control capability for an Energy Storage system on any solar installation or opt to pay an Energy Storage Rate, which was set at $2.43 per kW per month. PUC denied GPA's Petition, finding that GPA had not submitted the required distribution system impact study and value of solar rate study, nor had demonstrated that net metering customers were responsible for the instability and fluctuations resulting in the power system.

The PUC approved a request by GWA to award a contract to Giant Construction Corporation for the Tai Road/13 and Canada-Toto Loop/Blas Street Waterline Replacement Project. Many customers in the Canada-Toto Loop area had been experiencing frequent water outages. The project to replace existing pipe and reconnect the waterline was beneficial to the residents of the area. PUC also approved a contract award to JMI Edison for an indefinite quantity of submersible pumps and motors to JMI Edison. These pumps are needed for GWA's drinking water wells. GWA relies on this equipment to ensure the reliability of operating its drinking water wells.

During this fiscal year, PUC has been working with GWA on Phase II of its Rate case. GWA seeks multi-year rate increases for FY22, 23, and 24. A contested rate hearing has already been heard in the case. However, currently there is no final resolution of the rate case.

The PUC approved several requests by PAG designed to improve the operations of the Port Authority:

(1) A contract with Tristar Terminals Guam Inc. for the management and operation of the F-1 Fuel Pier Facility.

(2) A contract with GHD for construction management services for the rehabilitation of H-Wharf and Highway 11 Roadway Reconstruction.

(3) A contract with Guam Industrial Services Inc. for the demolition and disposal of 5 inoperable port cranes and removal and disposal of a Barge.

(4) A contract related to closed-circuit television ("CCTV") surveillance and access control system upgrade with California Pacific Technical Services LLC; new cameras and components would provide automated Maritime Security protection and monitoring capabilities for the entire Port.

(5) A contract award to WSP USA Inc. for PAG's Owner's Agent Engineer Contract; the contractor will provide program management support and capital improvement program construction technical services, services related to the maintenance repair and replacement of PAG gantry cranes, and information technology and technical support related to the rehabilitation and safe use of the Port's marine structures.

(6) A contract award to Matson Navigation Company Inc. for the Performance Management Contract for the Port gantry cranes. The work included maintenance, repair and provision of parts and equipment regarding the gantry cranes, and certification services.

The PUC approved the Final Report of MSW Consultants concerning the Management, Audit of the Guam Solid Waste Authority. The Report contained a thorough examination of the GSWA collection system, transfer stations and Landfill. MSW performed a rate study and concluded that rate increases would be necessary to enable GSWA to meet its full cost. Rate increases were primarily needed to establish reserve funds for the Leyon construction and the Leyon/Ordot closures.

The estimated rate increase could range around 30%, or an increase of $10 per customer over the present bill. Commercial rates could increase from $171.60 per ton to $225 per ton. Most significantly, MSW would require that all Guam households should be required to utilize collection services provided by GSWA for residential curbside collection – residential homeowners would be required to have "mandatory service." The PUC adopted the Final Report as the PUC Management Audit of GSWA.

GSWA has recently indicated to the PUC that it will at least temporarily hold off on filing a petition for rate increase based upon its receipt of American Recovery Act funds.

The PUC looks forward to working with the Executive and Legislative Branches of our Government in enacting legislation that will improve the operations of the utilities. As always, PUC will comment to the legislative branch on any proposed legislation affecting the utilities.

If you have any questions concerning the operations of the Guam Public Utilities Commission, please let us know.

Respectfully submitted,

Jeffrey C. Johnson
Chairman

Enclosure: Attachment A

Attachment A
Significant Regulatory Action – FY2021

Guam Power Authority

Date	*Docket*	*Action*
10/29/20	GPA 21-01	GPA petitioned the PUC to review and approve an increase in the Stanley Engineering, Procurement and Construction Management (EPCM) Contract. In March 2017, Stanley Consultants ["Stanley"] was selected by GPA as its EPCM Contractor for the new 180MW power plant. Stanley has assisted GPA with many aspects of the new power plant project, including the procurement process, selection of the most qualified bidder, representation at legislative and public hearings, rezoning for the project site, and as Owner's representative. In its capacity as Owner's Representative, Stanley is involved in every aspect of the administration of the Independent Power Producer Contract for the new power plant. To date, PUC has authorized GPA to expend $3,750,000 on the Stanley EPCM Contract. GPA now requests an additional $2.25M for the EPCM contract, which would bring the total contract expenditure to approximately $6M. In reviewing prior Dockets in which the new power plant project was considered, the PUC found that GPA did need the services of a highly specialized consultant to carry out a project of this scope and magnitude, and that "GPA clearly has a need for an EPCM Contractor." The Owner's Representative was needed to guide GPA through the construction and commissioning process for the plant. Services were needed to monitor the permitting process of the IPP, KEPCO, construction permits, environmental requirements and approvals, and the air permit process. The work of Stanley and its sub-contractors is extremely important to ensure the commissioning of a safe and efficient plant. GPA estimated that the new power plant would now cost $600M. The PUC approved the increase in the Stanley EPCM Contract for consulting and technical services in the amount of

		$2,045,450, for the period of January 2021, through February 2022.
10/29/20	GPA 21-02	Before the PUC was GPA's Petition seeking approval to continue the services of Pacific Island Security Agency ("PISA") for an eight-month renewal option, and a second-year option for renewal through May 31, 2022, at a cost of $2,046,701.80. PISA had been GPA's provider for unarmed, uniform security guard services since June 2019. The renewal options for which GPA sought PUC approval would extend services rendered from November 1, 2020 through May 31, 2022. PISA provides GPA security services at its administrative offices and many power plant locations. The Commission found that, based on the documentation provided by GPA, that there was a clear need for utility security services, one that safeguards facilities, employees, and customers. Any threat to GPA's infrastructure could potentially undermine, and have a debilitating affect, on the island community and the readiness and vitality of the U.S. military on the island. The contract agreement between PISA and GPA was determined to adequately protect the interests of GPA and its ratepayers. The PUC authorized GPA's expenditure of $2,046,702.00 for GPA's security services under the purchase order agreement with PISA: in particular, $818,681.00 for the remainder of the first option renewal period, and $1,228,021.00 for the second option renewal year.
11/30/20	GPA 21-03	This matter came before the PUC upon GPA's Application to Approve the Contract Extension for the Performance Management Contract (PMC) for the Combustion Turbine Power Plants (Dededo CT, Macheche CT, and Yigo CT). GPA sought to extend its current contract with Taiwan Electrical and Mechanical Engineering Services, Inc. ["TEMES"] for a period of five additional years. TEMES has been managing, operating and maintaining the Combustion Turbine Power Plants for the last five years. It has also been responsible for the rehabilitation and repair of those plants, including regularly scheduled preventative or remedial maintenance, and any maintenance required due to plant forced outage. The current contract was set to expire on February 28,

		2021; however, the contract authorized GPA to extend the contract for one additional 3-year term, and one additional 2-year term. GPA requested that PUC allow GPA to proceed with the 5-year contract extension with TEMES. The PUC determined that the 5-year extension of GPA's PMC with TEMES should be approved on numerous grounds: (1) The PUC previously determined that GPA should retain a performance management contractor for the Combustion Turbine Power Plants; (2) During the prior 5-year term of the PMC, TEMES had repaired the Combustion plants and brought them to full operational status; those plants were now providing reliable power to the island wide power system; (3) The contract form of the Performance Management Contract with TEMES had also previously been approved by the PUC, and the cost of the contract extension was consistent with that charged in the first 5-years of the PMC. The cost of the 5-year PMC extension was determined to be $7.3M, which was $1.4M more than the cost for the first five years of the PMC ($5.9M). GPA provided reasonable explanations for the cost increases including a 10% increase in the fixed management fee for year 6 of the PMC, and a 3% increase in such fee for years 7 onward. The increase was due to the need to mobilize resources for the extension period, including preparations for additional requests for urgent CIP projects and additional challenges brought on by the COVID-19 pandemic, plus an inflation factor. The PUC approved the 5-year Extension of the PMC with TEMES for the Combustion Turbine Power Plants. GPA was authorized to expend the amount of $7,320,170.00 for the 5-year extension.
01/28/21	GPA 21-04	GPA petitioned the PUC to set the Levelized Energy Adjustment Clause Factor effective February 1, 2021, for the next 6-month period. In its Petition, GPA sought to maintain the Fuel Recovery Factor at $.086800/kWh affective for meters read on or after February 1, 2021. The change reflected "no increase" in the LEAC factor and no increase for a residential customer utilizing an average of 1,000 kilowatt hours per month. In the prior 6-month LEAC period from

February 1, 2020, through July 31, 2020, the PUC had reduced the LEAC factor on three occasions because of steep declines in fuel oil prices. The PUC had reduced the LEAC factor by nearly 50%, from $015442/kWh to $0.08600/kWh. The PUC accepted the GPA/CCU offer to withdraw $10M from the Self Insurance Fund and offset the amount against the anticipated LEAC under-recovery. GPA had represented that there would be an under-recovery of $30.5M by July 31, 2021. GPA also offered to offset the LEAC under-recovery by reducing the internally funded CIP budget by $5M in FY2021. This would reduce the LEAC under-recovery by July 31, 2021 to $15M. However, the PUC also found that maintaining the LEAC Factor at $.086800/kWh for the next six months would still result in an under-recovery of $30.3M. The LEAC factor proposed by GPA was entirely inadequate to recover the actual cost of GPA's fuel oil or to even recover any of the present under-recovery of over $15M. Since fuel oil and diesel prices were rapidly rising, the factor proposed by GPA would not charge ratepayers adequate amounts through LEAC to recover fuel prices. Since June 1, 2020, the cost of high sulfur fuel oil had increased by over 61%, and diesel fuel prices by over 49%. If the LEAC factor was not now increased, ratepayers would face even more substantial LEAC increases in the future. "Kicking the can down the road" was not in the interest of rate payers. Future increases will only be more severe and prolonged. The "under-recovery" hole would only get deeper and deeper. For the foregoing reasons, the PUC ordered that the secondary Fuel Recovery Factor be increased to $0.11000/kWh for meters read on and after February 1, 2021, and through July 31, 2021.

01/28/21	GPA 20-10	In GPA Docket 19-09, the Guam Association of Realtors and certain Senators of the Guam Legislature petitioned the PUC for a determination that the Residential Rate Schedule should apply to condominiums and all Residential Multi-Family Accommodations. The petitioners alleged that many residents of condominiums and apartments are presently charged commercial power rates. The Petition sought the establishment of a residential power rate for residents living in apartment buildings, condo's, and other multi-family residential buildings. Subsequently GPA's Consultant conducted a Cost-of-Service Study, and a review of Condominium and Apartment power rates. With the authorization of the Guam Consolidated Commission on Utilities, GPA filed its Petition in GPA Docket 20-10 for Creation of a "Condominium Rate" Schedule, new Rate Schedule "D", Condominium Service. The Schedule "D" proposed by GPA would be available to condominium or apartment buildings in service or within the active building permit process as of the approved date of the tariff by the PUC. The Administrative Law Judge conducted substantial proceedings in both GPA Dockets. In addition, three Public Hearings were conducted in January 2021. John Kim, the Chief Financial Officer of the Guam Power Authority, gave a summary presentation on the proposed Condominium Service Schedule "D". The presentation demonstrated that 22 out of 25 condo/multi-family units would have rate reductions if Schedule "D" were adopted. The proposed rates under Schedule "D" were less expensive for the condo/apartment customers than residential rates. Certain opponents of the proposal argued that residential rates should be applied to condos and apartments rather than a

new “Condominium Rate” Schedule. Residents of one condominium building, Villa Kanton Tasi, opposed the new Condominium Schedule on the ground that it would increase the power rates of residents of that building. The PUC examined the charges applicable under Schedule “D” in detail. Such charges included a “energy charge”, a “Demand Charge”, and a “Customer Charge”. There were 26 condominium and apartment customers that would be eligible to transfer to Schedule “D”. The Energy Charges under Schedule D were determined to be less than the per kWh charge for the first 500kWh per month for Residential Service under Schedule R. Overall, GPA estimated that the implementation of Schedule “D” would result in an 8.4% reduction in the revenues presently paid by condominiums and apartments. The PUC agreed with GPA that there was a fairness/equity rationale for implementing Condominium Schedule “D”. Condominium Service Schedule “D” does reduce rates for most eligible condominium/apartment ratepayers. The Condominium Rate Schedule provides a more fair and equitable service by reducing the rates that are presently paid by residents of multi-family accommodations. Nearly all of the condominium customers were provided rates that are less expensive than the residential rates by the new Condominium Schedule. Rate Schedule “D” will provide the “greatest good for the greatest number” of ratepayers. Unless the PUC approves Schedule “D”, there would be no improvement in reducing the rate inequity faced by condominium and apartment owners who currently pay commercial power rates. The PUC determined that the rates paid under Condominium Service Schedule D are in fact lower than residential rates. Under Schedule R, for usage over 500kWh, ratepayers are charged $0.08687 per kWh. Residential ratepayers

		pay \$0.08687 for all kWh over 500, whereas condominium ratepayers will pay \$0.6060 for all kWh consumed. In addition, under residential rates, each resident of a condominium would be charged a monthly customer charge of \$15.00. However, under proposed Schedule "D", the condominium would only be charged one monthly charge of \$.59.25. There is no additional charge to the residents of the condominium for the customer charge. GPA also disputed the allegation of Villa Kanton Tasi that it would experience an increased rate and power bill under Schedule D. A spreadsheet prepared by CFO Kim indicated that the power rates of VKT would be less under Schedule D. The proposed rate under Schedule D is a substantial improvement for most condominium residents. The Condominium Service Schedule D meets the requirement of 12 GCA §12116(a) that all rates charged by a public utility be **just and reasonable.** GPA will lose \$533,000 by implementing Schedule "D" for condominiums and apartments. GPA did not request that the PUC take any formal action to recover the loss of revenue. The PUC approved the "one-time election" of condominiums and apartments to switch to Condominium Rate Schedule "D". However, the PUC ordered that Schedule D be amended to allow condominium/apartments to switch back from Schedule D to the applicable commercial class of service after three years from the date of election for such service. With that amendment, Condominium Service Schedule "D" was approved by the PUC, and GPA was authorized to implement such Schedule. Furthermore, the PUC ordered that Rate Schedule R, Residential Service, would be amended to include three phase service metered single-family dwellings.
02/25/21	GPA 21-06	GPA requested that the PUC approve the Piti 8 & 9 Contract for Conversion to Ultra Low Sulfur Diesel

		["ULSD"] with Marianas Energy Company ["MEC"]. MEC is currently the Performance Management Contractor for GPA for the Piti 8 & 9 plants under the Energy Conversion Agreement until January 29, 2024. GPA is required to convert the Piti 8 & 9 plant to ULSD by December 31, 2021, pursuant to the Consent Decree ordered by the District Court of Guam. GPA is required by the Consent Decree to complete the installation of oxidation catalysts at Piti Units 8 & 9 and use only ULSD as a fuel to power the units. The PUC determined that the Consent Decree required that the PUC approve the conversion of the Piti 8 & 9 plants to ULSD. The Consent Decree was binding upon the PUC. GPA had provided a justification for the necessity of converting the Piti Plants to ULSD. Conversion of the Piti 8 & 9 plants to ULSD is the only means by which GPA can comply with the applicable air emission standards. GPA must comply with certain requirements for sulfur and carbon emissions. While GPA had previously considered retiring the Piti plant, it will now need such plant to be in operation until the new Ukudu plant is commissioned in 2024. Therefore, GPA will have to comply with the USEPA deadlines to meet the sulfur and carbon emission standards. The Piti 8 & 9 plant capacity for burning low sulfur residual fuel oil will need to be limited by as much as 20% by April 2023. The Consent Decree requires GPA to incur the cost of converting Piti 8 & 9 to ULSD. The cost of conversion is presently \$14M. GPA was successful in reducing conversion costs which it originally had anticipated to be as high as \$30M. GPA has been prudent in attempting to reduce the price of the project. The conversion costs will be paid for from the Cabras 3 & 4 Insurance Funds. The PUC granted GPA's Petition to Approve the Piti 8 & 9 Contract for Conversion to ULSD with Marianas Energy Company. GPA was authorized to enter the proposed Contract and to expend the amount of \$14,141,045.28 for the contract.
02/25/21	GPA 21-07	The PUC considered GPA's Petition to approve the Amendment to the Energy Conversion Agreement (ECA) with Korean Electric Power Company ["KEPCO"] for the 198MW Power Plant. The

Amendment negotiated by GPA and KEPCO contains three basic aspects: (1) In the original KEPCO proposal, KEPCO was to build a diesel facility of 65MW of standby generation capacity at the Ukudu new plant site. The parties have now agreed that, instead of the construction of a 65MW standby generator facility at the Ukudu site, 41MW of diesel engines will be installed near the GPA Cabras Fuel Oil Storage Facility; (2) The Commercial Operation Date (COD) for the 198MW power plant will be changed from October 31, 2022 to April 2024; and (3) The air permitting for the new power plant will be "minor source" rather than "major source." The reason for relocation of the diesel standby generator facility from Ukudu to Cabras relates in part to the permitting process for the new power plant. The Ukudu location required "Major Source Permitting." However, the USEPA expressed concerns that major source permitting would result in substantial delays in the construction of the new power plant. Subsequently, KEPCO and GPA agreed on a minor source permit process and the relocation of the diesel standby engine plant to the Cabras site. The original Ukudu 65MW reserve facility was only intended to be used for short duration outages and could only operate for 300 hours per year continuously. The proposed diesel plant at Cabras would consist of 15 units of 2.75MW capacity each available for continuous operations. Under the agreement between GPA and KEPCO, GPA would pay a fixed Operations & Maintenance cost of $2M annually, and a variable O&M cost of $0.025/kWh. The PUC determined that the 41MW Diesel Plant at Cabras provided significant advantages to GPA over the previously proposed 65MW facility at Ukudu. The only purpose of 65MW reserve facility at Ukudu was to provide backup power to KEPCO when it was meeting availability guarantees with the new power plant. However, with the proposed 41MW facility at Cabras, GPA could run the facility for a minimum of 2,600 hours per year and likely as many as 5,000 hours. With the 41MW facility, GPA was in complete control as to when to dispatch the facility. Thus, the site change was clearly advantageous to GPA. Without

		agreement to this change, KEPCO may well have declined to proceed with the Energy Conversion Agreement. Placing the 65MW facility at Ukudu was no longer realistic. There was no alternative to location of the 41MW facility at Cabras. GPA will likely have additional costs of $4.42M annually for operation of the 41MW plant. The PUC further found that Amendment to change the Commercial Operation Date to April 2024 was justified; there have been several delays caused by the negotiations on major source/minor source. The COVID pandemic had also caused delays. The PUC approved the proposed Amendments to the Energy Conversion Agreement between GPA and KEPCO. GPA was authorized to pay to KEPCO a fixed annual fee of $2M and a variable O&M fee of $0.025/kWh to operate and maintain the 41MW diesel plant.
04/29/21	GPA 21-09	GPA petitioned the PUC to Exercise Extension Option under the Diesel Fuel Supply Contracts with Mobil Oil Guam, Inc. and Isla Petroleum Energy, LLC ("IP&E Guam"). Mobil Oil was presently GPA's diesel fuel supplier for the Yigo CT and Aggreko, Piti 7, Cabras 1 & 2, and MEC 8 & 9, Manenggon, and Talofofo. IP&E was presently GPA's diesel fuel supplier for the Dededo and Macheche CTs. Both Contracts were set to expire on December 31, 2021. However, the contracts had an option to extend for three (3) additional 1-year terms. GPA had negotiated contract extensions of three consecutive years with both Mobil and IP&E without change to the contract extension Fixed Service Fee schedules. The estimated combined annual GPA Contract Costs and fees to Mobil and IP&E were $73,484,200 for the first-year extension, $73,629,400 for the second-year extension, and $73,781,400 for the third-year extension, with an aggregate cost of $220,895,000 for the 3-year extension period. Fuel prices under the Contracts depend upon the prevailing market price for diesel. The PUC found that GPA's decision to exercise its 3-year contract extension period was justified. The Fixed Service Fee cost was slightly higher for the extension period; however, they were also offsetting savings. The PUC has determined that a continuous supply of diesel fuel

		oil is necessary for GPA to maintain its electric power generation capacity. Diesel fuel is essential to the operation of the diesel power plants, and the contracts were reasonable, prudent, and necessary. GPA was authorized to exercise via three additional 1-year contract extensions with Mobil and IP&E. It was authorized to expend up to the total amount of $245,479,600.00 for the three additional 3-year contract extension.
04/29/21	GPA 20-09	Before the PUC was the Petition of GPA for the Creation of a new Energy Storage Rate Schedule. GPA sought approval to create a new Energy Storage Rate schedule for Net Metering customers. As proposed by GPA, new net metering customers would have the option to either install frequency control capability or an Energy Storage System (ESS) on any new solar photovoltaic or wind turbine installation or opt to pay the Energy Storage Rate. GPA proposed the initial Energy Storage Rate to be set at $2.43 per kW per month. In a prior case involving GPA's attempt to change net metering compensation, GPA Docket 19-04, GPA was required to do the following: conduct a distribution system impact study, including a full benefit-cost analysis that analyzes the impact of distributed generation; conduct an independent study determining the cost of grid services used by net metering customers, and implement a battery storage rebate program. While GPA hired consultants to conduct a distribution system impact study and a value of solar rate study, neither study had been completed to date nor had GPA performed a full benefit-cost analysis. GPA also did not implement a battery storage rebate program. The PUC consultant Daymark Energy Advisors concluded that GPA "did not properly determine the extent to which net metering is causing grid issues and, with this lack of support, it is difficult to accurately develop a charge designed to recover costs related to system issues caused by net metering." Even had causation been established, the lack of a full benefit-cost analysis of net metering would not allow net metering benefits to offset such costs in a rate calculation. System upgrade should be funded by all customers unless costs could

		clearly be assigned to the specific cost causers. GPA's Petition proposed that net metering customers either install frequency control capability or pay the Energy Storage Rate. GPA had also not applied the appropriate methodology to calculate the Energy Storage rate. It had arbitrarily assigned half of the revenue requirement for installing a battery system to net metering customers without proving to what degree net metering customers are causing grid issues. It also based the billing determinant on current net metering customers, not future net metering customers. The PUC denied GPA's petition for Creation of a new Energy Storage Rate Schedule. Before GPA could petition for an alteration to the current net metering compensation methodology, it was required to complete the studies as ordered in GPA Docket 19-04. If GPA proposed a change to net metering customers related to their impact on the electric system's reliability, GPA must establish "clear cost causation" of net metering customers impacting grid reliability.
04/29/21	GPA 21-08	GPA sought PUC approval for the Procurement of Merchant Services. The Merchant Services which GPA sought would enable the acceptance and processing of credit and debit card payments for GPA, GWA, and the Guam Solid Waste Authority at their payment facilities and online. The present Merchant Services provider contract was set to expire in May 2021. The term of the proposed merchant service contract being requested would be for a 1-year period with four additional 1-year extensions. The Guam Consolidated Commission on Utilities approved the issuance of a request for Proposals for Merchant Services for GPA and GWA. The Board of the Guam Solid Waste Authority had authorized GSWA to issue the procurement with GPA and GWA. GPA estimated that its annual cost for customer merchant services will be approximately $1.3M annually. The Commission found that there was a clear need for GPA, GWA and GSWA to provide a broad range of merchant services to their customers. The number of customers paying online for utility bills in the last few years had increased substantially. In addition, the

		wide availability of such services to customers helps to ensure that the utilities are promptly paid for the services which they provide. GSWA had been included in the procurement so that it too could avail itself of the same discounted rates. The PUC authorized GPA to issue its procurement for Merchant Services. GPA had demonstrated a clear need to provide a broad range of merchant services for the customers of the utilities. It was reasonable, prudent, and necessary for GPA to proceed with the Procurement for Merchant Services.
05/27/21	GPA 21-10	GPA requested approval by the PUC for the Procurement for Supply of Diesel Fuel Oil to GPA. The proposed procurement concerned the supply of diesel fuel oil No. 2 for the Piti 7, 8, & 9 Plants. The supply of diesel in this proposed procurement is far greater than the supply recently considered in a docket involving the supply of diesel fuel to Piti 7. This contract involves the supply of Ultra Low Sulfur Diesel ["ULSD"] of from 500,000 to 1,500,000 barrels per year for Piti 7, 8, & 9. The ULSD supply sought in this procurement will constitute the essential fuel supply to run the Piti 8 & 9 units. This supply is particularly necessary because of the ongoing conversion of the Piti 8 & 9 plants to ULSD. The proposed contract would be for a base period of two years, to commence on or about February 1, 2022 through January 31, 2024, with three additional 1-year extension options. The contract form was found to contain adequate provisions to protect GPA and its ratepayers. In addition, GPA must comply with the Consent Decree, which requires it to convert the Piti plants to ULSD. A continuous supply of diesel fuel oil is necessary for GPA to maintain its electric power generation capacity. Diesel fuel is essential to the operation of the diesel fuel plants. GPA's issuance of a Procurement for Supply of Diesel Fuel Oil for the Piti 7, 8, & 9 was approved.
07/29/21	GPA 21-11	GPA's Petition sought requested approval of an 8-month extension of its current contract with Graphic Center Inc. for Professional Printing, Mailing, Processing and Other Services. The present contract between GPA and Graphic Center Inc. was set to

		expire on April 18, 2021. The cost of the 8-month extension was expected to be $300,000. The services provided involved the preparation and mailing of approximately 50,000 electric power billings each month. GPA had issued a prior procurement, but had to issue a second Invitation for Bids due to the bid not meeting the IFB requirements. GPA negotiated an 8-month extension of the contract with Graphic Center so that the services, especially for the billing of its 50,000 customers, will continue without interruption until GPA procures a new contract. The PUC determined that the cost of the contract extension was reasonable. Although the average monthly cost of the contract extension was higher than the average monthly cost of the contract. There have been price increases in the cost of materials in shipping created due to shortages or conditions related to the global pandemic emergency. The contract extension will prevent a gap in the professional services provided for GPA's billings. If the contract were not extended, GPA would not have the ability to print, mail and process its billings each month in a timely manner. The PUC approved the extension of the GPA-Graphic Center contract and GPA could exercise the contract extension for up to the 8 months or until a new contract was awarded, whichever comes first.
07/29/21	GPA 21-13	GPA petitioned the PUC for approval of the procurement of an Engineering Procurement and Construction Management ("EPCM") contract. The PUC has a "history of involvement with the EPCM contract." Stanley consultants had been retained by GPA as its EPCM contractor. In numerous dockets, Stanley had been approved by PUC to assist GPA with every aspect of the construction of the new power plant, including procurement, land acquisition, rezoning, project management and regulatory support. There had been several prior increases to the Stanley contract, and additional tasks included environmental and construction permitting for the new power plant and pipeline. The current EPCM contract with Stanley expires in March 2022. GPA also has the need for assistance with engineering consulting services for implementing the USEPA compliance plan. The

		Request for Proposal also includes new generation contract and owners engineer support, LNG infrastructure, and LNG supply. The contractor would assist GPA in evaluating and managing contract requirements, including design review for compliance of the new power plants, new supply of fuel pipelines, and electrical interconnections; project schedule review; construction inspections and monitoring, commissioning support and performance evaluation. The proposed contract would have a three-year initial term with an option to extend the contract for two additional year-long terms. The proposed funding would be through revenue funds. The PUC determined that an EPCM Contract was vital to GPA's successful commissioning of the new power plant. The PUC authorized GPA to procure an Engineering Procurement and Construction Management contractor for engineering and technical consulting services related to the commissioning of the Ukudu power plant and its use of liquified natural gas.
07/29/21	GPA 21-14	GPA filed its petition to set the LEAC Factor effective August 1, 2021, for the next 6-month period. In its initial Petition, GPA sought to increase the Fuel Recovery Factor from \$0.11000/kWh to \$0.167564/kWh effective for meters read on or after August 1, 2021. The proposed change reflected a 52.33% increase in the LEAC Factor and a 28.13% increase in the Total Bill. GPA based its filing upon the "continuing increase in worldwide fuel prices." The PUC found that an increase in the LEAC Factor was justified because of the drastic rise in fuel oil prices. In the current LEAC period there had been a roughly 25-28% increase in fuel prices. GPA's under-recovery of fuel prices had also risen from \$13M to approximately \$30M. GPA had established that LEAC Factor should be increased. GPA had agreed to apply \$15M of Capex and Self-Insurance Funds to the LEAC under-recovery as of February 1, 2021, to leave a \$15M under-recovery. The updated fuel pricing figures indicated that there had been an additional increase in fuel prices since May 2021. Instead of approving the entire increase requested by GPA, the PUC adopted a

		Three Step LEAC Proposal submitted by GPA at the July 29 PUC meeting. The PUC found that the ratepayers could more appropriately accommodate such gradual increases than the one substantial increase previously proposed by GPA. Therefore, the PUC adopted three increases in the secondary Fuel Recovery (LEAC) Factor. The Factor of \$0.130400/kWh would be effective for meters read on or after August 1, 2021; the Factor of \$0.150800/kWh would be effective for meters read on or after October 1, 2021. The Factor of \$0.171458/kWh would be effective for meters read on or after December 1, 2021. PUC ordered that the foregoing LEAC Factors be put into place by GPA. GPA was further ordered to apply \$10M from the SIP Fund and \$5M from CIP Funds as of August 1, 2021 to off-set the LEAC Under-Recovery Balance.
07/29/21	GPA 21-15	The PUC addressed GPA's Application for Approval of a Bond Issuance to Refinance a Portion of the Outstanding 2012 Series A Revenue Bonds. GPA sought to refinance a portion of the 2012 Series Revenue Bonds "as a result of historically low interest rates." GPA expected that the bond issuance would result in potential savings to ratepayers. A draft Bill was attached to the Petition by which the Guam Legislature would authorize the bond issuance. However, the "Bill" was only a draft and had not actually been introduced in the Guam Legislature, garnered Sponsors, nor been approved by the Legislature or signed into law by the Governor. No specifics or timeline were included in the Petition concerning the proposed bond refinancing. GPA subsequently did provide additional information to the PUC concerning the proposed refinancing. The PUC found that it would be premature for it to address GPA's petition for bond refinancing. As required by prior PUC Order in GPA Docket 17-20, a proposed refinancing must first be approved by the Guam Legislature, GEDA, and the Governor of Guam before it will be addressed by PUC. In GPA Docket 17-20, the PUC concluded that it would be illegal for the PUC to approve a bond refunding without prior authorization from the Legislature, GEDA, and the

		Governor of Guam. GPA sells its bonds through GEDA. GEDA is not authorized to sell bonds without the approval of the Legislature of the terms and conditions of the bonds. 12 GCA §50103(k). The PUC has always taken the position that it should not approve any bond refunding by the utilities until all approvals required have been first obtained. Based upon the Petition, the PUC further determined that it did not have sufficient facts to make a determination on bond refunding at the present time. The PUC denied GPA's petition for approval of bond issuance at the present time. Consideration would be premature unless and until there is legislation authorizing the refunding and approval by both the Governor and GEDA.
08/26/21	GPA 21-17	This matter came before the PUC upon GPA's Petition for Approval of the Amendment to the Contract for Residual Fuel Oil No. 6 for the Baseload Power Generating Plants. GPA seeks PUC approval of an amendment to the GPA/Hyundai Corporation Contract which would require Hyundai Corporation to provide GPA with 0.2% sulfur Residual Fuel Oil No. 6 for the Baseload Power Generating Plants. GPA and USEPA are now finalizing proposed amendments to the Consent Decree which soon require GPA to use 0.2% Ultra Low Sulfur Fuel Oil ["ULSFO"] in the Cabras 1 & 2 plants, no later than December 31, 2022. The "State Implementation Plan", when finally approved, will require GPA to switch to a lower sulfur fuel to comply with certain new federal fuel standards by April 2023. The Guam Consolidated Commission on Utilities submits that the Consent Decree between GPA and USEPA requires GPA to substitute the LSFO and HSFO and transition to Ultra Low Sulfur Fuel ("ULSFO") with a sulfur limit of 0.2% by weight, no later than December 31, 2022. USEPA has already agreed to this change. It is prudent for the PUC to approve the proposed amendment to the Hyundai contract as the State Implementation Plan will require GPA to switch to a lower sulfur fuel by April 2023, as well as the fact that such requirement is included in the State Implementation Plan. The 0.2% ULSFO that GPA will utilize after December 31, 2022, is more

		expensive than the HSRFO and LSRFO presently utilized. Commencing on January 1, 2023, it is estimated that the annual value of the contract amendment with Hyundai will be $160,445,436 per year. An estimated cost under the contract from September 1, 2021 to August 31, 2022 is nearly $144M. The PUC authorized Amendment No. 1 to the contract between GPA and Hyundai Corporation for the supply of 0.2% sulfur Residual Fuel Oil No. 6 to the Baseload Power Plant. GPA was authorized to execute the Amendment. Furthermore, GPA may expend such amounts for fuel under Amendment No. 1 in accordance with the Bid Reference and Fixed Fee Premium prices set forth therein.
09/30/21	GPA 21-16	GPA petitioned the PUC to approve the Contract with Tristar Terminals Guam, Inc., for the Lease of an Additional Storage Tank for Diesel Fuel. GPA indicated that it needed an additional 196,000 barrels of storage capacity for an adequate inventory of Ultra Low Sulfur Diesel fuel oil [ULSD] for the Piti 8 & 9, and the Ukudu plants. The PUC was requested to authorize GPA to amend its current Contract with Tristar to lease a 196,000-barrel storage tank for a term of up three years with an estimated cost total of $4,410,000. The additional 196,000-barrel ULSD fuel storage tank will cost GPA $1,764,000 for 2022, whereas the existing 196,000 barrel ULSD fuel storage tank cost $1,176,000. Tristar indicates that it cannot match the same price for the existing storage tank because it will need to refurbish the additional tank to meet API Standards and GPA's quality requirements for the ULSD. The price quoted of $1,764,000 by Tristar will recoup the costs of the refurbishment. The revenue that Tristar will earn from the lease of the additional storage tank will not recover that of the existing tank until Tristar recovers the cost of the refurbishment for the additional tank. GPA does require an increased supply of ULSD fuel to operate Piti 8 & 9, and the new Ukudu power plant. Approval of the Amendment will ensure sufficient time to refurbish an additional storage tank and begin using it by that time. The PUC authorized GPA to lease a

		196,000-barrel ULSD storage tank from Tristar for a term of up to three years for no more than $4,410,000.
09/30/21	GPA 21-18	GPA requested that the PUC approve its FY2022 Capital Improvement Projects Ceiling Cap. GPA files its CIP Ceiling Cap request each fiscal year before November 15 with the PUC. This year's Cap request was $28,077,688. The "Cap" includes both "general plant" and "engineering." "General plant" expenditures include items for plant and combustion turbine and diesel overhauls, improvements, bucket trucks, networking equipment and other miscellaneous items. Also included are renovation of the Julale office, the Dededo Supply Warehouse, the Hagatna Power Plant building, and other substations/breaker upgrades. The "engineering" expenditures include such items as Storage Tank 1935 Refurbishment, T&D Master Plan, LED Streetlight Conversion and T&D line maintenance Support, and other items. This year's requested cap included some large "plant" items including Cabras 1 & 2 Major Overhaul, Major Overhaul for Piti 7, Gas CT Improvements, Aggreko Major Overhaul, and other Diesel Improvements. The proposed FY2022 CIP Cap is over $6.5M more than the FY2021 cap. However, nearly $6M of the funds in CIP cap for FY2022 are carryover from FY2021. When the "carryover" amount is subtracted from the FY2022 cap, that cap is more in line with the caps for FY2019, 2020, and 2021. The CIP Cap is only a spending limit. There does not appear to be any year in which GPA has expended funds up to the CIP cap. The general plant expenditures for the overhaul and replacement items at the plants and combustion turbines can be expected as those plants age and their life spans shorten. The FY2022 proposed engineering cap is less than the FY2021 engineering project request. The PUC found that the FY2022 general plant and engineering budgets proposed consistent with those of prior fiscal years and were for justified projects. The PUC approved GPA's FY2022 internally funded CIP ceiling cap, which consists of General Plant and Engineering in the amount of $28,077,688. No prudency concerns were noted regarding the proposed expenditures.

Guam Waterworks Authority

Date	*Docket*	*Action*
02/25/21	GWA 21-02	This matter came before the PUC upon GWA's Petition for Approval to Award an Indefinite Quantity Contract for Submersible Pumps and Motors to JMI Edison [JMI]. GWA requested that the PUC approve GWA 's award of an Indefinite Quantity Contract for Submersible pumps and motors for $2,744,142.83. GWA's prior indefinite quantity contract for the purchase of submersible pumps and motors for GWA's drinking water wells was with JMI and it expired on or about September 30, 2020. In October 2020 GWA issued an IFB for Submersible Pumps and Motors. GWA received two bids in response to the IFB; GWA determined that JMI has submitted the lowest bid. On January 5, 2021, GWA issued a Notice of Conditional Award to JMI conditioned upon CCU and PUC approval. The proposed contract has an initial 3-year contract term with an estimated cost of $1,496,805.18 and two additional 1-year renewal options with an estimated cost of $997,870.12 for both renewal options, and a 10% contingency in the amount of $249,467.53. The total estimated cost of the contract with its initial term, renewal options, and 10-percent contingency is $2,744,142.83. The current proposed contract is $619,886.88 lower than its prior contract for submersible motors and pumps. Thus, the Contract's cost is reasonable and prudent. The PUC has previously determined that GWA's purchase of this equipment is necessary to maintain its inventory of submersible motors and pumps and that GWA relies on this equipment to ensure the reliability of operating its drinking water wells. The PUC approved GWA's petition for award of the indefinite quantity contract for submersible pumps and motors to JMI in the amount of $2,744,142.83.
04/29/21	GWA 21-03	GWA requested PUC approval of the Bid and Proposed Contract with Giant Construction Corporation for the Tai Road/S13 and Canada-Toto Loop/Blas Street Waterline Replacement Project. According to GWA, there has been an increasing

		frequency of water outages in the Canada-Toto Loop area. To remedy this issue, GWA has prepared a fast-track replacement CIP procurement. In January 2021, GWA issued an Invitation for Bid for the Tai Road/S13 and Canada-Toto Loop/Blas Street Waterline Replacement. The project involves construction service lateral upgrades and replacement of approximately 5,720 LF of existing 2-inch and 6-inch asbestos cement pipe (ACP), with new polyvinyl chloride (PVC) pipes ranging from 6-inch to 12-inch diameter and disconnection from an existing 6-inch ACP, and reconnection to an existing 12-inch PVC waterline along Canada-Toto Loop. Giant Construction was determined by GWA to be the lowest responsive and responsible bidder. The total bid of Giant Construction is the amount of $1,945,720.00. With an added 10% contingency of $194,572.00 to the Contract, the total authorized funding amount sought is $2,140,292.00. Due to the increasing frequency of water outages in the Canada-Toto Loop area, the PUC determined that this "serious issue" to the customers in that area required expeditious action, in the form of a contract, with Giant Construction Corporation. The Contract Award is necessary and prudent. The PUC approved the IFB for the Tai Road/S13 and Canada-Toto Loop/Blas Street Waterline Replacement and the Contract with Giant Construction Corporation for the Tai Road/S13 and Canada-Toto Loop/Blas Street Waterline Replacement Project. GWA was authorized to expend up to the amount of $2,140,292.00 for the Contract with Giant Construction Corporation.

Port Authority of Guam

Date	*Docket*	*Action*
01/28/21	PAG 21-01	Before the PUC for consideration was the petition of PAG to review and approve the Tristar Terminals Guam Inc. ("Tristar") contract related to the management and operation of the F-1 Fuel Pier Facility. On April 5, 2019 PAG issued an RFP which

		sought services relayed to the management and operations of the F-1 Fuel Pier Facility. On December 22, 2020, the PAG Board of Directors approved the contract award to Tristar and authorized PAG to seek PUC approval of the contract. The RFP provides that the contactor must operate and manage the F-1 Fuel Pier, maintain and secure the pier, respond to emergencies, as well as perform related bunkering pier duties. The Contractor receives imports of fuel oil, jet fuel, diesel, motor gasoline and liquid petroleum products; and delivers fuel for export, bunker fuel oil and marine gas oil, and coordinates with ship masters and harbor pilots to ensure safe dockage. Regarding compensation, for the first two years of the contract, the contractor will be paid a throughput rate of \$0.162 per barrel on the first four million barrels of imported petroleum products. With respect to years 3, 4, and 5 of the Contract, this fee will increase to rates of \$0.167, \$0.172 and \$0.177 respectively. All products in excess of four million barrels shall be subject to the rate of ten cents per barrel. PAG estimates that the annual cost for the management fee is \$650,000.00 for an estimated total of \$3,250,000.00 for the full five-year term. Tristar has been PAG's contractor for the F-1 facility for almost ten years. The PUC determined that the operation and management of PAG's F-1 Fuel Pier Facility is critical to PAG's operations. The contract is vital because "Guam imports all its fuel resources." The PUC authorized PAG to enter the proposed contract with Tristar Terminals Guam, Inc. related to the management and operation of the F-1 Fuel Pier Facility at an annual cost of \$650,000.00. Where PAG anticipates that it may exceed this annual amount by 10%, PAG shall seek prior PUC approval pursuant to Section 10 of the Contract Review Protocol.
01/28/21	PAG 21-02	PAG petitioned the PUC for review and approval of the contract related to the Construction Management Services for the rehabilitation of H-Wharf and Highway 11 Roadway Reconstruction. In March of 2020, PAG issued an RFP to solicit construction management services for the Rehabilitation of H-Wharf and Highway 11 Roadway Reconstruction projects. The H-Wharf involves demolition of facilities

		and removal of concrete foundations and pavement. It will further include the construction of a new wharf, installation of utilities, and paving of about 2.5 acres of upland to service an unloading zone. The Highway 11 Roadway Reconstruction project will involve the repaving of approximately 4,200 feet. GHD was determined to be the best qualified offeror. The initial term of the contract is two years, with three additional options to renew. Substantial completion of the project is scheduled at 18 months. The cost of the management contract with GHD will be $2,249,945.54. PAG was able to reduce the initial contract cost and secure $301,863.65 in savings. The PUC approved the Contract for Construction Management Services between PAG and GHD for the Rehabilitation of H-Wharf and Highway 11 Roadway Reconstruction. PAG was authorized to enter into the proposed contract with GHD at a total cost of $2,249,945.54.
04/29/21	PAG 21-03	Before the PUC for consideration was PAG's Petition for review and approval of the contract related to the demolition and disposal of five inoperable port cranes and removal and disposal of Barge YFN 816. In December 2020, PAG issued an IFB for the deconstruction, removal and proper disposal of certain Port cranes and a partially sunken Barge. These include Gantry Crane 2, Gantry Crane 3, a mobile crane and two rubber-tire Gantry cranes. There was only one bidder, and Guam Industrial Services Inc., *dba* Guam Shipyard, was determined by PAG to be the lowest responsive and responsible bidder. The term of the proposed contract includes 365 days for the demolition of the cranes; and one year and forty-five days for the dismantling and disposal of the YFN 816 Barge. PAG seeks PUC approval of its demolition and disposal project at a cost of $2,573,155.00. PUC found that the removal of the 5 Port inoperable cranes and the partially sunken barge would present the Port with financial opportunities to generate revenue by creating additional berthing space for ships along the Port's wharfs. The removal of those assets will allow the Port to expand the use of its container yard and stage expected cargos as a result of the military buildup without limitation. These projects align with PAG's

		efforts to modernize, and to continue to streamline and expand its operations. The PUC approved the proposed contract with Guam Shipyard related with to the demolition and disposal of the 5 inoperable Port cranes and the removal and disposal of Barge YFN 816. PAG was authorized to enter into the proposed contract with Guam Shipyard at a total cost of $2,573,155.00.
09/30/21	PAG 21-04	PAG's Petition sought review and approval by the PUC of a proposed contract related to closed-circuit television ("CCTV") surveillance and access control system upgrade. PAG had received a FEMA grant to replace the Port's CCTV systems. In May of 2021, PAG issued an IFB for the purchase of 24 fixed and 40 pan/tilt/zoom high resolution digital cameras to be installed at various Port locations. There was only one bidder, California Pacific Technical Services LLC ("CALPAC"). PAG determined that CALPAC was the most responsive and responsible bidder. The PAG Board awarded the contract to CALPAC and authorized the bid amount of $1,221,418.00 for purchase of the cameras, necessary connectivity, and installation for the Agat Marina. CALPAC has extensive experience with such installations. The PUC found that the CCTV Surveillance System and ACS Replacement Project and Preventive Maintenance Services will provide automated Maritime security protection and monitoring capabilities for the entire Port. New cameras and components would be provided including software supports and upgrades, and removal of existing analog CCTV components. The PUC found that the CCTV Surveillance System and Access Control System Replacement Project and Preventive Maintenance Services squarely align with the PAG's efforts to modernize, streamline, and expand its operations. The PUC authorized PAG to enter the proposed contract with CALPAC for the purchase of the 24 fixed and 40 pan/tilt/zoom high resolution digital cameras to be installed at various Port locations, along with the necessary connectivity to the Port Command Center, at a total cost of $1,221,418.00.

09/30/21	PAG 21-05	PAG petitioned the PUC to review and approve a contract award to WSP USA Inc. for PAG's Owner's Agent Engineer Contract. The Contract will provide technical consulting services to the Port. In June 2021, PAG issued an RFP which solicited the services of qualified contractors who could provide PAG with technical consulting services. Only one vendor, WSP, submitted a proposal. The PAG's Board of Directors approved a proposed contract and award to WSP. In accordance with the Contract Scope of Work, the Owner's Agent Engineer will provide program management Support and Capital Improvement Program construction technical services. The OAE will also provide support to PAG's operations related to the maintenance, repair, and replacement of the PAG Gantry Cranes. Information Technology Support will also be provided as well as support for PAG's Environmental, Health, and Safety Programs and technical support related to the rehabilitation and safe use of the Port's marine structures. The contract is for a term of two years, with 3 year-long options for renewal. The contract will be mostly funded by a federal grant with a portion to be supplemented by the Port's funds. The PUC determined that the scale, complexity, and challenges of the Port Improvement Program required professional and technical expertise not currently present within the Port's in-house staff and resources. Federal funding for this contract will relieve rate payers of some of the impact related to the PAG's modernization efforts. The contract award to WSP is reasonable, prudent, and necessary. The PUC approved the WSP contract and authorized an expenditure of $1,600,000.00 for the contract.
09/30/21	PAG 21-06	Before the PUC was PAG's Petition for Approval of Award to Matson Navigation Company, Inc. for the Performance Management Contract for the Port Gantry Cranes. PAG initiated an RFP to provide comprehensive services regarding the Gantry Cranes, including maintenance, emergency response, repairs, provision of parts and labor, preventive maintenance of all equipment and facilities directly associated with the Gantry Cranes. The contract included Certification for the Port Gantry Cranes and Training for the Port

Crane Mechanic Staff. PAG determined that Matson Navigation Company, Inc. was the highest and best qualified offeror to perform the required services. After fees were negotiated, the PAG Board of Directors approved the contract award to Matson. PAG issued a Determination of Need that the solicitation of Performance Management Contractor was necessary to provide services regarding the operation and maintenance of the Gantry Cranes. In addition, the Guam Legislature had required that PAG procure the services of a Performance Management Contractor in the event that it acquired the POLA Gantry Cranes. The PUC concluded that a PMC was necessary for the Port to effectuate the technical and professional support services relative to Gantry Cranes. PAG was not only authorized but required by law to enter into a Performance Management Contract for the Gantry Cranes. The Contract was for a term of 5 years, with options to renew every 5 years not to exceed a total term of 20 years, subject to availability of funds. The cost of the contract was $200,000 per year for a term of 5 years. For procurements, Matson would charge 10% plus cost for their procurement of parts. PAG has established that it needs assistance in maintaining, certifying, and repairing the Gantry Cranes. The PAG award to Matson Navigation Company, Inc. for the Performance Management Contract for the Port Gantry Cranes was approved. PAG was authorized to execute the proposed PMC Agreement with Matson and to expend the amount of $200,000 per year for a term of 5 years.

Guam Solid Waste Authority

Date	*Docket*	*Action*
10/29/20	GSWA 19-01	The matter came before the PUC upon the submission of MSW Consultants ["MSW"] of the Final PUC Management Audit of the Guam Solid Waste Authority. The Guam Legislature had required PUC to perform a management audit of GSWA. The PUC now address the issue of whether the MSW Final Report should be adopted as the PUC Management Audit, in accordance with 10 GCA

§51A119. MSW Consultants had made a trip to Guam to conduct the audit and met with officials of GSWA and the PUC. The Final Report contained a complete examination of the GSWA collection system, transfer stations, and the Landfill. It examined details of the collection system, such as types of equipment utilized, the routes carried out by GSWA, and GSWA staffing. MSW provided GSWA and PUC with an upgraded rate model, and an evaluation of whether the current rate structure was sufficient to meet the needs of GSWA. MSW concluded that rate increases would be necessary to enable GSWA to meet its full costs. The need for rate increases was primarily due to the necessity of establishing reserve funds for the Leyon Cell construction and Leyon/Ordot closures. Total estimated rate increases could range around 30%, or an increase of approximately $10 per customer over the present bill. Commercial rates would increase from $171.60 per ton to $225 per ton. The rate increase recommendations by MSW were only that —recommendations. Any rate increase would need to be approved by the PUC after a full rate investigation and rate case. MSW required that all Guam household should be required to utilize collection service provided by GSWA for residential curb side refuse collection. The present system is "non-mandatory." Requiring residential homeowners to have mandatory service would increase the revenues of GSWA and at least partially reduce the amount of rate increases that GSWA would require. MSW also conducted a Management & Operational Evaluation of GSWA and found that the current management staffing configurations were appropriate for GSWA's current directly managed and contracted operations. The PUC approved the Final Report of MSW Consultants and adopted such Final Report as the PUC Management Audit of GSWA.

Telecommunications

Docomo Pacific Inc.

Date	*Docket*	*Action*
09/30/20	Docomo 21-01	The PUC issued its annual certification to the Federal Communications Commission and the Universal Services Administration Company that Docomo Pacific Inc., is eligible to receive federal high-cost support for program year 2022. PUC certified that Docomo Pacific Inc., used such support in the preceding calendar year and would use such support in the coming calendar year for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with section 254(e) of the Communications Act.

Teleguam Holdings, LLC, dba GTA

Date	*Docket*	*Action*
09/30/21	GTA 21-02	The PUC issued its annual certification to the Federal Communications Commission and the Universal Services Administration Company that Teleguam Holdings LLC, is eligible to receive federal high-cost support for program year 2022. PUC certified that Teleguam Holdings LLC, used such support in the preceding calendar year and would use such support in the coming calendar year for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with section 254(e) of the Communications Act.
9/30/21	GTA 21-03	The PUC issued its annual certification to the Federal Communications Commission and the Universal Services Administration Company that TeleGuam Holdings, LLC, f/k/a Pulse Holdings LLC, is eligible to receive federal high-cost support for program year 2022. PUC certified that TeleGuam Holdings, LLC, f/k/a Pulse Holdings LLC used such support in the preceding calendar year and would use such support in the coming calendar year for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with section 254(e) of the Communications Act.

PTI Pacifica Inc.

Date	*Docket*	*Action*
09/30/21	PTI 21-01	The PUC issued its annual certification to the Federal Communications Commission and the Universal Services Administration Company that PTI Pacifica Inc., is eligible to receive federal high-cost support for program year 2022. PUC certified that PTI Pacifica Inc. used such support in the preceding calendar year and would use such support in the coming calendar year for the provisioning, maintenance and upgrading of facilities and services for which the support with intended, consistent with section 254(e) of the Communications Act.

PUC Administrative Matters

Date	*Action*
10/29/20	The PUC selected the Part Time Administrative Assistant to the PUC Administrator; PUC Chairperson and Vic Chairperson were elected.
01/28/21	The PUC approved its FY2020 PUC Annual Report.
07/29/21	The PUC completed its FY2020 PUC Citizen Centric Report. The PUC congratulated its administrative staff for the scanning of 34,000 pages of historical PUC records.
08/26/21	The PUC approved the FY2020 Citizen Centric Report.
09/30/21	The PUC renewed its 9 Consultant Agreements for one-year terms and approved an Employment Agreement for the PUC Administrator.
	The PUC continued the part-time employment of the Assistant to the PUC Administrator.
	The PUC approved the FY2022 Administrative Budget/Annual Assessment Order.