

**GUAM PUBLIC UTILITIES COMMISSION
REGULAR MEETING
April 28, 2022
GCIC CONFERENCE ROOM, GCIC BUILDING, HAGATNA**



MINUTES

The Guam Public Utilities Commission [PUC] conducted a regular meeting commencing at 6:35 p.m. on April 28, 2022, pursuant to due and lawful notice. Commissioners Montinola, Perez-Camacho, McDonald, Pangelinan, and Guerrero were in attendance. Commissioner Montinola acted as Chairperson. The following matters were considered at the meeting under the agenda included as *Attachment "A"* hereto.

1. Approval of Minutes

The Acting Chairperson announced that the first item of business on the agenda was approval of the minutes of March 31, 2022. ALJ Horecky stated that they were not ready for review because the transcript of that meeting was received late and that they would be ready for review at the next PUC meeting.

2. Public Comment

The Acting Chairperson announced that the next item of business on the agenda was public comment. Franklin Hiton stated that he was here tonight to understand why his power bill is so high because it is currently \$500, that he asked GPA why his power bill increased so much and that GPA told him too much power and he disagrees because since 2020 nothing has changed except the addition of one air conditioner, that GPA provided him with a device to monitor my power and that this showed only a 2% increase in his power consumption, and that someone should look into this. A discussion ensued between Hiton, the Acting Chairperson, Commissioners Guerrero, McDonald, ALJ Horecky, and GPA's Mafnas regarding the ups and downs of power consumption, how GPA's loggers work, what the logger used by Hiton showed, Hiton's obligation to pay for the power he actually consumed, methods to mitigate power consumption to reduce power bills, what Hiton's logger showed, that Hiton had to exhaust his available remedies, Hiton's actual power consumption, the causes for Hiton's increased power consumption and whether they caused his increased power bill, whether Hiton's meter was not defective, and whether GPA and the CCU should address Hiton's complaint before the PUC.

3. Guam Waterworks Authority

The Acting Chairperson announced that the next item of business on the agenda was GWA Docket 22-07, Petition to Approve the Award for the Multi-Year Procurement of Automotive Gasoline, Regular Unleaded, and Diesel Fuel Oil No. 2 for GWA Transportation Fleet, ALJ Report, and Proposed Order. Commissioner Pangelinan recused himself from this matter due to a conflict of interest. ALJ Horecky stated that the CCU approved the proposed contract at their meeting last night, that GWA is requesting the PUC's authorization to supply diesel fuel oil Number 2 and regular unleaded automotive gasoline for its transportation fleet and heavy equipment, that GWA issued GWA-IFB-2022-01 for the regular unleaded and diesel fuel, that GWA received two bids, and that GWA determined that IP&E Holdings offered the lowest cost bid with the prices per gallon of \$2.80 roughly per gallon for diesel fuel oil Number 2, and for regular unleaded automotive gasoline, \$2.925 per gallon, that the contract term is for three years with two additional one year terms, that the contract is estimated to cost GWA a total of \$1,691,445, that this amount exceeds GWA's \$1 million review threshold, that the contract has protections to ensure that only GWA's authorized users can obtain fuel under the contract, that the contract has expressed and implied warranties of merchantability and warrants that the fleet fuels shall meet the specifications of the product and quality provided in the contract, that the contract provides that if IP&E can't meet its delivery obligations, GWA in its sole discretion is able to seek alternative sources for the fleet fuels from other petroleum suppliers, he recommended that the PUC approve the contract. A discussion ensued between the Acting Chairperson, Commissioner Perez-Camacho, ALJ Horecky and GWA GM Bordallo regarding whether GWA would have to approve expenditures over 20% of the contract amount, whether GWA is pursuing the purchase of electric vehicles to reduce their dependence on fossil fuels, what IP&E's fuel prices were based on, the methods in which IP&E could adjust the fuel prices under the contract, and how GWA would verify that the GWA personnel purchasing the fuel were authorized users. Commissioner Guerrero moved to approve the proposed order granting the petition which motion was seconded by Commissioner Perez-Camacho, and the motion carried unanimously.

4. Administrative Matters

The Acting Chairperson announced that the next item of business on the agenda was the PUC meeting schedule and the Commissioners and ALJ Horecky discussed their availability for meetings during summer 2022.

The Acting Chairperson announced that the next item of business on the agenda was GPA Docket 08-10, Filing of Guam Power Authority Net Metering Data for FY 202. ALJ Horecky stated that this was for information purposes only.

There being no further business, the Commissioners moved to adjourn the meeting.



Peter Montinola
Acting Chairperson

ATTACHMENT A
THE GUAM PUBLIC UTILITIES COMMISSION
NOTICE OF PUBLIC MEETING

NOTICE IS HEREBY GIVEN that the Guam Public Utilities Commission [PUC] will conduct a regular business meeting, commencing at 6:30 p.m. on April 28, 2022, Suite 202, GCIC Building, 414 W. Soledad Ave., Hagatna.

The following business will be transacted:

Agenda

1. **Call to Order**
2. **Approval of Minutes of March 31, 2022**
3. **Public Comment**
Franklin Hiton
4. **Guam Waterworks Authority**
 - **GWA Docket 22-07, Petition to Approve the Award for the Multi-Year Procurement of Automotive Gasoline, Regular Unleaded, and Diesel Fuel Oil No. 2 for GWA Transportation Fleet, ALJ Report, and Proposed Order**
5. **Administrative Matters**
 - **PUC Meeting Schedule**
 - **GPA Docket 08-10, Filing of Guam Power Authority Net Metering Data for FY 2021**
6. **Adjournment.**

Due to the current public health emergency, all persons attending the meeting will be required to wear masks. Social distancing protocols will be observed. Further information about the meeting may be obtained from the PUC's Administrator Lou Palomo at 472-1907. The meeting will be broadcast live on the PUC website at guampuc.com. Those persons who require special accommodations, auxiliary aids, or services to attend the meeting should also contact Ms. Palomo.

This Notice is paid for by the Guam Public Utilities Commission

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:) GWA Docket 22-07
)
THE PETITION OF THE GUAM)
WATERWORKS AUTHORITY TO) **ORDER**
APPROVE THE AWARD FOR THE)
MULTI-YEAR PROCUREMENT OF)
AUTOMOTIVE GASOLINE, REGULAR)
UNLEADED, AND DIESEL FUEL OIL)
NO. 2 FOR GWA TRANSPORTATION)
FLEET)



INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission [“PUC”] upon the Petition of the Guam Waterworks Authority [“GWA”] for Approval of the Award for the Multi-Year Procurement of Automotive Gasoline, Regular Unleaded, and Diesel Fuel Oil No. 2 for the GWA Transportation Fleet.¹
2. GWA’s objective is to supply GWA Diesel Fuel Oil No. 2 and Regular Unleaded Automotive Gasoline for GWA’s Transportation Fleet and Heavy Equipment; fuel is needed Agency-Wide for all GWA’s vehicle and equipment fuel.²
3. Due to the need to provide fuel for GWA’s daily operational needs and activities, GWA filed its Petition and requested a hearing for this month’s PUC Meeting.
4. The Guam Consolidated Commission on Utilities has not yet approved the proposed contract with IP&E Holdings, LLC; however, GWA anticipates that the

¹ GWA Petition for Approval of the Award for the Multi-Year Procurement of Automotive Gasoline, Regular Unleaded, and Diesel Fuel Oil No. 2 for GWA Transportation Fleet, GWA Docket 22-07, filed April 13, 2022.

² Issues for Decision, CCU Board Packet for April 26, 2022, Board Meeting, GWA Petition at Exhibit A-06.

Guam Consolidated Commission on Utilities ["CCU"] will approve the project on its April 26, 2022 meeting; GWA states that the CCU resolution supporting the contract award will be provided to PUC prior to its April 28, 2022 meeting.³

5. If the PUC receives the CCU resolution prior to its April meeting, the Commission may address this matter at its meeting on April 28, 2022.

BACKGROUND

6. On November 24, 2021, GWA advertised Invitation for Bid (IFB) GWA IFB-2022-01, for Regular Unleaded, Automotive Gasoline and Diesel Fuel Oil No. 2 to supply GWA's transportation and heavy equipment fleet.⁴
7. Five interested bidders picked up bid packets, but only two (2) bidders responded by submitting cost bids. IP&E Holdings, LLC ["IP&E"] offered the lowest cost bid with the following prices per gallon:
 - (a) Diesel Fuel Oil No. 2: \$2.802 per gallon
 - (b) Automotive Gasoline, Regular Unleaded \$2.925 per gallon.⁵
8. The Evaluation Committee reviewed and evaluated the bid submittals. It determined that IP&E submitted a responsive bid and complied with all terms and conditions and requirements set forth in the IFB. The Committee recommended to the GWA General Manager that IP&E, as the lowest responsive and responsible

³ CWA Petition at p. 3.

⁴ GWA Petition at p. 1.

⁵ GWA Petition at p. 2.

offeror, be awarded the contract of supply for the Diesel Fuel Oil No. 2 and Regular Unleaded line items.⁶

9. The ALJ submitted his Report in this Docket dated April 23, 2022. The PUC adopts the conclusions and recommendations stated therein.

DETERMINATIONS

10. GWA seeks to award a three (3) year contract, with an option to extend for two (2) additional one (1) year terms, to IP&E for Regular Unleaded Automotive Gasoline and Diesel Fuel Oil No. 2.⁷

11. Based upon GWA's estimate for the 3-year contract, GWA will use 32,000 gallons per year of diesel fuel at \$2.802 per gallon, for a total 3-year cost of \$268,992.00.⁸

12. GWA estimates that it will use 85,000 gallons per year of Automotive Gasoline, Regular Unleaded, at \$2.925 per gallon, for a total 3-year cost of \$745,875.00. The total 3-year cost for Diesel Fuel and Gasoline Regular Unleaded is \$1,014,867.00.⁹

13. For the two-year option period, the total estimated cost for Diesel Fuel and Regular Unleaded will be \$676,578.00.¹⁰

⁶ Memorandum from Evaluation Committee Members to GWA General Manager, Subject: Invitation to Bid No. GWA 2022-01, Recommendation of Award, Dated February 8, 2022, GWA Petition at Exhibit A-73.

⁷ GWA Petition at p. 1.

⁸ GWA draft Resolution No. 15-FY2022, Relative to Approving the Award for the Multi-Year Procurement of Automotive Gasoline, Regular Unleaded and Diesel Fuel Oil No. 2 for GWA Transportation Fleet, GWA IFB. No. 2022-01, GWA Petition at Exhibit A-01 through A-05.

⁹ GWA Petition at Exhibit A-02.

14. The three-year estimated cost, plus the sum of two additional 1-year option renewal periods at \$676,578.00, totals \$1,691,445.00 for IP&E's multi-year contract term.¹¹
15. Section 1(e) of the Contract Review Protocol for Guam Waterworks Authority requires that contracts which exceed \$1,000,000 must be reviewed by the PUC.¹²
16. Price determinations for each shipment of fuel shall be determined by fuel price, which is the average of the effective prices reported for gas oil 10ppm (Diesel Fuel Oil No. 2) and Gasoline 89 unleaded (Automotive Gasoline, Regular Unleaded), for all the daily postings of the previous month in the Plat's Asia Pacific Market Scan, for Singapore cargos, plus the premium service fee as calculated. The premium fee is \$0.200 per gallon of both Diesel Fuel Oil No. 2 and Automotive Gasoline, Regular Unleaded.¹³
17. Thus, the monthly price for fuel deliveries under the Contract may vary depending on the market fuel prices.
18. The contract proposed by GWA, upon which the award will be made, appears to adequately protect the interest of GWA and the ratepayers.

¹⁰Id.

¹¹ GWA Petition at p. 3.

¹² Contract Review Protocol for Guam Waterworks Authority, Administrative Docket 00-04, dated October 27, 2005, at Section 1 (e), p. 1.

¹³ Proposed GWA Fleet Fuels Supply Contract (Diesel Fuel Oil No. 2 and Automotive Gasoline, Regular Unleaded), GWA Petition at Exhibit A-20 through A-42.

19. The contractor is required to supply all the Fleet Fuels (Diesel and Unleaded Gasoline) reasonably required by GWA, even if such quantities exceed the estimates provided.¹⁴
20. The contractor will provide gas station fleet cards at no cost to GWA. Only employees carrying valid fleet cards will be allowed to refuel at gas stations. There are various point of sale controls to ensure that only authorized persons may receive gas.¹⁵
21. All invoices submitted by the contractor must be accompanied by product delivery receipts signed by the duly authorized personnel and the service station representative.¹⁶ All Fleet fuel purchases shall be at any of Contractor's Service Stations unless otherwise agreed to by GWA. Invoices for Fleet Fuels as to quantity and quality will be submitted by contractor on a monthly basis, based on the number of gallons of fuels purchased by GWA. The payment term is 30 days (net).¹⁷
22. The contractor provides both express and implied warranties of merchantability and warrants that the Fleet Fuels shall meet the specifications as to "Product and Quality" provided in the contract.¹⁸

¹⁴ Id., at Exhibit A-22.

¹⁵ Id.

¹⁶ Id., at Exhibit A-24.

¹⁷ Id., at Exhibit A-25.

¹⁸ Id.

23. In the event Contractor is unable to fulfill its obligations under the Contract because of any negligence on the part of Contractor or failure to meet GWA's requirements, GWA may at its sole discretion seek an alternative source for the fleet's fuels from other petroleum suppliers.¹⁹

24. Contractor holds the Consolidated Commission on Utilities, its employees, GWA, and GWA's employees harmless from all damages to persons or property or to receiving facilities and delivery facilities; contractor and subcontractors are also required to provide various types of insurance, including Workmen's Compensation, Public Liability Insurance, and Automobile Liability Insurance.²⁰ The contractor is also responsible for all oil spills caused by or as a result of performance of fuel deliveries.²¹

25. GWA may terminate the contract for default by contractor or for GWA's convenience.²²

26. GWA is also protected by Bid and Performance Bonds for Goods and Services.²³

27. Funding for the procured services will come from GWA's operating revenues, and fuel is required for GWA's vehicle and equipment fleet.²⁴

¹⁹ Id., at Exhibit A-30.

²⁰ Id., at Exhibit A-31 through A-33.

²¹ Id., at Exhibit A-34.

²² Id., at Exhibit A-35-36.

²³ Id., at Exhibit A-43.

²⁴ GWA Petition at p. 3.

ORDERING PROVISIONS

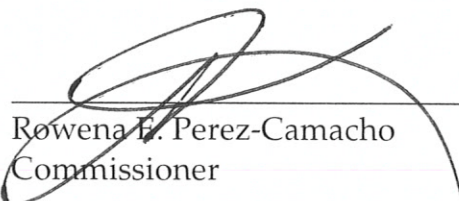
Upon consideration of the record herein, the Petition of GWA for Approval of the Award for the Multi-Year Procurement of Automotive Gasoline, Regular Unleaded, and Diesel Fuel Oil No. 2 for the GWA Transportation Fleet, the ALJ Report, and for good cause shown, on motion duly made, seconded, and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS that:

1. The contract award to IP&E Holdings LLC for supply of Regular Unleaded, Automotive Gasoline, and Diesel Fuel Oil No. 2, GWA IFB-2022-01, is approved.
2. GWA should be authorized to expend up to the amount \$1,691,445.00 for Regular Unleaded Automobile Gasoline and Diesel Fuel Oil No. 2 for the GWA transportation fleet.
3. Under the GWA Contract Review Protocol, GWA may also incur expenses for this contract award not to exceed 20% over the amount authorized by the Commission.
4. GWA is ordered to pay the Commission's regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses of conducting the hearing proceedings. Assessment of PUC's regulatory fees and expenses are authorized pursuant to 12 GCA §§12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.


Order
Approval for the Award for the
Procurement of Automotive Gasoline
For GWA Transportation Fleet
GWA Docket 22-07
April 28, 2022

Dated this 28th day of April 2022.

Jeffrey C. Johnson
Chairman



Rowena E. Perez-Camacho
Commissioner



Joseph M. McDonald
Commissioner

Michael A. Pangelinan
Commissioner



Peter Montinola
Commissioner

Doris Flores Brooks
Commissioner



Pedro S.N. Guerrero
Commissioner