



BEFORE THE PUBLIC UTILITIES COMMISSION

**IN RE: PETITION FOR APPROVAL)
OF EXTENSION OF THE ULSD)
TANK LEASE AGREEMENT)
WITH TRISTAR TERMINALS)
GUAM, INC. BY GUAM)
POWER AUTHORITY.)**

GPA DOCKET 23-05

ALJ REPORT

INTRODUCTION

This matter comes before the Guam Public Utilities Commission (the “PUC”) pursuant to the December 7, 2022 Petition (hereinafter referred to as the “Petition”) for review and approval of the Tristar Terminals Guam, Inc. (“Tristar”) contract related to GPA’s extension of its leases for Tank 1906 and Tank 1907, which store Ultra Low Sulfur Diesel (“ULSD”) fuel. GPA seeks PUC approval to extend the Tristar leases through June 30, 2024.¹

BACKGROUND

On September 28, 2017, the PUC authorized GPA to enter into an agreement with Tristar to lease a storage tank for ULSD fuel oil for a term of five years, specifically through December 31, 2022. The PUC authorized this lease at an annual cost of \$1,176,000.00.² Thereafter, on January 1, 2018, GPA entered into an agreement with Tristar, which included among others, the leasing of Tristar’s Tank 1906 “for the storage

¹ Petition, p. 1.

² PUC Order, GPA Docket 21-16, p. 2 (Sept. 30, 2021) (citing PUC Order, GPA Docket 17-23, pp. 1-4 (Sept. 28, 2017)).

of Diesel product.”³ Subsequently, at GPA’s request, the PUC further authorized GPA to amend the Tristar agreement, adding the lease of Tristar’s Tank 1907 for additional ULSD fuel oil storage. The amendment indicates a storage lease fee for Tank 1907 of about \$1,176,000.00 annually. These ULSD storage tanks are located at the Tristar Terminal in Agat.

DISCUSSION

1. GPA’s Contract Review Protocol

Pursuant to 12 G.C.A. §12105, GPA may not enter into any contractual agreements or obligations which could increase rates and charges without the PUC’s express approval. Additionally, pursuant to GPA’s current Contract Review Protocol, “[a]ll professional services contracts in excess of \$1,000,000” and “[a]ll internally financed contracts utilizing O&M funds in excess of \$1,000,000, whether or not the contract extends over a period of one year or several years” “shall require prior PUC approval”

Contract Review Protocol, GPA Docket 09-01, p. 1 (June 20, 2011). Further, with respect to multi-year contracts, GPA’s Contract Review Protocol provides that “GPA must obtain PUC approval if the total costs over the entire procurement term exceed the review threshold.” *Id.*, p. 3.

2. Extension of Contract Terms and Costs

According to GPA, its lease of Tank 1906 is set to expire on December 31, 2022; and on June 30, 2023 for Tank 1907.⁴ GPA has determined that the extension of the

³ Contract No. TTGI-SA-2018-01, between Tristar Terminals Guam, Inc. and Guam Power Authority, p. 4 (Jan. 1, 2018).

⁴ Petition, p. 1; Resolution, p. 1.

ULSD storage lease agreement through June 30, 2024 serves the best interest of both GPA and its ratepayers since it would ensure the uninterrupted supply of ULSD to its power plants. Accordingly, GPA has negotiated extensions of the leases for these tanks so that they both expire on June 30, 2024.⁵

Based on the proposed amendment to the contract extending the lease term through June 30, 2024, the storage fees for the tanks remain unchanged at \$98,000.00 per month, excluding the handling and throughput fees.⁶ These fees were negotiated back in 2018 (for Tank 1906) and 2021 (for Tank 1907).

According to GPA, an additional 17 months at \$98,000.00 per month for Tank 1906 costs \$1,666,000.00; and an additional year also at \$98,000.00 per month for Tank 1907, costs \$1,176,000.00.⁷ As a result, the total cost of the subject extension is about \$2,842,000.00.⁸ GPA submits that the contracts will be funded through its fuel revenue budget.

4. CCU Approval

On November 29, 2022, the Consolidated Commission on Utilities (the “CCU”) issued GPA Resolution No. 2023-04 (the “Resolution”) that approved the contract extensions for both Tank 1906 and Tank 1907, allowing them to expire at the same time on June 30, 2024.⁹ Additionally, the CCU authorized the corresponding costs for the

⁵ Petition, p. 1; Resolution, p. 1.

⁶ Resolution, p. 1; [Proposed] Amendment No. 3 to Contract No. TTGI-SA-2018-01.

⁷ Resolution, p. 2.

⁸ Resolution, p. 2.

⁹ Resolution, p. 1.

extensions, at an approximate total of \$2,842,000.00.¹⁰ In the Resolution, the CCU indicated that the contract extension of the lease concerning the ULSD storage tanks “ensure adequacy of supply to the power plants” and is “reasonable and prudent.”¹¹

RECOMMENDATION AND CONCLUSION

Based on the documentation provided, the ALJ finds that the subject contract is necessary, and that the extensions of the terms referred to herein are reasonable and prudent. As indicated by GPA, the contract extension referred to in this matter is vital since they ensure the “uninterrupted” “supply [of fuel] to the power plants.”¹²

Indeed, this Commission has previously held that any disruption to the safe distribution of fuel resources to GPA, “could be a potential threat to the public health, welfare and safety of our island.”¹³

In addition, this Commission has consistently found that GPA “has little choice but to utilize the storage tanks of Tristar.”¹⁴ Significantly, too, the fees for the two tanks under the extended lease agreement will remain the same as the fees that were negotiated back in 2018, and in 2021.

Based on the documentation provided by GPA in this docket, and for the other reasons set forth herein, the ALJ recommends that the PUC approve the contract extension with Tristar, at a total cost of \$1,666,000.00 for Tank 1906; and \$1,176,000.00 for Tank 1907; for a total cost of \$2,842,000.00.

¹⁰ Resolution, pp. 1-2.

¹¹ Resolution, p. 2.

¹² Resolution, p. 2.

¹³ PUC Order, PAG Docket 21-01, p. 7 (Jan. 28, 2021).

¹⁴ PUC Supplemental Order, GPA Docket 13-11, p. 2 (Sept. 24, 2013).

Further, while the proposed amendment to the contract includes an option to extend the term on a “month to month basis for a period up to two (2) years”, GPA should be required to return to the PUC for approval of any extension beyond June 30, 2024. A proposed Order for the PUC is attached hereto for the PUC’s consideration.

Respectfully submitted this 16th day of December, 2022.

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a series of loops and a final flourish.

JOEPHET R. ALCANTARA
Administrative Law Judge

P223055.JRA



THROUGHPUT, OPERATING and PIPELINE USE AGREEMENT FOR WET STOCK

between

Tristar Terminals Guam, Inc.

and

Guam Power Authority

Contract No: TTGI-SA-2018-01

This THRUPUT, OPERATING and PIPELINE USE AGREEMENT for WET STOCK (the "**Agreement**") is made and entered into as of **January 01, 2018** (the "**Effective Date**"), by and between Guam Power Authority, (hereinafter referred to as "**GPA**" or "**Customer**") and Tristar Terminals Guam Inc., a Guam corporation (hereinafter referred to as "**Operator**"), with each a "**Party**" and collectively, the "**Parties**").

RECITALS:

WHEREAS, Operator operates the facility at the Commercial Port of Guam known as the F-1 Dock under an F-1 Management Agreement between Tristar and the Port Authority of Guam; and

WHEREAS, the Customer and Operator have entered into an F-1 Dock User Agreement dated 1st of September, 2013; and

WHEREAS, Operator has manifolding equipment located on the F-1 Dock, and pipelines (the Tristar Pipelines), which run through the Port Authority of Guam leases and easements (the PAG Easements) from the F-1 Dock to a point of Intersection commonly referred to the Navy Valve Pit; and

WHEREAS, the Operator Pipelines Include a pipeline designated and known as the A, B & D Pipelines; and

WHEREAS, Operator holds a Perpetual Pipeline Easement (the Tristar DoD Easement) granted by the United States Department of Defense which extends from the Navy Valve Pit to Tristar facilities commonly known as the Agat Terminal and the Tristar Pipelines, including the A, B & D Pipelines, run through the Tristar DOD Easement to connect the Navy Valve Pit with the Agat Terminal so as to provide a continuous connection from the F-1 Dock to the Agat Terminal; and

NOW, THEREFORE, in consideration of mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

A. USAGE: DEFINITION

A.1 Usage unless otherwise specified

- a) a reference to "Sections", "Annexes", "Exhibits", and "Schedules" shall be deemed to be references to Sections of, Annexes, Exhibits and Schedules to this Agreement, unless the context shall otherwise require;
- b) a reference to a "company" shall include any company, corporation or other body corporate, wherever and however incorporated or established and irrespective of the jurisdiction in or under the law of which it was incorporated or exists;
- c) a reference to the words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "or" is not exclusive. The words "hereof," "herein" and "hereunder" and words of similar import when used in any Transaction Document shall refer to the agreement as a whole and not to any particular provision of this agreement;
- d) a reference to a "day" (including within the expression "Business Day") shall mean a period of 24 hours running from midnight to midnight;
- e) a reference to time is a reference to the local time on Guam
- f) all headings and titles used are for convenience only and are not to be used for interpretation or construction;
- g) where the context so requires, words importing the singular shall include the plural and vice versa and words importing gender include any other gender;

- h) all statements or language placed in parentheses within an agreement are done so solely for the convenience and ease of reading. In no event should such statements or language be given less import or be interpreted differently than if it were not so parenthesized;
- i) any agreement, instrument, statute, code, proclamation or decree defined or referred to herein means such agreement, instrument, statute, code, proclamation or decree as from time to time amended, modified, supplanted, or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes, proclamations or decrees) by succession of comparable successor statutes, codes, proclamations or decrees

A.2 Definitions. As used in this Agreement, the following terms shall have the meanings set forth below:

- a) **"Affiliates"** means any entity or organization which directly or indirectly controls, is controlled by or is under common control with a party to this agreement. As used in this definition, "control" (and the correlatives, "controlled by" and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise); provided, however, that in any event, any entity or organization which owns, directly or indirectly, fifty percent (50%) or more of the securities having ordinary voting power for election of directors or other governing body of a corporation or fifty percent (50%) or more of the partnership or other ownership interests of any non-corporate entity shall be deemed to control such corporation or other entity.
- b) **"Ancillary Facilities"** means those facilities and fixtures at the Terminal or F-1 Dock needed for access by User, its representatives, or its customers and their representatives in regard to this Agreement, including general ingress and egress to roadways and parking lots at the Terminal and access to loading gantries/pipeline rack lanes;
- c) **"Affected Party"** has the meaning set forth in Section 15.1 of this Agreement;
- d) **"Agreement"** has the meaning set forth in the introduction;
- e) **"Customer"** has the meaning set forth in the introduction;
- f) **"Delivery Point"** has the meaning set forth in Section 13 of this Agreement;
- g) **"Dispute"** has the meaning set forth in Section 17.1 of this Agreement;
- h) **"Effective Date"** has the meaning set forth in the introduction;
- i) **"Existing Dispute"** has the meaning set forth in Section 17.7 of this Agreement;
- j) **"Expert"** means a person of appropriate reputation, standing and relevant experience in the energy industry who has no direct or indirect personal interest in the outcome of the dispute or issue in respect of which he has been consulted pursuant to this Agreement and who has been appointed pursuant to the procedures set forth in Section G of this Agreement;
- k) **"Facility"/"Facilities"** has the meaning set forth in Section 1 of this Agreement;
- l) **"F-1 Dock"** means the Foxtrot-1 dock on Cabras Island, Guam, operated by Operator on behalf of the Port Authority of Guam.
- m) **"Force Majeure Event"** means, in relation to any Party, any act, event or circumstance, the cause of which is beyond that Party's reasonable control, including acts of God, war,

terrorist acts, any strike, lock-out or other industrial trade dispute, or federal, territorial, or municipal order, rule, legislation or regulation.

- n) **"Good Industry Practice"** means the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances and conditions.
- o) **"Insurance"** has the meaning set forth in Section 11.1 of this Agreement;
- p) **"Operator"** has the meaning set forth in the introduction;
- q) **"Operator's Safety Rules"** has the meaning set forth in Section 30 of this Agreement;
- r) **"Party"/"Parties"** has the meaning set forth in the introduction;
- s) **"Product"/"Products"** has the meaning set forth in Section C.3 of this Agreement;
- t) **"Reasonable and Prudent Operator"** means a person acting, in good faith, to perform his contractual obligations and, in doing so and in the general conduct of its undertaking, exercising the degree of skill, care, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances;
- u) **"Redelivery Point"** has the meaning set forth in Section 11 of this Agreement;
- v) **"Related Dispute"** has the meaning set forth in Section 17.7 of this Agreement;
- w) **"Rules"** has the meaning set forth in Section 17.1 of this Agreement;
- x) **"SOP"** has the meaning set forth in Section 27 of this Agreement;
- y) **"Term"** has the meaning set forth in Section H.1 of this Agreement;
- z) **"Terminal"** means the Agat terminal, owned by the Operator, located in the municipalities of Piti and Santa Rita, United States Territory of Guam;
- aa) **"Tribunal"** has the meaning set forth in Section 17.3 of this Agreement;

B. FACILITIES LOCATION

B.1 Facility(ies):

- a) The Terminal, including and without limitation to:
 - the tanks, pipelines, pumps, +, flow meters and any other fixtures or appurtenances at the Terminal needed to be utilized for this Agreement;
 - the D pipeline between the Terminal and the F-1 Dock; Truck Loading Gantry
- b) the discharge hoses at the F-1 Dock; and
- c) the lifting equipment at the F-1 Dock
- d) Any other fixtures or appurtenances needed to be utilized for this Agreement;

B.2 Address:

Route 2a, Santa Rita Industrial Drive, Piti/Santa Rita, Guam

C. FACILITIES SERVICES

C.1 Storage:

- a) Operator agrees to provide one (1) storage tank, Tank 1906, to Customer with a total nominal capacity of one hundred ninety six thousand (196,000) barrels for the storage of Diesel product. The tanks provided for Customer's product storage shall be maintained and operated in accordance with all applicable laws and regulations throughout the term of the Agreement at Operator's sole cost.

C.2 Use of Pipelines:

The Facilities services related to the storage provided in Sections C.1(a) above include the use of Operator's cargo lines or main pipelines, including specifically main pipeline D Pipeline from the F-1 Dock to the Terminal for:

- a) receipt and/or delivery of Products from/to the Terminal to/from the F-1 Dock;
- b) receipt and/or delivery of Products from/to the Terminal to/from the SPPC Cabras Terminal;
- c) receipt and/or delivery of Products from/to the Terminal and to/from Customer's F-3 Tanks or directly to Customer's customers at F-3 Dock;
- d) receipt of Products from F-1 Dock directly to SPPC's Cabras Terminal;
- e) receipt and/or delivery of Products from/to the Terminal to/from Customer's and/or its agents' Tanks at the Operator's pipeline manifold at the Navy Tie-in; and

For the avoidance of doubt, the use of pipelines and other appurtenances inside of the Terminal necessary for the receipt/delivery operations are included in the services to be provided by Operator hereunder, including the use of the pipeline between the Terminal and the Tenjo power plant and interconnection with the GPA-Tristar pipeline at the navy tie-in for transfer of products to the GPA power plants.

C.3 Use Of Truck Loading Gantry

The Facilities services related to the storage provided in Sections C.1(a) above shall include the use of Operator's Truck Loading Gantry and other appurtenances at the Terminal needed to be utilized for this Agreement.

Operator agrees to provide Customer and its agents safe access to the facility. The Operator shall, at its sole cost, perform the safe transfer of Product into the Customer's and/or its agents' tanker trucks.

C.4 Product:

Product to be stored by Customer at the Terminal is Diesel.

C.5 Receipt/Delivery Modes:

- a) Receipt modes include, but are not limited to:
 - Marine
 - Pipeline
 - Inter-Tank Transfer
- b) Delivery modes include, but are not limited to:
 - Marine
 - Pipeline
 - Inter-Tank Transfer
 - Gantry for Tanker Truck Loading

Operator shall arrange for Customer's and its customers' vessels to be berthed and unberthed at the F-1 Dock, for the hose connection between Customer's and its customers' vessels and the F-1 Dock to be connected and disconnected and for receipt and delivery of Product to Customer's or its customers' vessels.

C.6 Additional Services:

Operator shall perform the following additional services:

- a) Work with Customer to optimize the use of Operator's equipment, truck loading gantry, pipelines and tanks to increase loading and unloading rates through optimization of loading sequences and tank pipeline selection;
- b) Endeavor to allow vessels to pump at their maximum capacity;
- c) Those other services stipulated in this Agreement; and
- d) Such other services that are reasonably requested by Customer and agreed to in writing between the Parties.

D. THROUGHPUT

D.1 Allowed Throughput, Initial Fill and Batch Size:

Customer shall be entitled to an annual product throughput of 196,000 barrels or for a quantity equivalent to the total offer capacity defined in C.1. This product throughput is herein be referred to "Allowed Throughput"

Allowed Throughput will be calculated by adding the total number of barrels (at natural) received and shipped per contract year divided by 2.

The initial fill quantity of 196,000 barrels or equivalent to the awarded capacity shall be excluded from the allowed throughput calculation

D.2 Excess Throughput:

For volumes in excess of the allowed throughput, Excess Throughput Charges shall be calculated by adding the total number of barrels (at natural) received or shipped in a 12-month period above the allowed throughput quantity.

Sample Calculation:

Please refer to Exhibit A

E. CONSIDERATION

E.1 Fee:

Details of the Storage, Excess Throughput Fee, and Truck Loading Fee are as follows:

- a) Payment Period: Monthly, payable on the first (1st) working day of every month for the current month.
- b) Storage Rate for Agreement Term: \$6/Bbl/yr. The Periodic Annual Storage Rate will be as follows

Period	Per Annum	Per Month
01-Jan-2018 to 31-Dec-2018	\$ 1,176,000.00	\$ 98,000.00

- c) Excess Throughput Rate: \$0.25 per barrel for throughput quantity over the allowed throughput defined in D.1
- d) Truck Loading Fee: For product loading carried out through Operator's Truck Loading Gantry, a loading fee of \$100 shall be charged per truck.

F. PRODUCT MOVEMENT AND TESTING

- a) Operator personnel, trained and certified in conducting flash, API gravity and physical appearance tests, will provide field level testing or Product ID checks during transfer and receipt of Products as follows at no additional cost to Customer.
- b) The Operator shall, at its sole cost, perform Product ID checks and hourly monitoring during Product transfer and receipt. Product ID checks and hourly monitoring shall be performed by Operator personnel who are trained and certified to conduct Product ID checks and hourly monitoring.

- c) Tank recertification (i.e. full specification testing) shall be done by a third party after each Product receipt or transfer as required by Customer, for the account of Customer and arranged by Customer.
- d) For the avoidance of doubt, all vessel prior-to-discharge sampling and testing, as well as tank recertification after receipt and/or transfers, shall be arranged by Customer, conducted by a third party, and at Customer's cost; provided, however, that all other sampling and testing referred to in Sections F.(a)-(b) shall be done by Operator at its cost.

G. METHOD OF HANDLING LOSSES

- a) If after receipt of Customer's Product into Operator's receiving Facility results in Product storage or handling losses, the handling and accountability of such will be as follows:
 - Customer will absorb ordinary storage and handling losses up to one fourth (1/4) of one percent (1%) of annual throughput
 - Operator will be responsible for all ordinary storage and handling losses in excess of one fourth (1/4) of one percent (1%) of annual throughput of Product

For the avoidance of doubt, ordinary storage and handling losses shall not include oil spills or discharges as defined in Section 22 and other losses due to breach in the integrity of Operator facility and/or negligent acts of Operator personnel or its agents.

- b) Storage or handling losses shall be determined and settled based on the following:
 - Bases of Computing Losses: Net loss to be determined by monthly loss and gain calculations with cumulative losses and gains to be offset against each other at the time of settlement.
 - Time of Settlement: Shall be on an annual basis at the end of each calendar year; on the termination of the Agreement if such termination occurs prior to an anniversary; or as otherwise agreed.
 - Settlement Price Reference: Average of Mean of Platts Singapore (MOPS) under the heading Gasoil 10ppm for the calendar year plus seven United States dollars (USD) per barrel.
- c) The annual settlement shall be confirmed by auditors and undertaken through manual gauging.
- d) The handling loss accountability as set forth in Section G(a) shall only apply to ADO 10ppm or alternate products stored in Tank 1906.
- e) Section 6 of the Additional Terms and Conditions shall also apply.

H. TERM OF THE AGREEMENT

H.1 Term:

This Agreement will be in effect for a period beginning with an initial term from the Effective Date and ending on December 31, 2018 ("**Initial Term**"). The Customer shall be given the option to extend the term by five (5) years ("**Extended Term**") upon expiration of the Initial Term. The Terms and Conditions of the Extended Term shall be the same as the Initial Term. The Agreement shall be terminated by either party under the conditions set forth in clause H.2 of the Agreement.

H.2 Termination:

This Agreement may be termination prior to the Term expiration under the following conditions:

- a) upon written agreement of the Parties, which agreement shall provide, among other things, the effective date of termination; or

- b) by the Party not in default upon the occurrence of a material event of default, in accordance with the provisions of Section 16 of this Agreement; or
- c) upon closure of the Terminal or termination of any of Operator's pipeline easements that is material for the provision of services hereunder; or
- d) compulsory acquisition, governmental requisition, expropriation, intervention by relevant authorities or any similar occurrence which results in the closure of Operator's Terminal or termination of its pipeline easements or which materially and adversely affects the ability of the Parties to continue with this Agreement or the ability of Operator to operate the Terminal and/or the related pipelines; or
- e) upon one (1) year's notice by customer; or
- f) by Customer under Section 6 (Compliance with Laws and Regulations) of this Agreement; or
- g) by a Party in accordance with Section 15.5 (Force Majeure) of this Agreement

In the event of early termination under section G.2(e), above, Customer shall pay operator an amount equivalent to six months of the Storage fee defined in Section E.1(b).

In the event of termination, the Parties shall in good faith and as soon as practicable endeavor to agree on the manner of winding down. Until the effective date of termination, the Parties shall continue to have and to carry out all their rights and obligations as stated in this Agreement. Termination of this Agreement for any reason shall not be deemed a waiver of any of the Parties' rights and obligations existing before the effective date of termination.

I. TANK BOTTOMS AND LINE FILL

Customer accepts that product inventory is required to enable the Facility to be operated, including inventory for tank bottoms and to fill the pipelines. The working inventory shall be recovered and returned to Customer on termination of this Agreement at Operator's expense.

Customer will be responsible for leaving the tank empty and clean on termination or expiration of this Agreement.

J. NOTICE ADDRESSES:

Customer: Guam Power Authority
PO Box 2977, Hagatna, Guam 96910

Operator: Tristar Terminals Guam Inc.
P.O. Box 8210, Agat Guam 96928,

K. OPERATIONAL CONTACTS:

Customer: Jennifer G. Sablan (Terminal Contact)


Operator: KK Vikraman (Terminal Contact)

L. OTHER PROVISIONS

The Additional Terms and Conditions attached are part of this Agreement. All reference herein to the Agreement shall include the Additional Terms and Conditions.


Executed this 28th day of December 2017.

Customer:

 12/28/2017
By: JOHN J. CRUZ, JR., P.E.

Title: GENERAL MANAGER (A)

Operator:

 12-28-17
By: John A. Aleje

Title: Terminal Operations Manager

**AMENDED NO. 1
STORAGE AGREEMENT
(TTGI-SA-2018-01)**

This Amendment No. 1 to the Storage Agreement ("1st Amendment") is made by and between **TRISTAR TERMINALS GUAM, INC.**, a Guam corporation whose address is P.O. Box 8210, Agat, Guam 96918, and **GUAM POWER AUTHORITY**, a public corporation of Guam, whose address is P.O. Box 2977, Hagatna, Guam 96932.

WHEREAS, the initial 1 year term for the Storage Agreement under reference "TTGI-SA-2018-01" will expire on 31st December, 2018, and the parties want to extend and continue the said Agreement.

NOW, THEREFORE, the parties agree:

1. The said Agreement is extended on a year-to-year basis upon expiration of the original term on December 31, 2018 for a period not exceeding four (4) successive yearly extensions.
2. Except as stated herein all other terms and condition of the Storage Agreement and Amendments thereto shall remain in effect.

TRISTAR TERMINALS GUAM, INC.

By: 

Name: Kazhakuttam K. Vilarman

Title: General Manager

Date: 6/6/2018

GUAM POWER AUTHORITY

By: 

 Name: John M. Benavente, P.E.

Title: General Manager

Date: 5/17/18

ORIGINAL

AMENDED NO. 2 & ADDENDUM TO CONTRACT TTGI-SA-2018-01
STORAGE AGREEMENT

This addendum to the Storage Agreement is made by and between **TRISTAR TERMINALS GUAM, INC.**, a Guam corporation whose address is P.O. Box 8210, Agat, Guam 96918, and **GUAM POWER AUTHORITY**, a public corporation of Guam, whose address is P.O. Box 2977, Hagatna, Guam 96932.

WHEREAS, a Storage Agreement with the reference "TTGI-SA-2018-01" between the parties dated 1st January, 2018 and consequently amended in 2018, and the parties want to make the following addendums to the said Agreement applicable from 1st February, 2022 onwards.

NOW, THEREFORE, the parties agree:

C. FACILITIES SERVICES

C.1 Storage:

- b) Operator agrees to provide one (1) storage tank, Tank 1907, to Customer with a total nominal capacity of one hundred ninety six thousand (196,000) barrels for the storage of Diesel product. The tanks provided for Customer's product storage shall be maintained and operated in accordance with all applicable laws and regulations throughout the term of the Agreement at Operator's sole cost.

D. THROUGHPUT

D.1 Allowed Throughput, Initial Fill and Batch Size:

Customer shall be entitled to an annual product throughput of 196,000 barrels per tank or for a quantity equivalent to the total offer capacity defined in C.1. This product throughput is herein be referred to "Allowed Throughput"

Allowed Throughput will be calculated by adding the total number of barrels (at natural) received and shipped per contract year divided by 2.

The initial fill quantity of 196,000 barrels per tank or equivalent to the awarded capacity shall be excluded from the allowed throughput calculation

E. CONSIDERATION

E.1 Fee:

- e) Storage Rate for Tank 1907 shall be as follows

Tank Estimated Shell Capacity in Barrels				200,000
Tank Estimated Safe Capacity in Barrels				196,000
Contract Term in Years	1	2	3	
Proposed Storage Rate Per Barrel	\$9.00	\$7.50	\$6.00	
Estimated Annual Contract Value	\$1,764,000	\$1,470,000	\$1,176,000	
Proposed Storage Rate Per Barrel During Extended Years	\$6.00	\$6.00	\$6.00	
Estimated Annual Contract Value - Extended Years	\$1,176,000	\$1,176,000	\$1,176,000	

H. TERM OF THE AGREEMENT

H.1 Term:

The Agreement exclusive for Tank 1907 will be in effect for a period beginning with an initial term from the Effective Date February 1st, 2022 and ending on January 31st, 2023 ("Initial Term"). The term for the initial period shall be adjusted according to the operators issuance of a notice of readiness to the customer on the availability of Tank 1907.

The Customer shall be given the option to extend the term on a month-to-month basis for up to two (2) years ("Extended Term") upon expiration of the Initial Term. The Terms and Conditions of the Extended Term shall be the same as the Initial Term. The Agreement shall be terminated prior to the expiration of the Initial Term by either party under the conditions set forth in clause H.2 of the Agreement.

Except as stated herein all other terms and condition of the Storage Agreement and Amendments thereto shall remain in effect.

TRISTAR TERMINALS GUAM, INC.

By: 

Name: K. K. Vikram

Title: GM

Date: Sep 13, 2021

GUAM POWER AUTHORITY

By: 

 Name: John Benavente

Title: GM

Date: Sept 21, 2021

**AMENDED NO. 3 & ADDENDUM TO CONTRACT TTGI-SA-2018-01
STORAGE AGREEMENT**

This addendum to the Storage Agreement is made by and between **TRISTAR TERMINALS GUAM, INC.**, a Guam corporation whose address is P.O. Box 8210, Agat, Guam 96918, and **GUAM POWER AUTHORITY**, a public corporation of Guam, whose address is P.O. Box 2977, Hagatna, Guam 96932.

WHEREAS, a Storage Agreement with the reference "TTGI-SA-2018-01" between the parties dated 1st January, 2018 and consequently amended in September 2021, and the parties want to make the following addendums to the said Agreement applicable from 1st January, 2023 onwards.

NOW, THEREFORE, the parties agree:

E. CONSIDERATION

E.1 Fee:

e) Storage Rate for Tank 1906 and 1907 shall be as follows

Tank#	Period	Monthly Fee	Annual Fee
1906	January 2023 - June 2024	\$98,000.00	\$1,176,000.00
1907	July 2023 - June 2024	\$98,000.00	\$1,176,000.00

H. TERM OF THE AGREEMENT

H.1 Term:

The said Agreement is extended upon expiration of the original term and the term of the extended agreement shall end on June 30th, 2024.

The customer shall be given the option to extend the term on a month to month basis for a period up to two (2) years ("Additional Extended Term") upon expiration of this contract amendment. The Terms and Conditions, including the storage fees for the Additional Extended Term shall be mutually agreed upon by both parties prior to the customer exercising the Additional Extended Term option. The customer shall provide in writing a minimum notice period of 30 days prior to any extension.

Except as stated herein all other terms and condition of the Storage Agreement and Amendments thereto shall remain in effect.

TRISTAR TERMINALS GUAM, INC.

GUAM POWER AUTHORITY

By: 

By: _____

Name: K. K. V. KRAMAN

Name: _____

Title: GM

Title: _____

Date: 11/21/2022

Date: _____