

1 **D GRAHAM BOTHA, ESQ.**  
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3 **Guam Power Authority**  
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8 **BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

9 **IN THE MATTER OF:** ) **GPA DOCKET NO. 23-05**  
10 **The Application of the Guam Power Authority** )  
11 **to Approve the Contract with Tristar** ) **PETITION FOR CONTRACT REVIEW**  
12 **Terminals Guam, Inc. for the Lease Extension** )  
13 **for Tank 1906 and 1907 for Diesel Fuel.** )

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 with Tristar Terminals Guam, Inc. for  
17 the lease extension for Tank 1906 and 1907 for diesel fuel, as follows:

18 **BACKGROUND**

19 The Guam Power Authority has a contract with Tristar Terminals Inc. for the lease of  
20 diesel fuel tanks 1906 and 1907. The ULSD Storage agreement for Tank 1906 will expire on  
21 December 31, 2022 and the Tank 1907 lease will expire on June 30, 2023. GPA has negotiated  
22 an extension for both Tank 1906 and 1907 through June 30, 2024. The CCU in Resolution  
23 FY2023-04 has approved the request for the lease extension for Tank 1906 at approximately  
24 \$1,666,000 and for Tank 1907 at \$1,176,000 for a total cost for both tanks of approximately  
25 \$2,842,000.

26 **DISCUSSION**

27 GPA hereby petitions the PUC, pursuant to the Contract Review Protocol for the Guam  
28 Power Authority, approved by the PUC, to review and approve the Contract with Tristar  
Terminals Guam, Inc. for the lease extension of Tank 1906 and Tank 1907 through June 30,

1 2024. In support of this Petition, GPA hereby provides the PUC with Consolidated Commission  
2 on Utilities (CCU) Resolution No. FY2023-04, which authorizes the General Manager to enter  
3 into a contract with Tristar Terminal Guam, Inc. for an extension of the Tank 1906 lease from  
4 January 1, 2023 through June 30, 2024 and the Tank 1907 lease from July 1, 2023 through June  
5 30, 2024. Said resolution and its exhibits are attached herein as Exhibit A, and incorporated by  
6 reference herein as if fully set forth.

7 **CONCLUSION**

8 The PUC should approve GPA's request to proceed with the Contract with Tristar  
9 Terminals Guam, Inc. for the extension of the Tank 1906 lease from January 1, 2023 through  
10 June 30, 2024 and the Tank 1907 lease from July 1, 2023 through June 30, 2024. The contract  
11 extension with Tristar Terminal Guam, Inc. is reasonable, prudent, and necessary.

12 **RESPECTFULLY SUBMITTED** this 7<sup>th</sup> day of December, 2022.

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15 **R. GRAHAM BOTHA, ESQ.**  
16 GPA General Counsel  
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**CONSOLIDATED COMMISSION ON UTILITIES**

Guam Power Authority | Guam Waterworks Authority

P.O. Box 2977 Hagatna, Guam 96932 | (671) 648-3002 | guamccu.org

**GPA RESOLUTION NO. FY2023-04**

**AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO  
EXTEND THE ULSD STORAGE LEASE AGREEMENT WITH TRISTAR  
TERMINALS GUAM, INC.**

**WHEREAS**, GPA currently lease tanks for Ultra-Low Sulfur Diesel Fuel (hereinafter referred to as "ULSD") storage from Tristar Terminals Guam, Inc (hereinafter referred to as "TTGI") under reference agreement TTGI-SA-2018-01; and

**WHEREAS**, the ULSD Storage Agreement for the lease of Tank 1906 will expire in December 31, 2022 and the lease of Tank 1907 will expire in June 30, 2023, respectively; and

**WHEREAS**, GPA and TTGI has negotiated for the extension of the lease of Tank 1906 and Tank 1907 to expire at the same time in June 30, 2024; and

**WHEREAS**, the lease fee for each tank is approximately \$98,000.00 per month (excluding handling and throughput fees). Tank 1906 lease cost for the extension period from

1 January 1, 2023 thru June 30, 2024 is approximately \$1,666,000.00. Tank 1907 lease cost for  
2 the extension period from July 1, 2023 thru June 30, 2024 is approximately \$1,176,000.00. The  
3 aggregate total lease cost for both tanks is approximately \$2,842,000.00 (Exhibit A); and  
4

5 **WHEREAS**, GPA is seeking the approval of the CCU for the extension of the lease of  
6 the ULSD storage tanks to expire in June 30, 2024.  
7

8 **NOW, BE IT THEREFORE RESOLVED**, the Consolidated Commission on Utilities,  
9 subject to the review and approval of the Guam Public Utilities Commission, as follows:  
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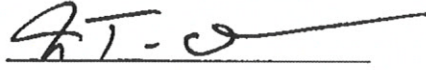
- 11 1. GPA's request to extend the lease of the ULSD storage tanks to ensure adequacy  
12 of supply to the power plants is reasonable and prudent.  
13
- 14 2. GPA is authorized to enter into an agreement with Tristar Terminals Guam, Inc.  
15 for the extension of the lease of the ULSD storage tanks thru June 30, 2024.  
16
- 17 3. The General Manager of the Guam Power Authority is hereby authorized an  
18 increase in obligating authority to the annual value of the contract and execute  
19 such agreements and documents necessary for a contract with **TRISTAR**  
20 **TERMINALS GUAM, INC.**  
21

22 **RESOLVED**, that the Chairman certifies and the Board Secretary attests to the adoption  
23 of this Resolution.

**DULY AND REGULARLY ADOPTED**, this 29<sup>th</sup> day of November 2022.

Certified by:

Attested by:



**JOSEPH T. DUENAS**

Chairperson



**PEDRO ROY MARTINEZ**

Secretary

I, Pedro Roy Martinez, Board Secretary of the Consolidated Commission on Utilities (CCU), as evidenced by my signature above, do hereby certify as follows:

The foregoing is a full, true and correct copy of the resolution duly adopted at a regular meeting by the members of the Guam Consolidated Commission on Utilities, 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:

4

Nays:

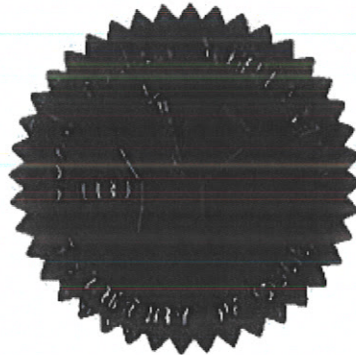
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Abstain:

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Absent:

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# **EXHIBIT A: ULSD Storage Agreement (TTGI-SA-2018-01)**

## **TRISTAR AGREEMENTS - Fee Comparison**

ULSD Tanks	Storage capacity (bbls)	Storage Fees				Variance	Remarks
		Base year		Extension year			
		Monthly Fee	Annual Fee	Monthly Fee	Annual Fee		
Tk1906	196,000	\$98,000	\$1,176,000	\$98,000	\$1,176,000	\$0	Fee for the base year based on a consecutive 3-year contract. No fee changes for the extension years
Tk1907	196,000	\$147,000	\$1,764,000	\$98,000	\$1,176,000	(\$588,000)	Fee for the base year based on a short contract period of 1-year to recover the tank refurbishment cost (lower fees is equally distributed thru a minimum of 3-year contract). Fee reduced for the extension years.

## **Estimated Expenses for the Extension years**

Storage Fees	Extension Period	No. of months	Monthly Fee	Total Cost
Tk1906	01/01/2023-06/30/2024	17	\$98,000	\$1,666,000
Tk1907	07/01/2023-06/30/2024	12	\$98,000	\$1,176,000
Total thru June 30, 2024				\$2,842,000