

1 **D GRAHAM BOTHA, ESQ.**  
2 **General Counsel**  
3 **Guam Power Authority**  
4 **688 Route 15, Suite 302**  
5 **Mangilao, Guam 96913**  
6 **Ph: (671) 648-3203/3002**  
7 **Fax: (671) 648-3290**



8 **BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

9 **IN THE MATTER OF:**

**GPA DOCKET NO. 22-10**

10 The Application of the Guam Power Authority  
11 to Approve A Bond Issuance to Refinance a  
12 Portion of the Outstanding Revenue Bonds.

**PETITION FOR CONTRACT REVIEW**

13 **COMES NOW**, the GUAM POWER AUTHORITY (GPA), by and through its counsel  
14 of record, D. GRAHAM BOTHA, ESQ., and hereby files GPA's Petition for the Public Utilities  
15 Commission of Guam to review and approve GPA's request to approve a Bond Issuance to  
16 refinance a portion of the outstanding Revenue Bonds, as follows:

17 **BACKGROUND**

18 The Guam Power Authority has worked with Bank of America, Wells Fargo, GPA bond  
19 counsel and GEDA to pursue strategies for reducing debt service payments. As a result of very  
20 low interest rates, GPA may be able to refund a portion of GPA's 2012 Series A revenue bonds  
21 for interest rate savings. GPA expects that opportunities will arise from time to time to refund all  
22 or a portion of its other then outstanding revenue bonds for debt service savings, which is  
23 expected to result in potential savings to ratepayers. The CCU in Resolution FY2022-14 has  
24 authorized GPA to petition the PUC for authorization to complete the bond refunding initiative.

25 **DISCUSSION**

26 GPA hereby petitions the PUC, pursuant to the Contract Review Protocol for the Guam  
27 Power Authority, approved by the PUC, to review and approve a Bond Issuance to refinance a  
28 portion of the outstanding Revenue Bonds. In support of this Petition, GPA hereby provides the



1 PUC with Consolidated Commission on Utilities (CCU) Resolution No. FY2022-14, which  
2 authorizes the General Manager to petition the PUC for authorization to complete the bond  
3 refunding initiative. Said resolution and its exhibits are attached herein as Exhibit A, and  
4 incorporated by reference herein as if fully set forth.

5 **CONCLUSION**

6 The PUC should approve GPA's request to proceed with a Bond Issuance to refinance a  
7 portion of the outstanding Revenue Bonds. The bond refinancing will lower debt service costs  
8 and provide a net present value savings to ratepayers, and is reasonable, prudent, and necessary.

9 **RESPECTFULLY SUBMITTED** this 12<sup>th</sup> day of March, 2022.

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11 D. GRAHAM BOTHA, ESQ.  
12 GPA General Counsel  
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**RESOLUTION NO. FY2022-14**

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF GUAM POWER AUTHORITY  
REVENUE REFUNDING BONDS ON A CURRENT OR FORWARD DELIVERY BASIS,  
APPROVING FORMS OF RELATED DOCUMENTS, AGREEMENTS AND ACTIONS, AND  
AUTHORIZING THE EXECUTION AND DELIVERY THEREOF

WHEREAS, the Consolidated Commission on Utilities (the "Commission"), has determined that there exists an opportunity to refund and retire certain indebtedness of the Guam Power Authority ("GPA") to achieve debt service savings, and has determined that it is in the public interest for GPA to issue bonds pursuant to Chapter 8, Title 12, Guam Code Annotated (§8101 et seq.), as amended (the "Act") for such purposes; and

WHEREAS, GPA has previously made and entered into an Indenture dated as of December 1, 1992 (the "Senior Indenture"), by and between GPA, the Bank of Guam, as trustee (the "Trustee") and U.S. Bank Trust Company, National Association, as successor co-trustee (the "Co-Trustee"), which authorized one or more series of Guam Power Authority Revenue Bonds (the "Senior Bonds"); and

WHEREAS, GPA has determined it is necessary and desirable to issue one or more additional series of Guam Power Authority Revenue Bonds to refinance all or a portion of its remaining outstanding Guam Power Authority Revenue Bonds, 2012 Series A (the "Prior Bonds"); and

WHEREAS, there has been presented to this meeting the form of an Eighth Supplemental Indenture, among GPA, the Trustee and the Co-Trustee (the "Eighth Supplemental Indenture") pursuant to which GPA proposes to issue one or more series of additional Senior Bonds (the "Refunding Bonds") expected to be designated Guam Power Authority Revenue Refunding Bonds, 2022 Series A (Forward Delivery); and

WHEREAS, there has been presented to this meeting the form of a Supplemental Continuing Disclosure Agreement, by and among GPA, the Trustee and the Co-Trustee, in connection with the Refunding Bonds (the "Supplemental Continuing Disclosure Agreement"); and

WHEREAS, there has been presented to this meeting the form of a Bond Purchase Agreement (the "Bond Purchase Agreement"), among GPA, GEDA and Bank of America and Wells Fargo Securities as underwriters (the "Underwriters"), relating to the sale of the Refunding Bonds on a current delivery or forward delivery basis; and



27 WHEREAS, there has been presented to this meeting the form of an Escrow Agreement between  
28 GPA and the Co-Trustee (the "Escrow Agreement"), relating to the refunding and retirement of the Prior Bonds; and  
29 WHEREAS, the Eighth Supplemental Indenture, the Supplemental Continuing Disclosure Agreement  
30 and the Escrow Agreement are collectively referred to herein as the "Bond Documents"; and  
31 WHEREAS, there has been presented to this meeting the form of a Preliminary Official Statement;  
32 and  
33 WHEREAS, the issuance of the Refunding Bonds shall be subject to the approval of *I Liheslaturan*  
34 *Guåhan* (the "Legislature"), which issuance of the Refunding Bonds has previously been approved by *I Liheslaturan*  
35 *Guåhan* as Public Law 36-80, and signed by the Governor on March 10, 2022; and  
36 WHEREAS, the approval of Guam Economic Development Authority ("GEDA") is required for the  
37 issuance and sale of the Refunding Bonds; and  
38 WHEREAS, the approval of the Public Utilities Commission of Guam ("PUC") is required for the  
39 issuance and sale of the Refunding Bonds;  
40 **NOW, THEREFORE, BE IT RESOLVED**, by the Consolidated Commission on Utilities, subject  
41 to the review and approval of the **PUBLIC UTILITIES COMMISSION (PUC)**, as follows:  
42 Section 1. The foregoing recitals are true and correct.  
43 Section 2. The issuance and sale of the Refunding Bonds for the purpose of refunding the Prior  
44 Bonds, to pay costs of issuance and of such refunding, to pay for credit enhancement, if any, and to fund all or a portion  
45 of a deposit to the debt service reserve fund, if any, is hereby approved. The Refunding Bonds shall be issued in an  
46 aggregate principal amount sufficient to provide funds for the payment of the Prior Bonds and for the payment of all  
47 expenses incident to such issuance and refunding, as set forth in §8229 of the Act.  
48 The Senior Bonds are limited obligations of GPA and the principal thereof and interest thereon may  
49 be made payable solely from revenues (as defined in the Act) of GPA available for such purpose and shall not be a debt  
50 or liability of the Government of Guam.  
51 The Chair of the Commission, the Vice Chair/Secretary of the Commission or the General Manager  
52 of GPA (the "Designated Officers") are hereby individually and collectively authorized and directed to execute and  
53 countersign, for and on behalf and in the name of GPA and under its seal, the Refunding Bonds, in an aggregate  
54 principal amount determined as set forth herein and in the Act, in accordance with the Eighth Supplemental Indenture,  
55 and in substantially the form set forth in the Eighth Supplemental Indenture.



The Refunding Bonds, when so executed, shall be delivered to the Co-Trustee to be authenticated by, or caused to be authenticated by, the Co-Trustee. The Co-Trustee is hereby requested and directed to authenticate, or cause to be authenticated, the Refunding Bonds by executing the certificate of authentication appearing thereon, and to hold the Refunding Bonds in safekeeping in accordance with the book-entry procedures applicable to the Refunding Bonds until the issuance thereof from time to time in accordance with the Eighth Supplemental Indenture.

Section 3. The form of Preliminary Official Statement presented to this meeting is hereby approved, with such additions, changes and modifications as the Designated Officers may approve upon consultation with legal counsel, such approval to be conclusively evidenced by the execution of a certificate deeming final the Preliminary Official Statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission by the Designated Officers. Each of the Designated Officers is hereby authorized to execute and deliver such certificate, to authorize the Underwriters to distribute such Preliminary Official Statement to potential purchasers of the Refunding Bonds and other interested parties, and to execute and cause to be delivered a final Official Statement to purchasers of the Refunding Bonds and other interested parties, with such additions, changes and modifications from the Preliminary Official Statement as the Designated Officers may approve upon consultation with staff and legal counsel, such approval to be conclusively evidenced by the execution and delivery of the final Official Statement by one or more of the Designated Officers. The Underwriters are hereby authorized to cause the Official Statement to be delivered to the purchasers of the Refunding Bonds and to be distributed in preliminary form in connection with the marketing and sale of the Refunding Bonds.

In addition, in connection with Refunding Bonds that may be issued on a forward delivery basis, the preparation of an update to the Official Statement, containing updates to information presented in the Official Statement as may be necessary or desirable, which may include a description of such terms and conditions as are applicable to such Refunding Bonds issued on a forward delivery basis (such document being hereinafter referred to as the "Updated Disclosure Document"), is hereby approved, and each of the Designated Officers is hereby authorized to execute and cause to be delivered an Updated Disclosure Document to purchasers of the Refunding Bonds and other interested parties, with such additions, changes and modifications from the final Official Statement as the Designated Officers may approve upon consultation with staff and legal counsel, such approval to be conclusively evidenced by the execution and delivery of the final Updated Disclosure Document by one or more of the Designated Officers. The Underwriters are hereby authorized to cause the Updated Disclosure Document to be delivered to the purchasers of the Refunding Bonds.



85                   Section 4.       The Bond Purchase Agreement presented to this meeting is hereby approved, with  
86 such additions, changes and modifications as the Designated Officers executing the same may approve upon  
87 consultation with legal counsel, such approval to be conclusively evidenced by the Bond Purchase Agreement executed  
88 by the Designated Officers, who are each hereby severally authorized and directed to execute the same.

89                   Section 5.       The Bond Documents presented to this meeting are hereby approved, with such  
90 additions, changes and modifications as the Designated Officers may approve upon consultation with legal counsel,  
91 such approval to be conclusively evidenced by the Bond Documents executed by such Designated Officers, who are  
92 each hereby severally authorized and directed to execute the same.

93                   Section 6.       The Designated Officers are hereby authorized to approve such bond insurance or  
94 other supplemental security arrangements for the Refunding Bonds as are approved by the Designated Officers, and to  
95 approve any other similar agreements deemed by the Designated Officers to be necessary or appropriate in connection  
96 therewith.

97                   Section 7.       The Designated Officers and other appropriate officials of GPA are hereby  
98 authorized and directed to do any and all things and to execute and deliver any and all documents and agreements which  
99 they may deem necessary or advisable in order to effectuate the purposes of this Resolution, including, without  
100 limitation, closing documents and certificates, including a tax certificate, amendments to any existing agreements and  
101 any documents or agreements necessary to obtain liquidity or credit enhancement for the Refunding Bonds or the  
102 obligations of GPA with respect thereto.

103                   Section 8.       Any documents authorized hereby to be executed by the Designated Officers may  
104 bear the seal of GPA and be attested by an appropriate official of GPA.

105                   Section 9.       The Refunding Bonds shall not be issued without, and shall be in all respects  
106 subject to the terms and conditions of, the approval of the Legislature, of the PUC, and of GEDA, in accordance with  
107 the Act.

108                   Section 10.      All actions heretofore taken by the officers, representatives or agents of GPA in  
109 connection with the issuance and sale of the Refunding Bonds are hereby ratified, confirmed and approved.

Section 11. This Resolution shall take effect from and after its adoption.

RESOLVED, that the Chairman certifies and the Secretary attests to the adoption of this Resolution.

**DULY AND REGULARLY ADOPTED AND APPROVED THIS 22<sup>nd</sup> DAY OF MARCH 2022.**

Certified by:

Attested by:

JOSEPH T. DUENAS  
Chairperson

MICHAEL T. LIMTIACO  
Secretary

I, **Michael T. Limtiaco**, Secretary for the Consolidated Commission on Utilities (CCU), as evidenced

by my signature above, do hereby certify as follows:

The foregoing is a full, true and accurate copy of a resolution duly adopted at a regular meeting by the members of the Guam CCU, duly and legally held at a place properly noticed and advertised, at which meeting a quorum was present, and the members who were present voted as follows:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Absent: \_\_\_\_\_

Abstain: \_\_\_\_\_

This Resolution is hereby APPROVED for purposes of Article 2 of Chapter 8 of Title 12 of the Guam Code Annotated.

**LOURDES A. LEON GUERRERO**  
Maga'hågan Guåhan  
Governor of Guam



LOURDES A. LEON GUERRERO  
GOVERNOR



JOSHUA F. TENORIO  
LI. GOVERNOR

UFISINAN I MAGA'HĀGAN GUĀHAN  
OFFICE OF THE GOVERNOR OF GUAM

March 10, 2022

**HONORABLE THERESE M. TERLAJE**

*Speaker*

*I Mina'trentai Sais Na Liheslaturan Guåhan*

36<sup>th</sup> Guam Legislature  
Guam Congress Building  
163 Chalan Santo Papa  
Hagåtña, Guam 96910

**Re: BILL NO. 212-36 (COR) – AN ACT TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF REVENUE BONDS TO REFUND OUTSTANDING GUAM POWER AUTHORITY REVENUE BONDS**

*Hafa Adai Madame Speaker,*

This time last year, I signed Public Law No. 36-9, which enabled Guam to capitalize on favorable market conditions to refinance Business Privilege Tax bonds and maximize savings on our debt service, resulting in over \$64M in General Fund savings. Bill No. 212-36 seeks to similarly leverage record low bond interest rates into approximately \$15.3 million in net present value savings from the refinance of Guam Power Authority's ("GPA") 2012 Series A bond, which will reduce GPA's operational costs, and ultimately allow GPA to consider a reduction in the base rate for ratepayers. This measure is both timely and time-sensitive – the window to take advantage of the current market may close in the coming months, and this refinance has the potential to yield lower power bills for our people in the near future, as our community continues to weather the devastating economic impact of the pandemic. For these reasons, I sign Bill No. 212-36 into law. It is now known as *Public Law No. 36-80*.

*Senseremente,*

A handwritten signature in blue ink, appearing to read "Lourdes A. Leon Guerrero".

**LOURDES A. LEON GUERRERO**

*Maga'hāgan Guåhan*  
Governor of Guam

Enclosure: Bill No. 212-36 (COR) *nka P.L. No. 36-80*

cc via email: *Honorable Joshua F. Tenorio, Sigundo Maga'låhen Guåhan*  
Compiler of Laws




***I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN***  
**2022 (SECOND) Regular Session**

**CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'HÅGAN GUÅHAN***

This is to certify that **Bill No. 212-36 (COR)**, "AN ACT TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE BY GUAM POWER AUTHORITY OF REVENUE BONDS TO REFUND OUTSTANDING GUAM POWER AUTHORITY REVENUE BONDS," was on the 25<sup>th</sup> day of February 2022, duly and regularly passed.


  
Therese M. Terlaje  
Speaker

Attested:

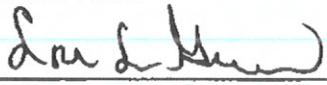
  
Amanda L. Shelton  
Legislative Secretary

.....

This Act was received by *I Maga'hågan Guåhan* this 25<sup>th</sup> day of Feb.,  
2022, at 4 o'clock P.M.

  
Marilyn  
Tablante  
Assistant Staff Officer  
*Maga'håga's Office*

APPROVED:

  
Lourdes A. Leon Guerrero  
*I Maga'hågan Guåhan*

Date: 3/10/2022

Public Law No. 36-80



***I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN***  
**2021 (FIRST) Regular Session**

**Bill No. 212-36 (COR)**

As amended by the Committee on Economic Development,  
Agriculture, Power and Energy Utilities, and the Arts;  
and further amended in the Committee of the Whole.

Introduced by:

Joe S. San Agustin  
V. Anthony Ada  
Frank Blas Jr.  
Joanne Brown  
Christopher M. Dueñas  
James C. Moylan  
Tina Rose Muña Barnes  
Telena Cruz Nelson  
Sabina Flores Perez  
Clynton E. Ridgell  
Amanda L. Shelton  
Telo T. Taitague  
Jose "Pedro" Terlaje  
Therese M. Terlaje  
Mary Camacho Torres

**AN ACT TO APPROVE THE TERMS AND CONDITIONS  
OF THE ISSUANCE BY GUAM POWER AUTHORITY  
OF REVENUE BONDS TO REFUND OUTSTANDING  
GUAM POWER AUTHORITY REVENUE BONDS.**

1        **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2        **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds  
3        that 12 GCA § 8203 provides that Guam Power Authority (Authority) is authorized  
4        to incur indebtedness by the issuance of revenue bonds with the approval of *I*  
5        *Maga'hågan Guåhan* (the Governor) to raise funds for the purpose of establishing  
6        the electric power system of the Authority, or of acquiring lands for the system, or  
7        of acquiring, constructing, improving, equipping, maintaining, repairing, renewing,



1 replacing, reconstructing or insuring the system, or any part thereof, or for the  
2 purpose of refunding any such bonds, or for any combination of such purposes.

3 *I Liheslaturan Guåhan* finds that 12 GCA § 12105 provides that the Authority  
4 shall not enter into any contractual agreements or obligations (including bonds)  
5 which could increase rates and charges prior to the written approval of the Guam  
6 Public Utilities Commission (GPUC).

7 *I Liheslaturan Guåhan* finds that 12 GCA § 50103 provides that public  
8 corporations of the Government of Guam, including the Authority, shall issue bonds  
9 and other obligations only by means of, and through the agency of the Guam  
10 Economic Development Authority (GEDA), and that GEDA shall not sell any bond  
11 without the approval by *I Liheslaturan Guåhan* of the terms and conditions of the  
12 bonds.

13 *I Liheslaturan Guåhan* finds that based on historical low interest rates and  
14 current market conditions, the Authority expects to be able to refund certain maturities  
15 of its outstanding 2012 Series A revenue bonds for debt service savings.

16 Therefore, to benefit ratepayers, it is the intent of *I Liheslaturan Guåhan* to  
17 approve the issuance of revenue bonds by the Authority for the purpose described in  
18 the immediately preceding paragraph, all subject to approval by the Consolidated  
19 Commission on Utilities (CCU), *I Maga'hågan Guåhan*, the GPUC, and the Board  
20 of Directors of GEDA in accordance with law.

21 **Section 2. Approval of the Terms and Conditions of the Guam Power**  
22 **Authority Refunding Bonds.**

23 *I Liheslaturan Guåhan*, pursuant to 12 GCA § 50103(k), hereby approves the  
24 terms and conditions of the issuance of senior revenue bonds by the Guam Power  
25 Authority from time to time, including, but not limited to, on a forward basis, for the  
26 purpose of refunding all or a portion of its currently outstanding 2012 Series A



1 revenue bonds, in accordance with the following requirements, limitations, terms  
2 and conditions:

3 (a) The aggregate principal amount of the refunding bonds shall not  
4 exceed the sum of (1) the amount determined in accordance with 12 GCA §  
5 8229, plus (2) any additional amount needed to provide for a deposit to the  
6 debt service reserve in connection with the issuance of the refunding bonds.

7 (b) All obligations of the Authority to pay debt service on, and the  
8 redemption price of, the prior bonds shall be discharged concurrently with the  
9 issuance of the refunding bonds. Thereafter, the prior bonds shall be payable  
10 solely from and secured solely by an escrow established for such purpose in  
11 accordance with the Authority's existing bond indenture.

12 (c) The final maturity of the refunding bonds shall not exceed the  
13 final maturity of the latest maturing then outstanding revenue bonds. For  
14 clarity, the final maturity of the refunding bonds may exceed the maturity of  
15 an individual series of prior bonds so long as the final maturity of all then  
16 outstanding revenue bonds is not exceeded.

17 (d) Such bonds shall be issued and sold pursuant to the Authority's  
18 existing bond indenture and in compliance with the provisions of Chapter 8,  
19 Title 12, Guam Code Annotated, including approval by the CCU and by *I*  
20 *Maga'hågan Guåhan* as provided therein.

21 (e) The sale of the bonds shall be approved by the Board of Directors  
22 of GEDA as provided in Chapter 50 of Title 12, Guam Code Annotated; and,  
23 the terms and conditions of the issuance of the bonds shall be approved by the  
24 GPUC as provided in Chapter 12, Title 12, Guam Code Annotated.

25 (f) The present value of debt service on the refunding bonds shall be  
26 at least two percent (2%) less than the present value of debt service on the  
27 prior bonds, using the yield on the refunding bonds as the discount rate.



1 (g) Such refunding bonds shall have a principal amount or principal  
2 amounts sufficient to provide funds for the payment of all or a portion of the  
3 prior bonds refunded, and in addition, for the payment of all expenses incident  
4 to the calling, retiring, or paying of such prior bonds and the issuance of such  
5 refunding bonds, including:

6 (1) the difference in amount between the par value of the  
7 refunding bonds and any amount less than par for which the refunding  
8 bonds are sold;

9 (2) any amount necessary to be made available for the  
10 payment of interest upon such refunding bonds from the date of sale  
11 thereof to the date of payment of the prior bonds or to the date upon  
12 which the prior bonds will be paid pursuant to the call thereof or  
13 agreement with the holders thereof;

14 (3) the premium, if any, necessary to be paid in order to call  
15 or retire the prior bonds and the interest accruing thereon to the date of  
16 the call or retirement; and

17 (4) any additional amount needed to provide for a deposit to  
18 the debt service reserve in connection with the issuance of the refunding  
19 bonds.

20 (h) Savings in annual debt service payments from refunding shall be  
21 utilized specifically for the direct benefit of the ratepayers. Within ninety (90)  
22 days of the completion of the refinancing, the Guam Power Authority and the  
23 Guam Public Utilities Commission shall notify *I Liheslaturan Guåhan* of their  
24 intent and plan regarding the annual debt service payment savings achieved  
25 from the refinancing.

26 **Section 3. Local Sale of Bonds.** The Guam Economic Development  
27 Authority shall undertake its best efforts to cause a portion of any bonds issued



1 pursuant to this Act to be offered for sale in Guam, as well as in other jurisdictions,  
2 if and to the extent that such offer and any sales resulting from such offer do not  
3 increase the cost to the Authority of issuing and repaying such bonds.

4       **Section 4. Severability.** If any provision of this Act or its application to any  
5 person or circumstance is found to be invalid or contrary to law, such invalidity shall  
6 not affect other provisions or applications of this Act that can be given effect without  
7 the invalid provision or application, and to this end the provisions of this Act are  
8 severable.