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8 **BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

9 IN THE MATTER OF: ) **GPA DOCKET NO. 22-16**  
10 The Application of the Guam Power Authority )  
11 to Approve the Contract Extension with Tristar ) **PETITION FOR CONTRACT REVIEW**  
12 Terminals Guam, Inc. for the Pipeline and )  
13 RFO Storage Lease for GPA. )

14 **COMES NOW**, the GUAM POWER AUTHORITY (GPA), by and through its counsel  
15 of record, D. GRAHAM BOTHA, ESQ., and hereby files GPA's Petition for the Public Utilities  
16 Commission of Guam to review and approve the Contract extension with Tristar Terminals  
17 Guam, Inc. for the Pipeline and RFO Storage Lease, as follows:

18 **BACKGROUND**

19 The Guam Power Authority has a contract with Tristar Terminals Inc. for the handling  
20 and receiving of fuel oil import deliveries into GPA's storage facilities. Tristar is the current  
21 manager of the Dock Facility, owned by the Port Authority of Guam. The CCU in Resolution  
22 2022-23 has approved the Pipeline and RFO Storage Lease contract extension for the period  
23 September 1, 2022 to August 31, 2025.

24 **DISCUSSION**

25 GPA hereby petitions the PUC, pursuant to the Contract Review Protocol for the Guam  
26 Power Authority, approved by the PUC, to review and approve the Contract extension with  
27 Tristar Terminals Guam, Inc. for the Pipeline and RFO Storage Lease. In support of this  
28 Petition, GPA hereby provides the PUC with Consolidated Commission on Utilities (CCU)  
Resolution No. FY2022-23, which authorizes the General Manager to enter into a contract

ORIGINAL

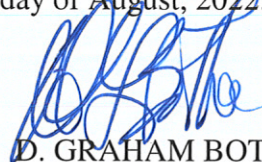


1 extension with Tristar Terminal Guam, Inc. for a three (3) year term from September 1, 2022 to  
2 August 31, 2025. Said resolution and its exhibits are attached herein as Exhibit A, and  
3 incorporated by reference herein as if fully set forth.

4 **CONCLUSION**

5 The PUC should approve GPA's request to proceed with the Contract extension with  
6 Tristar Terminals Guam, Inc. for the Pipeline and RFO Storage Lease for a three-year period  
7 from September 1, 2022 to August 31, 2025. The contract extension with Tristar Terminal  
8 Guam, Inc. is reasonable, prudent, and necessary.

9 **RESPECTFULLY SUBMITTED** this 3<sup>rd</sup> day of August, 2022.

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11 D. GRAHAM BOTHA, ESQ.  
12 GPA General Counsel  
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**GPA RESOLUTION NO. 2022-22**

**AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY (GPA)  
TO ENTER INTO AN AGREEMENT EXTENSION TERM WITH TRISTAR TERMINALS GUAM, INC.:**

**A. PIPELINE AGREEMENT**

**B. RFO STORAGE LEASE AGREEMENT**

**WHEREAS**, the Guam Power Authority ("GPA" or "Authority") utilizes the services of Tristar Terminals Guam, Inc. ("Tristar" or "TTGI") pipeline facility for the delivery and transport of Fuel Oil to and from GPA's fuel storage facilities through a **Pipeline Agreement** under TTGI-PA-2013; and

**WHEREAS**, GPA utilizes the Tristar fuel storage facilities for GPA's additional Residual Fuel Oil No.6 ("RFO") storage requirements through an **RFO Storage Lease Agreement** under TTGI-SA-2013; and

**WHEREAS**, TTGI is the sole service provider for the **Pipeline Agreement** and **RFO Storage Lease Agreement** (or "2 Agreements"); and

**WHEREAS**, the current contracts for the **Pipeline Agreement** and **RFO Storage Lease Agreement** will expire on August 31, 2022; and

**WHEREAS**, GPA and TTGI have negotiated for an extension of the 2 Agreements for up to 3 years; and

**WHEREAS**, the estimated cost for the 2 Agreements are shown in Exhibit A; and

**WHEREAS**, the fee schedule for the **Pipeline Agreement** shall remain the same at the prevailing fee of \$566,350.34 per year. The total expenses for the 3-year extension period is estimated at **\$1,699,051.02**; and

**WHEREAS**, the fee schedule for the **RFO Storage Agreement** for the 3-year extension period shall remain the same at the prevailing tank lease fee of \$1,933,820.14 per year based on a contracted storage capacity of 422,125 bbls. However, the annual tank lease fee is anticipated to be reduced at the pro-rated fee of \$1,844,309.67 (5% savings) based on the reduced storage capacity of 402,610 bbls for the 1<sup>st</sup> year extension; and \$1,275,776.17 (34% savings) based on a reduced



storage capacity of 278,500 bbls for the 2<sup>nd</sup> and 3<sup>rd</sup> year extension when GPA fully transition to 0.2% ULSFO; and

**WHEREAS**, the estimated expenses for the RFO Storage Agreement is as follows: \$2,812,469.67 for the 1<sup>st</sup> year extension; \$2,243,936.17 for the 2<sup>nd</sup> year extension; and \$2,243,936.17 for the 3<sup>rd</sup> year extension. The total expenses for the 3-year extension period is estimated at **\$7,300,342.00**; and

**WHEREAS**, the estimated aggregate total expenses for the 3-year extension period for the 2 Agreements is **\$8,999,393.02**; and

**WHEREAS**, GPA has determined that the contract extension period for the 2 Agreements will serve the best interest of the Authority and its ratepayers by ensuring uninterrupted supply of fuel to GPA through the use of Tristar's fuel handling facilities; and

**WHEREAS**, GPA is requesting the approval of the CCU for the extension of the **Pipeline Agreement and RFO Storage Lease Agreement** for up to three (3) years to commence on September 1, 2022 and to expire on August 31, 2025; and

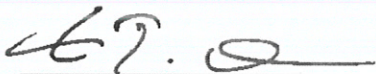
**NOW THEREFORE, BE IT RESOLVED**, by the Consolidated Commission on Utilities, subject to the review and approval of the Public Utilities Commission, as follows:

1. GPA is authorized to petition the Guam Public Utilities Commission for the review and approval of the extension of the **Pipeline Agreement (TTGI-PA-2013)**, and **Storage Lease Agreement (TTGI-SA-2013)** with Tristar Terminal Guam, Inc.

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

**DULY AND REGULARLY ADOPTED AND APPROVED THIS 26<sup>th</sup> DAY OF JULY 2022.**

Certified by:

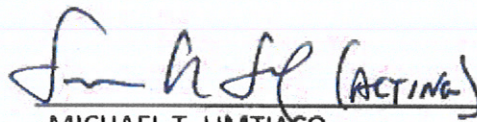


JOSEPH T. DUENAS

Chairperson

Consolidated Commission on Utilities

Attested by:



MICHAEL T. LIMTIACO

Secretary

Consolidated Commission on Utilities



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# SECRETARY'S CERTIFICATE

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

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evidenced by my signature above do certify as follows: The foregoing is a full, true, and accurate

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copy of the resolution duly adopted at a regular meeting of the members of Guam Consolidated

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Commission on Utilities, duly and legally held at a place properly noticed and advertised at which

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meeting a quorum was present and the members who were present voted as follows:

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Ayes:

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Nays:

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Absent:

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Abstain:

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**Exhibit A****TRISTAR AGREEMENTS - Estimated Expenses**

Fee Schedule	Parameters	Current Contract Fee	3-Year Contract Extension			Total for 3 Years
			Sep2022-Aug2023*	Sep2023-Aug2024*	Sep2024-Aug2025*	
<b>A. Pipeline Agreement</b>						
1. Pipeline Rental (B-Line)	Pipeline from Dock to Navy tie-in \$/yr	\$566,350.34	\$566,350.34	\$566,350.34	\$566,350.34	\$1,699,051.02
<b>SUB-TOTAL</b>		\$566,350.34	\$566,350.34	\$566,350.34	\$566,350.34	\$1,699,051.02
<b>B. RFO Storage Agreement</b>	Based on storage capacity bbls	422,150	402,610	278,500	278,500	
1. Fixed Lease Fees	\$/yr (Adjusted to capacity)	\$1,933,820.14	\$1,844,309.67	\$1,275,776.17	\$1,275,776.17	\$4,395,862.00
2. Plant Delivery Fee	TTGI Manpower Fees \$/Operator-hr for Direct delivery from TTGI tanks Operators to the plants hrs/day Average Cost \$/yr	\$38.00 4 12 \$665,760.00	\$665,760.00	\$665,760.00	\$665,760.00	\$1,997,280.00
3. Bunkering Fee	RFO delivered (Net) bbl/shipment shipment/yr (PL fee from tanks to navy tie-in) \$/bbl \$/yr	3000 24 \$4.20 \$302,400.00	\$302,400.00	\$302,400.00	\$302,400.00	\$907,200.00
<b>SUB-TOTAL</b>		\$2,901,980.14	\$2,812,469.67	\$2,243,936.17	\$2,243,936.17	\$7,300,342.00
<b>OVER-ALL COST:</b>		<b>\$3,468,330.48</b>	<b>\$3,378,820.01</b>	<b>\$2,810,286.51</b>	<b>\$2,810,286.51</b>	<b>\$8,999,393.02</b>
<b>POTENTIAL SAVINGS:</b>			<b>3%</b>	<b>19%</b>	<b>19%</b>	

\*Tank Lease Fee:

Sep-22 to Aug2023	Storage Capacity	Storage Fee	
		\$/month	\$/yr
Tk1903	278,500	106,314.68	\$1,275,776.17
Tk1910	37,536	14,329.00	\$171,948.06
Tk1911	38,511	14,701.20	\$176,414.42
Tk1928	29,461	11,246.45	\$134,957.42
Tk1931	18,602	7,101.13	\$85,213.60
<b>Total</b>	<b>402,610</b>	<b>\$153,692.47</b>	<b>\$1,844,309.67</b>

Savings (Tank Lease Fee):

5%

Sep-23 to Aug2024	Storage Capacity	Storage Fee	
		\$/month	\$/yr
Tk1903	278,500	106,314.68	\$1,275,776.17
Tk1910		0.00	\$0.00
Tk1911		0.00	\$0.00
Tk1928		0.00	\$0.00
Tk1931		0.00	\$0.00
<b>Total</b>	<b>278,500</b>	<b>\$106,314.68</b>	<b>\$1,275,776.17</b>

Savings (Tank Lease Fee):

34%

Sep-24 to Aug2025	Storage Capacity	Storage Fee	
		\$/month	\$/yr
Tk1903	278,500	106,314.68	\$1,275,776.17
Tk1910		0.00	\$0.00
Tk1911		0.00	\$0.00
Tk1928		0.00	\$0.00
Tk1931		0.00	\$0.00
<b>Total</b>	<b>278,500</b>	<b>\$106,314.68</b>	<b>\$1,275,776.17</b>

Savings (Tank Lease Fee):

34%



**Exhibit B****TRISTAR AGREEMENTS - Fee Comparison**

Fee Schedule		Initial Contract 5 Years Sep2013-Aug2018	Contract Extn 4 Years Sep2018-Aug2022	Contract Extn 3 Years Sep2022-Aug2025	Variance/Remarks	
<b>A. Pipeline Agreement</b>						
1. Pipeline Rental Fee					(Pipeline from Dock to Navy tie-in)	
<u>5-Year Agreement</u>						
Sep 2013- Aug 2014	\$/yr	\$418,182.53				
Sep 2014- Aug 2015	\$/yr	\$433,709.83			4% Increase	
Sep 2015- Aug 2016	\$/yr	\$449,858.22			4% Increase	
Sep 2016- Aug 2017	\$/yr	\$466,652.55			4% Increase	
Sep 2017- Aug 2018	\$/yr	\$484,118.65			4% Increase	
<u>4-Year Extension</u>						
Sep 2018- Aug 2019	\$/yr		\$503,483.39		4% Increase	
Sep 2019- Aug 2020	\$/yr		\$523,622.72		4% Increase	
Sep 2020- Aug 2021	\$/yr		\$544,567.63		4% Increase	
Sep 2021- Aug 2022	\$/yr		\$566,350.34		4% Increase	
<u>3-Year Extension</u>						
Sep 2022- Aug 2023	\$/yr			\$566,350.34	No change	0% Increase
Sep 2023- Aug 2024	\$/yr			\$566,350.34	No change	0% Increase
Sep 2024- Aug 2025	\$/yr			\$566,350.34	No change	0% Increase
<b>B. Storage Agreement</b>						
1. Lease Fees						
<u>5-Year Agreement</u>					Contract Capacity(bbls) 422,150	
Sep 2013- Aug 2014	\$/yr	\$1,413,023.47				
Sep 2014- Aug 2015	\$/yr	\$1,469,544.41			4% Increase	
Sep 2015- Aug 2016	\$/yr	\$1,528,326.18			4% Increase	
Sep 2016- Aug 2017	\$/yr	\$1,589,459.23			4% Increase	
Sep 2017- Aug 2018	\$/yr	\$1,653,037.60			4% Increase	
<u>4-Year Extension</u>					Contract Capacity(bbls) 422,150	
Sep 2018- Aug 2019	\$/yr		\$1,719,159.06		4% Increase	
Sep 2019- Aug 2020	\$/yr		\$1,787,925.42		4% Increase	
Sep 2020- Aug 2021	\$/yr		\$1,859,442.44		4% Increase	
Sep 2021- Aug 2022	\$/yr		\$1,933,820.14		4% Increase	
<u>3-Year Extension</u>						
Sep 2022- Aug 2023	\$/yr			\$1,933,820.14	No change	0% Increase
Sep 2023- Aug 2024	\$/yr			\$1,933,820.14	No change	0% Increase
Sep 2024- Aug 2025	\$/yr			\$1,933,820.14	No change	0% Increase
2. Plant delivery Fee						
TTGI Manpower Fees	\$/Optr-hr		\$38.00	\$38.00	No change	0% Increase
3. Bunkering Fee						
(P/L Fee from storage to navy tie-in)						
(RFO delivered-Net)						
	\$/bbl	\$4.20	\$4.20	\$4.20	No change	0% Increase