

**GUAM PUBLIC UTILITIES COMMISSION
REGULAR MEETING
October 27, 2022
GCIC CONFERENCE ROOM, GCIC BUILDING, HAGATNA**



MINUTES

The Guam Public Utilities Commission [PUC] conducted a regular meeting commencing at 6:30 p.m. on October 27, 2022, pursuant to due and lawful notice. Commissioners Johnson, Pangelinan, Perez-Camacho, McDonald, Flores-Brooks, and Guerrero were in attendance. The following matters were considered at the meeting under the agenda included as *Attachment "A"* hereto.

1. Approval of Minutes of September 22 and September 29, 2022.

The Chairperson announced that the first item of business on the agenda was the approval of the minutes of September 22nd and September 29th, 2022. ALJ Horecky stated that the minutes of the September 29, 2022 meeting were before the PUC and that the September 22, 2022 minutes were not ready for review at this time. Commissioner Perez-Camacho moved to approve the minutes of the September 29, 2022 meeting subject to corrections, which motion was seconded by Commissioner McDonald, the motion passed unanimously.

2. Guam Solid Waste Authority.

The Chairperson announced that the next item of business on the agenda was Guam Solid Waste Authority [GSWA] Docket 23-01, Petition for Approval of the Award to Pacific Unlimited, Inc. dba Fleet Services for Fleet Repair Services [Fleet Services], ALJ Report, and Proposed Order. ALJ Horecky stated that GSWA solicited for preventive maintenance services for all their vehicles and equipment, that there were only two bidders, that GSWA determined that Fleet Services submitted the winning bid, that the contract term was 1 year with 4 optional 1 year periods, that the total amount of the contract's 5 year total term is \$5.5 million or about \$1,100,000 per year, that the PUC must approve the contract because contract's \$5,5 million amount exceeds GSWA's \$750,000 review threshold, that the services that will be provided by the contract are necessary because GSWA only has about 4 garbage trucks operational for the entire island at this time, that the contract price is reasonable because GSWA has been paying about \$935,000 to \$1 million per year for prior contracts for these services, and he recommended that the PUC approve the contract. GSWA GM Slike stated that the maintenance services were critical to GSWA's operations because GSWA is not able to pick up garbage if their trucks are not working. A discussion ensued between the

Chairperson, Commissioners McDonald, Flores-Brooks, Pangelinan, ALJ Horecky, and GSWA GM Slike and GSWA's Perez concerning how many garbage trucks are currently operational, the current involvement of GSWA's receiver, how past practices resulted in GSWA's currently having only 4 operational garbage trucks, GSWA current plan to prevent that from occurring again, the number of garbage trucks that Fleet Services will be maintaining for GSWA under the contract, the total number of garbage trucks that GSWA has, GSWA's plans to procure additional garbage trucks, the types of garbage trucks GSWA has and plans to acquire, and why the maintenance on the trucks had not been done in the past despite spending money on prior contracts for the maintenance. Commissioner Guerrero moved to approve the draft order granting the petition which motion was seconded by Commissioner McDonald, and the motion passed unanimously.

The Chairperson announced that the next item of business on the agenda was GSWA Docket 23-02, Petition for Approval of the Award to Pacific Human Resource Services Inc., for Temporary Staffing Services, ALJ Report, and Proposed Order. ALJ Horecky stated that this docket would be heard next month.

The Chairperson announced that the next item of business on the agenda was GSWA Docket 23-03, Petition for Approval of the Award to Mid Pac Far East [Mid Pac] for Three (3) Each 24 Cubic Yard Refuse Truck with Side and Rear Loading, ALJ Report, and Proposed Order. ALJ Horecky stated that GSWA issued a solicitation for the purchase of 3 garbage trucks, that there were two bidders, that GSWA determined that Mid Pac Far East was the lowest responsive and responsible bidder, that the garbage trucks cost about \$443,333.33 each for a total of \$1,330,000, that the GSWA Board issued Resolution Number 2022-003 approving the award of the contract to Mid Pac, that the PUC must approve this contract because the contract cost exceeds GSWA's \$750,000 review amount, that the garbage trucks are necessary because GSWA needs them to collect garbage from its 21,000 customers, that GSWA will receive the trucks within 310 days from the issuance of the purchase order, that the price for the trucks was \$305,000 less than the other bidder, and he recommended that the PUC approve the contract. GSWA GM Slike stated that GSWA really needs the garbage trucks that were procured in this solicitation. A discussion ensued between Commissioners Flores-Brooks, Pangelinan, and GSWA GM Slike concerning GSWA's trash collection plans for the 310 days before the delivery of the trucks, and the reasons for the long period of time to deliver the garbage trucks to Guam. Commissioner Pangelinan moved to approve the draft order granting the petition which motion was seconded by Commissioner McDonald, and the motion passed unanimously.

3. Guam Power Authority.

The Chairperson announced that the next item of business on the agenda was Guam Power Authority [GPA] Docket 23-01, Petition for Approval of the Phase 1V Renewable Acquisition for GPA, ALJ Report, and Proposed Order. ALJ Horecky stated that Public Law 35-46 requires GPA to increase its renewable energy portfolio to 50% of its net electricity sales by December 31, 2035 and to 100% by December 31, 2045, that GPA is complying with this requirement by issuing this solicitation in which GPA intends to contract for an additional 180 megawatts to 300 megawatts of renewable energy with energy storage requirements for the primary purpose of shifting solar PV energy, that the solicitation was an extensive multi-step bid, that the solicitation has five volumes including commercial terms and conditions, technical proposal, qualification requirements, draft contract, bid scoring mechanism, and required forms, that the PUC must authorize the solicitation prior to its release because the estimated cost of the contract awarded under the solicitation will exceed the GPA's \$1.5 million review threshold, that the solicitation's proposed contract provides similar protections that the PUC has seen in GPA's prior phase 1 and phase 2 renewable contracts which are standard and commercially reasonable, that the Guam Consolidated Commission on Utilities [CCU] passed Resolution 2022-30 approving the solicitation, and he recommended that the PUC authorize GPA to issue the solicitation. GPA GM Benavente stated that GPA's goal is to contract for a 50-megawatt renewable plant to be built on U.S. Navy land which would give GPA 25% renewables around 2025 complete with transmission systems, that the unit costs of the construction will come down over time, and that the future renewable energy plant will lower costs to ratepayers. A discussion ensued between Commissioner Flores-Brooks and GPA GM Benavente concerning GPA battery storage capability. Commissioner Guerrero moved to approve the draft order granting the petition, which motion was seconded by Commissioner McDonald, and the motion passed unanimously.

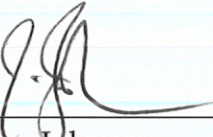
The Chairperson announced that the next item of business on the agenda was GPA Docket 22-15, PUC Review of LEAC pursuant to June 16, 2022 PUC Order, ALJ Report, and Proposed Order. ALJ Horecky stated that in June, 2022 GPA sought a three-step increase on the LEAC recovery factor with a first increase of roughly 25 cents per meters read on or after July 1st, a second increase to 29 cents per kilowatt-hour effective September 1st, and a third increase of 34 cents effective November 1, that the PUC approved the first two increases but stated that it would take up the third increase in October, 2022, that GPA's current under-recovery is \$41 million, and he recommended that the PUC approve an increase in the LEAC factor to 0.318576 a kilowatt-hour for meters read on and after November 1, 2022. GPA GM Benavente stated that the price of fuel was beyond GPA's control, that GPA is now burning ultra-low sulfur diesel fuel, that the price for that fuel is currently very high, and that it will be difficult for GPA to continue its operations without an increase in the LEAC rate. A discussion ensued

between the Chairperson and GPA GM Benavente concerning whether the price for the ultra-low sulfur diesel fuel would increase because of the war in Ukraine, and the difference in fuel prices between the European and Singapore markets. Commissioner Perez-Camacho moved to approve the draft order with ALJ Horecky's recommended LEAC increase which motion was seconded by Commissioner McDonald, and the motion passed with 5 affirmative votes with Commissioner Guerrero making the only vote against the motion.

4. Administrative Matters.

The Chairperson announced that the next item of business on the agenda was the review of the financials. Commissioner Flores-Brooks stated that the PUC made a slight profit of \$97,000.00, that the PUC does not budget for the regulatory fee because it is hard to predict, that the most expensive contract cost was for the Georgetown Consulting Group at \$300,000 for the year, that the PUC's overall budget of \$515,000 was stable and that it was slowly building its reserves, that the PUC lowered its overall costs by about \$5,000 compared to last year, that the PUC's goal should be to increase its cash reserve equal to a yearly budget. A discussion ensued between the Commissioners on various ways to earn a better return on the PUC's cash reserves, and the PUC's account receivable with GWA.

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



Jeffrey Johnson
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 October 27, 2022, Suite 703, GCIC Building, 414 W. Soledad Ave., Hagatna.

The following business will be transacted:

Agenda

- 1. Call to Order**
- 2. Approval of Minutes of September 22 and September 29, 2022**
- 3. Guam Solid Waste Authority**
 - **GSWA Docket 23-01, Petition for Approval of the Award to Pacific Unlimited, Inc. dba Fleet Services for Fleet Repair Services, ALJ Report, and Proposed Order**
 - **GSWA Docket 23-02, Petition for Approval of the Award to Pacific Human Resource Services Inc. for Temporary Staffing Services, ALJ Report, and Proposed Order**
 - **GSWA Docket 23-03, Petition for Approval of the Award to Mid Pac Far East for Three (3) Each 24 Cubic Yard Refuse Truck with Side and Rear Loading, ALJ Report, and Proposed Order**
- 4. Guam Power Authority**
 - **GPA Docket 23-01, Petition for Approval of the Phase 1V Renewable Acquisition for GPA, ALJ Report, and Proposed Order**
 - **GPA Docket 22-15, PUC Review of LEAC pursuant to June 16, 2022 PUC Order, ALJ Report, and Proposed Order**
- 5. Administrative Matters**
 - **Review of Financials**
- 6. Adjournment**

Further information about the meeting may be obtained from the PUC's Administrator Lou Palomo at 671-472-1907. 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:

)
) GSWA Docket 23-01
)

)
) The Application of the Guam Solid Waste
) Authority for Review and Approval of the
) Award and Contract to Pacific Unlimited,
) dba Fleet Services for Fleet Repair Services)
)
_____)

ORDER



INTRODUCTION

This matter comes before the Guam Public Utilities Commission [PUC] for Review and Approval of the Award and Contract to Pacific Unlimited, Inc. dba Fleet Services for Fleet Repair Services.¹ With this bid, GSWA procured services for preventive maintenance for all light, medium, and heavy vehicles as well as equipment. The services include provision of diagnostic and repair services for problems related to, but not limited to, engines, transmissions, electrical, hydraulics, and cooling systems; and body work, vehicle painting, frame repair, mechanical service and repair, tire repair or new tire replacement, safety inspections, and generators.²

BACKGROUND

The ALJ adopts the “BACKGROUND” section of GSWA’s Petition:

“On August 23, 2022, GSWA issued Invitation for Bid (IFB) No. GSWA 0008-22 soliciting for qualified companies to provide maintenance and repair services for GSWA’s light, medium, and heavy vehicles and equipment.

¹ GSWA Petition, GSWA Docket 23-01, dated October 14, 2022.

² PROCUREMENT RECORD, Invitation for Bid IFB No. GSWA-008-12 (Fleet Repair Services), filed with the PUC on October 13, 2022, at p. 38.

Three prospective bidders acquired a bid package, and two bidders responded. The two bidders were Pacific Unlimited Inc., dba Fleet Services (Fleet Services) and Triple J. Express Tire & Lube Inc., dba Triple J Commercial Tire.

On September 8, 2022, the two bids were opened publicly. Fleet Services was determined to be the lowest responsive and responsible bidder, having submitted a bid that offered to provide fleet repair services at the lowest price.

The total contract amount for five years as offered by Fleet Services and agreed upon by GSWA is estimated to be approximately One Million One Hundred Thousand Dollars (\$1,100,000.00) for the first year, plus an additional Four Million Four Hundred Thousand Dollars (\$4,400,000.00) for four additional 1-year periods (or \$1.1 Million per fiscal year), subject to the mutual agreement of the parties and the availability of funds.

On September 14, 2022, GSWA issued a Notice of Intent to Award the contract to Fleet Services. The award was approved by the GSWA Board of Directors on September 22, 2022 in its Resolution No. 2022-012...No protest of the award to Fleet Services was or has been made, and the period for filing a protest under 5 GCA § 5425(a) ended on September 28 (i.e., 14 days after the notice of intent to award was given to Fleet Services on September 14)."³

The ALJ submitted his Report in this Docket on October 18, 2022.⁴

DETERMINATIONS

1. GSWA's Contract Review Protocol

GSWA indicates that the total contract amount for five years as offered by Fleet Services will be approximately One Million One Hundred Thousand Dollars (\$1,100,000.00) for the first year, plus an additional Four Million Four Hundred Thousand Dollars

³ GSWA Petition at p. 2.

⁴ ALJ Report, GSWA Docket 23-01, dated October 18, 2022.

(\$4,400,000.00) for four additional 1-year periods (or \$1.1 Million per fiscal year).⁵ All professional service contracts, or any other contract or obligation, in excess of \$750,000.00, require prior PUC approval.⁶ This proposed award and contract must be reviewed by the PUC.

2. The “Need” for the Procurement Award and the Fleet Services Contract

At the beginning of the procurement process, GSWA issued a “Determination of Need Re: GSWA-008-22 Fleet Repair Services.” Therein, the GSWA General Manager Irvin L. Slike, stated as follows: **“The services to be solicited are necessary for the current collection program of 21,000 households.** GSWA’s newest six vehicles were purchased in 2018 and are halfway through the expected useful life of eight years. This industry standard for the eight-year life presumes an excellent maintenance program which was not observed as of October 2021. The remaining fleet of five trucks are 11 years or older. Procurement of new trucks were expected to occur in 2020, however, it was delayed due to COVID-19 pandemic. **The proper upkeep and service and repair of the current equipment is necessary to ensure GSWA services is provided to Guam’s residents.** GSWA currently has an existing contract for these services and is expected to expire on September 30, 2022.” (Emphasis added). The “Determination of Need” is attached to the ALJ Report filed herein as Exhibit “1”.⁷

A recent article in the Guam Daily Post indicated that a reduced number of available working packer trucks has forced GSWA to work double shifts to avoid pick up delays.

⁵ Id.

⁶ 12 GCA §12105 and the Contract Review Protocol for the Guam Solid Waste Authority, GSWA Docket 19-02 & Administrative Docket, see (d) and (e).

⁷ PROCUREMENT RECORD, Invitation for Bid IFB No. GSWA-008-12 (Fleet Repair Services), filed with the PUC on October 13, 2022, at p. 479; attached to the ALJ Report filed herein as Exhibit “1”.

Only four packer trucks out of seven were currently operating. At least six packer trucks were down waiting for parts. For the time being the three trucks were required to do two routes a day. GSWA Chairman Andrew Gayle stated during a GSWA meeting that “these truck issues are causing an increase in maintenance fees and an increase in overtime.”⁸ GSWA General Manager Irvin Slike states that at present seven packer trucks are down.⁹

3. Scope of Services

As previously indicated, the services procured are for preventive maintenance for all light, medium and heavy vehicles as well as equipment. The full Scope of Services is set forth in the Procurement Record. A copy of the Scope of Services is attached to the ALJ Report filed herein as Exhibit “2”.¹⁰

The scope also includes diagnostic services, troubleshooting, fabrication, modification and installment of replacement parts, performance of routine maintenance checks, change of filters, oil and lubricants, and safety inspections. The major repairs are required to be completed within five days unless otherwise agreed to by GSWA’s authorized representative.¹¹

4. Cost

⁸ The Guam Daily Post, September 23, 2022 edition; <https://edition.pagesuite-professional.co.uk/html5/reader/production/default.aspx?pubname=&edid=7d05d618-f312-44bf-97ed-7bacb8897bb3&pnum=>

⁹ Phone Conference between PUC ALJ Fred Horecky, GSWA GM Irvin Slike, GSWA CFO Kathy Kakigi, and Alicia Fejeran, GSWA Chief of Administration, October 17, 2022.

¹⁰ PROCUREMENT RECORD, Invitation for Bid IFB No. GSWA-008-12 (Fleet Repair Services), filed with the PUC on October 13, 2022, at pgs. 38-40, attached to the ALJ Report filed herein as Exhibit “2”.

¹¹ Id.

The contract award is based upon an estimated cost of \$1.1M per year. Fleet Services has been providing Fleet maintenance and repair services to GSWA over the past five years. From 2018 to 2022, annual Fleet costs for maintenance and repair have ranged from \$935,000 to \$1,000,000.¹² The \$1.1M amount is estimated, but actual billings will be based upon service hours, the volume of maintenance and repair services provided, and parts cost. With the inflation factor and the ageing of the GSWA fleet, there could well be increases in the costs. The cost of the contract will be up to a total amount of \$5.5M.

5. Justification for the Award and Contract

In addition to demonstrating the need for the procurement, GSWA has set forth convincing arguments for PUC approval. GSWA indicates that its mission is “to provide Guam with a safe, efficient, and effective solid waste disposal system that protects the health, safety and welfare of Guam and the Public (while also protecting the environment). A key factor in the success of this mission is the reliability of the equipment and the fleet of refuse trucks and vehicles that are necessary to collect, dispose, and recycle the waste.”¹³ **The fleet must consistently be maintained and kept in good working order so that GSWA can perform its duty to provide waste disposal services, otherwise the public’s health will be threatened.**¹⁴ It is critical that each vehicle be kept safe, reliable and available on the road for the optimum amount of time.¹⁵ (emphasis added).

¹² Email from GSWA CFO Kathy Kakigi to PUC ALJ Fred Horecky, dated October 19, 2022, with attached Pacific Unlimited Inc. dba Fleet Services Five Years Maintenance and Repair Report.

¹³ GSWA Petition at p. 3.

¹⁴ Id.

¹⁵ Id.

The contract with Fleet Services to maintain and repair GSWA's light, medium, and heavy vehicles and equipment is essential to the operations of GSWA and in the best interests of Guam and its residents. The contract will be comprised of the Procurement Documents and a Purchase Order.¹⁶ Funding for this contract will be from GSWA Operations Fund.¹⁷ The terms and cost of the contract appear to be fair and reasonable to all, and the procurement was made in compliance with Guam law.

ORDERING PROVISIONS

After careful review and consideration of the above determinations, the Petition of GSWA for Review and Approval of the Award and Contract to Pacific Unlimited, Inc. dba Fleet Services for Fleet Repair Services, the ALJ Report, and the record herein, for good cause shown, and on motion duly made, seconded, and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

1. GSWA's award to Pacific Unlimited, Inc. dba Fleet Services for Fleet Repair Services in Invitation for Bid (IFB) No. GSWA008-22 is approved.
2. GSWA is authorized to enter a Contract with Pacific Unlimited, Inc. dba Fleet Services for Fleet Repair Services and to expend an amount not to exceed One Million One Hundred Thousand Dollars (\$1,100,000.00) for the first year of the contract, commencing on or about November 1, 2022, and an amount not to exceed One Million One Hundred Thousand

¹⁶ Phone Conference between PUC ALJ Fred Horecky, GSWA GM Irvin Slike, GSWA CFO Kathy Kakigi, and Alicia Fejeran, GSWA Chief of Administration, October 17, 2022.

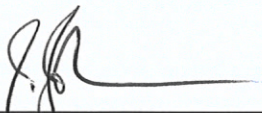
¹⁷

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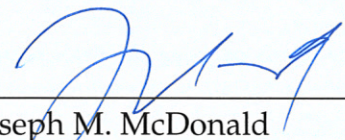
Dollars (\$1,100,000.00) per fiscal year for each of four additional 1-year periods subject to availability of funds.

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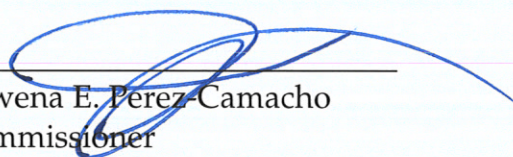
Dated this 27th day of October, 2022.



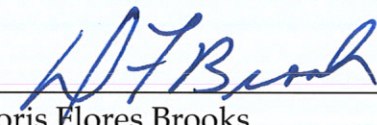
Jeffrey C. Johnson
Chairman



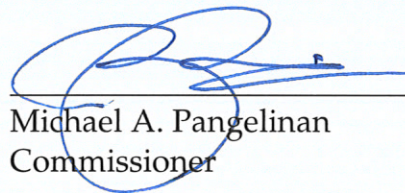
Joseph M. McDonald
Commissioner



Rowena E. Perez-Camacho
Commissioner

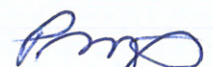


Doris Flores Brooks
Commissioner



Michael A. Pangelinan
Commissioner

Peter Montinola
Commissioner



Pedro S.N. Guerrero
Commissioner

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:)

) GSWA Docket 23-03

)
)
) The Application of the Guam Solid Waste
) Authority for Review and Approval of the
) Award and Contract to Mid Pac Far East
) for 24-Cubic Yard Refuse Trucks with Side
) and Rear Loading
)
)
_____)

ORDER

INTRODUCTION

This matter comes before the Guam Public Utilities Commission [“PUC”] upon the Petition of the Guam Solid Waste Authority [“GSWA”] for PUC Review and Approval of the Award of the Contract to Mid Pac Far East for the purchase of three (3) 24-cubic yard refuse trucks with side and rear loading capacities.¹

BACKGROUND

The ALJ adopts the “BACKGROUND” Section of GSWA’s Petition:

“On July 29, 2022, GSWA issued Invitation for Bid (IFB) No. GSWA 0007-22 soliciting for the purchase of three (3) refuse trucks with a cab forward design, rear corner windows in B Pillars post, a 20,000-lb front axle capacity, and a side and rear loading combination.

Two prospective bidders acquired a bid package and each responded. The two bidders were Far East Equipment and Mid Pac Far East. On September 30, 2022, the bids were opened publicly, and Mid Pac Far East was determined to be the lowest responsive and

¹ GSWA Petition, GSWA Docket 23-03, filed October 20, 2022.

responsible bidder with a bid of One Million Three Hundred Thirty Thousand Dollars (\$1,330,000.00) for all three vehicles (or approximately \$ 443,333.33 per truck).

On October 4, 2022, GSWA issued a Notice of Intent to Award the contract to Mid Pac Far East. The award was approved by the GSWA Board of Directors on October 20, 2022 in its Resolution No. 2022-003. No protest of the award to Mid Pac Far East was or has been made, and the period for filing a protest under 5 GCA § 5425(a) ended on October 18 (i.e., 14 days after the notice of intent to award was given to Mid Pac Far East on October 4).”²

The Board of Directors of GSWA authorized Management to petition the PUC to review and approve the award to Mid Pac Far East in accordance with the Contract Review Protocol for the Guam Solid Waste Authority.³

The ALJ submitted his Report in this Docket on October 20, 2022.⁴

DETERMINATIONS

1. GSWA’s Contract Review Protocol

GSWA indicates that the total cost of the three refuse trucks is One Million Three Hundred and Thirty Thousand Dollars (\$1,330,000.00).⁵ All contracts or obligations in

² Id. at p. 2.

³ GSWA Board Resolution No. 2023-003, Relative to Petitioning the Public Utilities Commission (PUC) for the Approval of the Award to Mid Pac Far East for Three (3) Each 24 Cubic Yard Refuse Truck with Side and Rear Loading, approved on October 20, 2022.

⁴ ALJ Report, GSWA Docket 23-03, dated October 20, 2022.

⁵ GSWA Petition at p. 2.

excess of \$750,000.00 require prior PUC approval.⁶ The proposed award and contract for the purchase of the three refuse trucks must be reviewed by the PUC.

2. The “Need” and Justification for the Purchase of the Three Refuse Trucks

At the beginning of the procurement process, GSWA issued a “Determination of Need” Re: GSWA-007-22 Refuse Trucks (re-bid). Therein, the GSWA General Manager Irvin L. Slike stated: that **“The equipment to be purchased is necessary for the current collection program of 21,000 households.”** (Emphasis added). After indicating that the existing equipment had not been maintained in accordance with industry standards, he stated that five of the trucks are eleven years or older. Procurement of new trucks had been delayed by the COVID-19 pandemic. He concluded that **“Any further delays in equipment replacement will directly affect GSWA’s ability to collect household refuse.”** (Emphasis added). The “Determination of Need” is attached to the ALJ Report as Exhibit “1”.⁷

GSWA’s Petition aptly explains the **“urgent need”** that GSWA has for the three additional refuse trucks: “GSWA requires a fleet of ten refuse trucks to provide the island with daily trash collection and disposal services. The current fleet of trucks was purchased between 2009 and 2018 by the federal Receiver. With maintenance, a typical refuse truck has an average working life of approximately seven years. Since the receivership ended, however, no new trucks have been purchased, and the fleet has been reduced by 50%, or from ten working trucks to five trucks. In order to cover the island’s trash collection with five trucks instead of ten, sanitation workers have been

⁶ 12 GCA §12105 and the Contract Review Protocol for the Guam Solid Waste Authority, GSWA Docket 19-02 & Administrative Docket, Par. 1(f).

⁷ See Exhibit “1” attached to the ALJ Report; PROCUREMENT RECORD, Invitation for Bid IFB No. GSWA-007-22 24 Cubic Yard Rear/Side Loading Refuse Trucks, filed with the PUC on October 13, 2022, at pgs. 1015-1016.

pulling double shifts... GSWA is in urgent need of new refuse trucks in order to continue its trash collection services.”⁸

3. Scope of the Award

The “Scope” of this Award is the provision by the selected bidder to GSWA of three refuse trucks. During the procurement, there were protests by a bidder concerning the specifications for the trucks and what those specifications, in its opinion, should be. The specifications for the three trucks were revised by various amendments over the course of the procurement. There were numerous questions presented by the bidders concerning the technical specifications for the refuse trucks. A listing of the amended specifications for the trucks are attached to the ALJ Report as Exhibit “2”.⁹

The three trucks are required to be delivered to GSWA within 310 days from the issuance date on the purchase order.¹⁰

4. Cost

The lowest bidder, Mid Pac Far East, submitted a bid of \$443,333.33 for each truck, and the total bid of \$1,330,000.00.¹¹ The other bidder’s total bid was \$1,635,000.00.¹² The second bidder’s bid was \$305,000 more than that of the selected low bidder. The price

⁸ GSWA Petition at pgs. 2-3.

⁹ See Exhibit “2” attached to the ALJ Report; PROCUREMENT RECORD, Invitation for Bid IFB No. GSWA-007-22 24 Cubic Yard Rear/Side Loading Refuse Trucks, filed with the PUC on October 13, 2022, at pgs. 67-72.

¹⁰ GSWA Board Resolution No. 2023-003, Relative to Petitioning the Public Utilities Commission (PUC) for the Approval of the Award to Mid Pac Far East for Three (3) Each 24 Cubic Yard Refuse Truck with Side and Rear Loading, approved October 20, 2022.

¹¹ Id., at pgs. 151-157.

¹² Id., PROCUREMENT RECORD, Invitation for Bid IFB No. GSWA-007-22 24 Cubic Yard Rear/Side Loading Refuse Trucks, at p.212.

was the best that could be secured by a competitive bidding process. As GSWA's Petition concluded, "the purchase price bid for the three trucks is fair and reasonable...".¹³ Funding of the contract will be from the GSWA Operations Fund.¹⁴

ORDERING PROVISIONS

After careful review and consideration of the above determinations, the Petition of GSWA for Review and Approval of the Award and Contract to Mid Pac Far East for the purchase and deliver of three (3) refuse trucks, the ALJ Report, and the record herein, for good cause shown, and on motion duly made, seconded, and carried by the undersigned Commissioners, the Guam Public Utilities Commission HEREBY ORDERS that:

1. GSWA's award and contract to Mid Pac Far East for the purchase and delivery of three (3) refuse trucks, Invitation for Bid (IFB) No. GSWA-007-22, is approved.
2. GSWA is authorized to expend the amount of One Million Three Hundred and Thirty Thousand Dollars (\$1,330,000.00) for the contract with Mid Pac Far East.


[SIGNATURES TO FOLLOW ON NEXT PAGE]

¹³ GSWA Petition at p. 3.

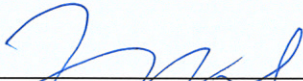
¹⁴ GSWA Board Resolution No. 2023-003 at p. 1.

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Approval for Award and Contract to
Mid Pac Far East for Refuse Trucks
GSWA Docket 23-03
October 27, 2022

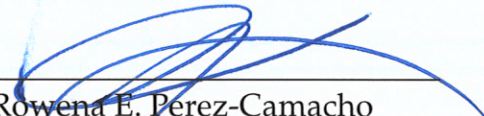
Dated this 27th day of October, 2022.



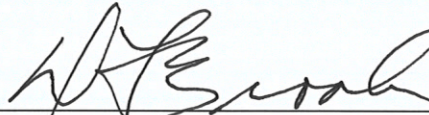
Jeffrey C. Johnson
Chairman




Joseph M. McDonald
Commissioner



Rowena E. Perez-Camacho
Commissioner

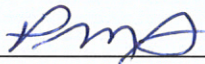


Doris Flores Brooks
Commissioner



Michael A. Pangelinan
Commissioner

Peter Montinola
Commissioner



Pedro S.N. Guerrero
Commissioner

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:

)
) GPA Docket 23-01
)

)
) The Application of the Guam Power
) Authority for Approving the Procurement
) of Phase IV Renewable Acquisition for
) GPA.
)
)
)

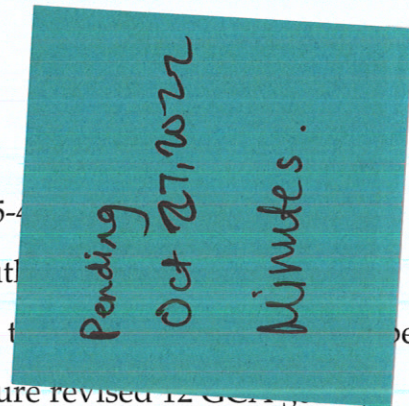
ORDER

INTRODUCTION

This matter comes before the Guam Public Utilities Commission [PUC] pursuant to the Petition of the Guam Power Authority ["GPA"] for PUC Review and Approval of GPA's Procurement of the Phase IV Renewable Acquisition.¹

BACKGROUND

In 2019, the Guam Legislature enacted Public Law No. 35-4 "Renewable Portfolio Standards" of the Guam Power Authority, which set forth "goals" for GPA of percentages of renewables from the total electricity to be achieved by certain deadlines. In P.L. 35-46, the Legislature revised the Renewable Portfolio Standards, to require that GPA establish a "preliminary" renewable portfolio standard goal of fifty percent (50%) of its net electricity sales by December 31, 2035, and one hundred percent (100%) of its net electricity sales by December 31, 2045.³



¹ GPA Petition, GPA Docket 23-01, dated October 11, 2022, at p. 1.

² Public Law No. 35-46, enacted on November 12, 2019.

³ Id. at Section 2; 12 GCA §8311(a) and (b).

On January 28, 2022, GPA filed its 2022 Integrated Resource Plan (IRP).⁴ In its IRP plan, GPA provided a “roadmap” of its intended plans and projects regarding the power system over the next 5–10 year period. Among the focuses of its IRP was how to “implement projects and programs to support achieving the 50% Renewable Portfolio Standard...”⁵ A primary recommendation of the IRP was to include “procurement of renewable energy contracts with an annual 300,000 MWh by 2025 and another 300,000 MWh by 2029.”⁶ In its current Petition, GPA indicates that it “intends to contract for an additional 180MW to 300MW of renewable energy with energy storage requirements for the primary purpose of shifting solar PV energy.”⁷

The Phase IV Renewable Acquisition will require bidders to either acquire or lease property to build solar PV projects with energy storage.⁸ GPA has drafted an Invitation for Multi-Step Bid, containing five volumes, which include the following: Commercial Terms and Conditions, Technical Proposal Qualification Requirements, Draft Contract, Bid Scoring Mechanism, and Required Forms.⁹

In its current Petition, GPA only requests authorization to issue a procurement for the new renewables acquisition. GPA will conduct a 2-step bidding procedure. The first step will involve a submission of Technical Qualifications Proposals and GPA’s determination of which bidders are acceptable. Upon completion of Step 1 and the selection of qualified bidders, the qualified bidders will submit their priced proposals.

⁴ GPA Filing of 2022 Integrated Resource Plan (IRP), GPA Docket 22-08, dated January 28, 2022.

⁵ Id., at p. 1.

⁶ Id.

⁷ GPA Petition at p. 1.

⁸ Id.

⁹ Electronic Filing of Bid Documents in Invitation for Multi-Step Bid No. GPA-0XX-23 dated October 14, 2022.

GPA will proceed with Step 2 of the multi-step bid, which includes evaluation of the Price Proposals and award of the contract(s).¹⁰

DETERMINATIONS

1. GPA's Contract Review Protocol

GPA indicates that "the anticipated annual minimum of 300,000 MWh and up to 530,000 MWh (approximately 180MW to 300MW) over 25 years to be acquired under Phase IV of the Renewable Acquisition Project will exceed GPA's contracting authorization of \$1.5 million."¹¹ The GPA Contract Review Protocol requires that the PUC must review "any contract or obligation... which exceeds \$1,500,000". The contract must be reviewed by the PUC "before the procurement process is begun."¹² The proposed contract for Renewable Acquisition must be reviewed by the PUC.

2. Description of the Procurement

GPA intends to continue building its renewable capacity in order to meet the RPS goals set forth by Public Law No. 35-46 and to further the goals discussed in the 2022 IRP.¹³ The acceptable technologies for the bid will include biomass, hydro, geothermal, solar,

¹⁰ Electronic Filing of Bid Documents in Invitation for Multi-Step Bid No. GPA-0XX-23 dated October 14, 2022, Volume I, Commercial Terms and Conditions, at sections 2.9.1.3, 2.9.5.1, and 2.10.

¹¹ Guam Consolidated Commission on Utilities, Resolution No. FY2022-30, Authorizing Management of the Guam Power Authority to Petition the PUC for Approval of the Phase IV Renewable Acquisition Multi-Step Bid Documents under the Procurement Protocol, adopted and approved on September 27, 2022, at p. 3.

¹² Contract Review Protocol for Guam Power Authority, Administrative Docket, Par. 1.

¹³ Guam Consolidated Commission on Utilities, Resolution No. FY2022-30, Authorizing Management of the Guam Power Authority to Petition the PUC for Approval of the Phase IV Renewable Acquisition Multi-Step Bid Documents under the Procurement Protocol, adopted and approved on September 27, 2022, at p. 2.

wind, ocean thermal, wave action and tidal action.¹⁴ Through the procurement, GPA seeks to meet or exceed the renewable energy resource portfolio standard adopted by the Guam Legislature; lower billing volatility by reducing fuel oil price impact on GPA's financial resources and working capital; diversify its fuel sources for generation and utilize renewables as part of the implementation; and acquire renewable resources that will result in cost savings to the customers of GPA.¹⁵

The delivered output of the renewable energy to the GPA grid is required to be "firm, non-intermittent power from one or more renewable generation sources.¹⁶ The renewable energy resource must deliver energy directly to the existing GPA transmission systems, "subject to the result of a System Integration Study to be completed after Step 1 of the proposed evaluation."¹⁷ The Bidder is responsible for all costs related to the System Integration Study and recommendations from the study for project interconnection.¹⁸

The renewable energy resource must be equipped with an energy storage system (ESS) that meets GPA's requirements. The primary purpose of the ESS is for "energy-shifting, which is to deliver the energy produced at one time or period of the day."¹⁹ The proponent is required to make the renewable energy resource available for commercial operation within thirty-six (36) months from the contract execution. The renewable energy resource shall provide energy for a term of 20 years, with the option to extend for two additional 5-year terms, for a maximum of 30 years. GPA reserves certain

¹⁴ Id.

¹⁵ Id.

¹⁶ Id.

¹⁷ Id.

¹⁸ Guam Consolidated Commission on Utilities, Resolution No. FY2022-30, Authorizing Management of the Guam Power Authority to Petition the PUC for Approval of the Phase IV Renewable Acquisition Multi-Step Bid Documents under the Procurement Protocol, adopted and approved on September 27, 2022, at p. 2.

¹⁹ Id. at p. 3.

options to buy out the capital portion of the contract.²⁰ The proposed 30-year term is consistent with the authorization provided by the Guam Legislature to GPA in Public Law No. 30-66.²¹

3. The Proposed Contract

The proposed Contract provides for the purchase by GPA of renewable energy from Bidder/Seller over the contract period.²² The Contract includes performance requirements for the commercial operation date and financing arrangement deadlines.²³ The facilities are required to produce a minimum number of MWhs of Renewable Energy for each contract year. If the Contractor/Seller fails to deliver such energy, there are provisions for “shortfall damages.”²⁴ A most important aspect of the procurement is that the Seller is required to use an ESS for the purpose of delivering produced energy at a different period of time than its production period. The stored renewable energy is required to be “dispatchable at the point of interconnection, between the hours of 6:00 P.M. to 6:00 A.M.”²⁵ If Seller fails to deliver to GPA any quantity of renewable energy to which GPA is entitled, Seller is required to pay to GPA certain “Seller Failure Damages.”²⁶

There are many provisions designed to protect GPA and the ratepayers such as limitations on remedies, liability and damages²⁷ and credit and collateral requirements

²⁰ Id.

²¹ Public Law No. 30-66, enacted November 7, 2009.

²² Electronic Filing of Bid Documents in Invitation for Multi-Step Bid No. GPA-0XX-23 dated October 14, 2022, Volume III, Draft Contract, Article Two, at p. 13.

²³ Id. at Article Four.

²⁴ Id. at Section 4.8, pgs. 19-20.

²⁵ Id. at Section 4.18, p. 23.

²⁶ Id. at Article Five, Section 5.1, p. 25.

²⁷ Id. at Article Eight, p. 29.

(Performance Security).²⁸ Seller is required to provide numerous forms of insurance, including commercial general liability, auto liability, excess liability, pollution liability, property insurance and others.²⁹ There is an indemnification provision.³⁰ GPA has various purchase options both during the delivery period and at the end of the delivery period.³¹ In general, the contract contains similar provisions to those which GPA has utilized in Phases I and II of its Renewable Acquisition. The provisions of the Contract appear to be standard and commercially reasonable, and adequately protect the interests of GPA and its ratepayers.

4. The Justification for the Procurement

GPA has provided adequate justification for issuance of the procurement. GPA has a duty to establish a renewable portfolio standard goal of 50% by 2035. The procurement of additional renewable resources is required if GPA is to accomplish this goal. The addition of these Phase IV Renewable resources will enable GPA to meet its IRP plan goal of providing an annual 300,000 MWh by 2025 and another 300,000 MWh by 2029. In terms of protecting the interest of ratepayers, it is beneficial for GPA to procure renewable generation resources, which can presently provide power at a lower rate than the current LEAC rate.

5. Cost

At present, there is no accurate estimate of what the addition of the Phase IV renewables will cost to GPA and its ratepayers. Even in the IRP plan, there was no cost

²⁸ Id., at pgs. 31-32.

²⁹ Id. at Article Twelve, Section 12.2, p. 37.

³⁰ Id. at Section 12.3, p. 38.

³¹ Id. at Section 12.8, p. 40.

estimate for the Phase IV renewable plants. The entire infrastructure cost was estimated to be over \$233M, but this estimate did not include the cost of the Phase IV renewable plants.³² There was an estimate that a 75 MW/300 MWh Standalone BESS would cost \$131,250,000.³³

Until GPA receives specific bids, it will not know the cost of the renewable projects or even what renewable projects will be bid on. Of course, after the procurement is completed, GPA will be required to present any renewable contract awards to the PUC for approval. At that time, the PUC will be able to better assess the reasonableness of the cost of such projects.

There are several issues that bidders will have to face concerning these renewable projects. Bidders are required to purchase or lease land upon which to place the renewable projects. For larger projects, there are also issues concerning interconnection with the GPA grid and the cost of additional transmission lines or substations. Bidders will have to bear such costs, including renewable integration studies. Nevertheless, despite such obstacles, it is a worthwhile undertaking for GPA to explore the interest of bidders in such projects and the potential costs.

6. Board Resolution

Resolution No. FY2022-30, issued by the Guam Consolidated Commission on Utilities on September 27, 2022, approved the procurement for Phase IV Renewable Acquisition Multi-Step Bid Documents as prepared by GPA.³⁴

³² Phone Conference between GPA Legal Counsel Graham Botha and PUC ALJ Fred Horecky on October 13, 2022.

³³ ALJ Report, GPA Docket 22-08, dated May 23, 2022, at pgs. 3-4

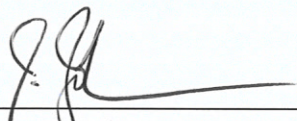
³⁴ Guam Consolidated Commission on Utilities, Resolution No. FY2022-30, Authorizing Management of the Guam Power Authority to Petition the PUC for Approval of the Phase IV Renewable Acquisition

ORDERING PROVISIONS

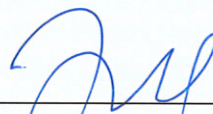
After careful review and consideration of the above determinations, the Petition of GPA and the Bid Documents in Invitation for Multi-Step Bid No. GPA-0XX-23 dated October 14, 2022, the ALJ Report, and the record herein, for good cause shown, on motion duly made, seconded, and carried by the undersigned Commissioners, the Guam Public Utilities Commission hereby **ORDERS** that:

1. GPA's procurement of the Phase IV Renewable Acquisition is approved. Based upon its IRP and the renewable portfolio standards established by the Guam Legislature, GPA has justified its issuance of a procurement for the Phase IV Renewables.
2. GPA must submit to the PUC the proposed Contract for each bidder with which it contemplates entering into a renewable energy purchase agreement, in accordance with the Contract Review Protocol.
3. GPA 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 is 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.

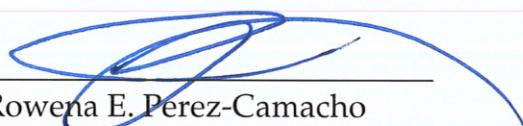
Dated this 27th day of October, 2022.



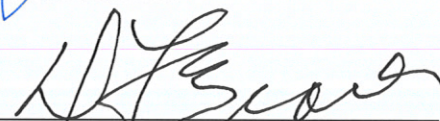
Jeffrey C. Johnson
Chairman



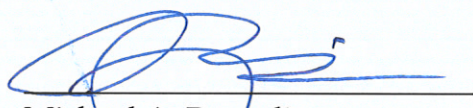
Joseph M. McDonald
Commissioner



Rowena E. Perez-Camacho
Commissioner

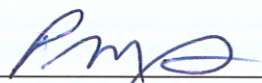


Doris Flores Brooks
Commissioner



Michael A. Pangelinan
Commissioner

Peter Montinola
Commissioner



Pedro S.N. Guerrero
Commissioner

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:) GPA Docket 22-15
)
Guam Power Authority Levelized Energy)
Adjustment Clause (LEAC)) **ORDER**
)
)
)
_____)



REVIEW OF THE LEAC FUEL RECOVERY FACTOR

INTRODUCTION

In June of this year, the Guam Power Authority [“GPA”] sought a 3-step increase in the LEAC fuel recovery factor. It requested a first increase to \$0.251638 for meters of the average residential customer, read on or after July 1, 2022. It requested a second increase to \$0.296043 effective September 1, 2022 and a third increase to \$0.342338 effective November 1, 2022.¹

In its Order dated June 16, 2022, the Guam Public Utilities Commission [“PUC”] approved an increase in the LEAC factor to \$0.251638/kWh effective July 1, 2022, and an second increase in the factor to \$0.296043/kWh effective September 1, 2022.² However, the PUC declined to grant the request by GPA to increase the LEAC factor to \$0.342338 effective November 1, 2022. Instead, the PUC determined that:

At its meeting on October 27, 2022, the PUC will consider whether there is a need to increase the LEAC Factor further for the period of November 1, 2022, to January 31, 2023.³

¹ PUC Order, In the Matter of: Guam Power Authority Levelized Energy Adjustment Clause (LEAC), GPA Docket 25-15, dated June 16, 2022, at p. 1.

² Id., at p. 8.

³ Id., at p. 9.

ORIGINAL

The Administrative Law Judge ["ALJ"] submitted his Report dated October 24, 2022.⁴ The PUC adopts the recommendations and conclusions in the Report.

UPDATED FILING OF GPA

Attached to the ALJ Report as Exhibit "A" is the GPA Proposed LEAC Rate (Prepared 10/21/2022). It indicates that if the current LEAC factor of \$0.296043 (i.e., the "status quo") is maintained from November 1, 2022, through January 31, 2023, the "Closing Recovery Balance", or "under-recovery", as of January 31, 2023, will be roughly \$41M.⁵ The under-recovery is the balance of the amount that ratepayers owe to GPA to fully reimburse fuel costs. If the LEAC factor is increased to \$0.342338 effective November 1, 2022, the LEAC under-recovery will decline to \$27M by January 31, 2023.⁶ If the LEAC factor is increased to a lesser amount of \$0.318576 effective November 1, 2022, the LEAC under-recovery will decline to \$34M by January 31, 2023.⁷

On October 20, 2022, GPA General Manager John Benavente submitted his "LEAC Information, Amended GM Report", to the Commissioners of the Guam Consolidated Commission on Utilities, for the GPA Work Session. A copy of the Report is attached to the ALJ Report as Exhibit "B".⁸

DETERMINATIONS

⁴ ALJ Report, GPA Docket 22-15, dated October 24, 2022.

⁵ GPA Proposed LEAC Rate (Prepared 10/21/2022), submitted in email from GPA Legal Counsel Graham Botha to PUC ALJ Fred Horecky dated October 21, 2022.

⁶ Id.

⁷ Id.

⁸ "LEAC Information, Amended GM Report, submitted by GPA General Manager John Benavente on October 20, 2022, to the Commissioners of the Guam Consolidated Commission on Utilities, for the GPA Work Session, submitted in email from GPA Legal Counsel Graham Botha to PUC ALJ Fred Horecky dated October 21, 2022.

1. PUC Options

In this review, there appear to be three options for the PUC. Initially, decreasing the LEAC factor does not appear to be a reasonable option. A decrease below \$0.29 would increase the amount of the under-recovery beyond \$41M. The under-recovery reached a high of \$47M in August, 2022⁹; however, prior to this year, the under-recovery had never reached levels into the mid-\$30M to \$47M range. These levels of under-recovery are unprecedented and unacceptable. If they are allowed to continue, such a large under-recovery could possibly impact the ability of GPA to pay for its future fuel shipments. In accordance with Tariff Z, GPA is entitled to recover the full fuel recovery charge for amounts expended for fuel.¹⁰

One option would be for the PUC to leave the LEAC at \$0.29 through January 31, 2023. However, the under-recovery would remain at \$41M. This option would merely postpone what would likely be an inevitable increase for the LEAC period commencing February 1, 2023, and probably a higher increase than is now being requested. Leaving the LEAC factor as is would make no progress in reducing the under-recovery.

A second option is to increase the LEAC factor to \$0.342338 effective November 1, 2022. This is GPA's proposal. If the factor is so increased, the under-recovery would decrease to \$27M by January 31, 2023.¹¹ However, this would result in an additional increase to ratepayers of 11.76% in the total bill. This year alone, the LEAC factor has already risen from \$0.18 per kWh on February 1, 2022, to \$0.29 per kWh on September 1, 2022. An

⁹ "LEAC Information, Amended GM Report, at p. 3 (Pertinent Information).

¹⁰ Guam Power Authority Schedule "Z", effective with meters read on and after April 12, 2012.

¹¹ Exhibit "A" to the ALJ Report, GPA Proposed LEAC Rate (Prepared 10/21/2022)

additional increase to \$0.34 would mean an overall year-to-date increase of 47%.¹² If possible, an increase which is less burdensome to ratepayers should be considered.

A third option would be a lesser increase in the LEAC factor to nearly \$0.32 effective on November 1, 2022. Such an increase would still result in a decrease in the LEAC under-recovery as of January 31, 2023 of roughly \$7 million, to a level of \$34M.¹³ That is a reduction of \$13M since the under-recovery high of \$47M in August 2022.¹⁴ The increase to the average residential ratepayer would be a more manageable 5.73% on the total bill.¹⁵ Although the “recovery” of the under-recovery balance would take place at a slower rate, this option would constitute progress in lowering the under-recovery and should be acceptable to GPA.

2. Future Fuel Pricing is unpredictable

There have been decreases in high sulfur residual fuel oil (HSFO) prices this year. In the month of September 2022, the Morgan Stanley pricing of “SING HSFO 180 CST” which is high sulfur residual fuel oil, decreased from \$453.69 per metric ton to \$402.93. As of October 20, 2022, the price of HSFO dropped to \$392.09.¹⁶ However, GPA General Manager John Benavente indicates that GPA has not purchased HSFO since March of 2022.¹⁷

¹² See PUC Order, GPA Docket 22-05, dated January 27, 2022, at p. 8; PUC Order, GPA Docket 22-05, dated March 31, 2022, at p. 9; and PUC Order, GPA Docket 22-15, dated June 16, 2022, at p.8.

¹³ Exhibit “A” to the ALJ Report, GPA Proposed LEAC Rate (Prepared 10/21/2022)

¹⁴ Id.

¹⁵ Id.

¹⁶ Morgan Stanley Asia Morning Call, September 1, 2022 and September 30, 2022., and October 20, 2022.

¹⁷ “LEAC Information, Amended GM Report, at p. 4 (Fuel Purchases).

As a result of the Consent Decree with the USEPA, GPA is now purchasing more expensive fuels such as Ultra Low Sulfur Fuel Oil (0.2%) (ULSFO) and Ultra Low Sulfur Diesel (ULSD).¹⁸ The Amended GM Report indicates that ULSRFO and ULSD prices declined somewhat, but recently had an uptick. LSRFO is currently \$173.36 per barrel, and ULSD is \$146.33 per barrel.¹⁹

Diesel fuel prices have shown less of a decrease. As of September 1, 2022, the Morgan Stanley price for Sing Gas Oil 10ppm, which is equivalent to diesel, was \$139.82 per barrel²⁰; as of October 20, 2022, the price for the same product was \$133.00.²¹ GPA's average price per Bbl. of diesel shows a decrease from August 2022 to present from \$139.67 to \$134.81.²² GPA's overall fuel cost has increased because it is now required to use ULSD and LSRFO 0.2%. In his Report, the GPA General Manager concludes that: today there is "no clear indication of where prices are going except it doesn't seem like significant price drop could be seen soon."²³

3. LEAC Under-Recovery

The first 2-step LEAC increases in July and September resulted in a reduction in the under-recovery from \$47M in August to \$41M in October. However, if the present \$0.29 LEAC rate is kept in effect until the end of January next year, the prediction is that

¹⁸ "LEAC Information, Amended GM Report, at p. 4 (Fuel Purchases).

¹⁹ "LEAC Information, Amended GM Report, at p. 2 (GPA Fuel Landed Cost) Per Barrel (through Oct. 13, 2022).

²⁰ Morgan Stanley Asia Morning Call, September 1, 2022.

²¹ Morgan Stanley Asia Morning Call, October 20, 2022.

²² See ALJ Report, GPA Docket 22-15, dated June 13, 2022, at Exhibit "4" and Exhibit "A", GPA Proposed LEAC Rate (Prepared 10/21/2022), attached to the ALJ Report.

²³ "LEAC Information, Amended GM Report, at p. 6 (World Fuel Price Situation).

there will be no further decline in the amount of the LEAC under-recovery. It will remain at \$41M as of January 31, 2023.²⁴

4. PUC Adoption of a LEAC factor of \$0.318576 commencing November 1, 2022

If the PUC adopts the above LEAC factor, the LEAC under-recovery as of January 31, 2023, will be approximately \$34M. While that is roughly \$7M more in under-recovery than GPA requested, it constitutes a significant reduction in the under-recovery from \$47M at the end of August 2022. It sets GPA on the path to recovering fuel costs which are presently unpaid by the ratepayers.

This factor will result in an increase in the total bill of the average residential customer of 5.73%. This is preferable to the 11.76% increase in the total bill that would result from a LEAC factor of \$0.34.

The bill of the average residential customer utilizing 1,000kW per month would increase from \$393.55 to \$416.08, or \$22.53 per month. See Exhibit "C" attached hereto.²⁵

ORDERING PROVISIONS

After carefully reviewing the record in this proceeding, having considered the updated LEAC Filing of GPA, and the Administrative Law Judge Report, and after discussion at a duly noticed regular meeting held on October 27, 2022, for good cause shown and on

²⁴ "LEAC Information, Amended GM Report, at p. 3 (Pertinent Information).

²⁵ Exhibit "C", GPA Bill Illustration Rate Schedule R – Residential (Prepared 10/21/2022).

motion duly made, seconded and carried by affirmative vote of the undersigned Commissioners, the Guam Public Utilities Commission hereby **ORDERS** that:

1. The secondary Fuel Recovery Factor of \$0.318576/kWh shall be effective for meters read on or after November 1, 2022.
2. The current singular LEAC factors are hereby adjusted, effective November 1, 2022, as shown in the following table:


LEAC

Delivery Classification	\$ per kWh
Secondary -	\$0.318576
Primary – 13.8 KV	\$0.309031
Primary – 34.5 KV	\$0.308141
Transmission – 115 KV	\$0.304348

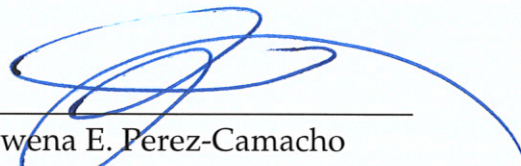
From the LEAC rate effective September 1, 2022, these changes represent an increase in the total bill of the average residential customer of 5.73%.

3. GPA should file for a change in the LEAC factors to be effective February 1, 2023, on or before December 15, 2022.
4. GPA 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 is 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.

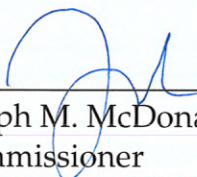
Dated this 27th day of January 2022.



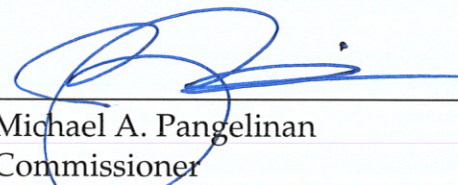
Jeffrey C. Johnson
Chairman



Rowena E. Perez-Camacho
Commissioner

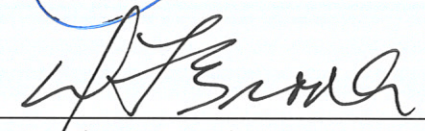


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