

**GUAM PUBLIC UTILITIES COMMISSION
SPECIAL MEETING
June 5, 2023
GCIC CONFERENCE ROOM, GCIC BUILDING, HAGATNA**



MINUTES

The Guam Public Utilities Commission [PUC] conducted a special meeting commencing at 6:45 p.m. on June 5, 2023, pursuant to due and lawful notice. **Commissioners Jeffrey C. Johnson, Peter Montinola, Joseph McDonald, Doris Flores-Brooks, Michael Pangelinan and Pedro Guerrero** were in attendance. The following matters were considered at the meeting under the agenda included as *Attachment "A"* hereto.

Immediately after the Chairperson called the meeting to Order, Chief Administrative Law Judge Frederick J. Horecky ("ALJ Horecky") presented the Commissioners with a Certification in Support of an Emergency Special Meeting of the Guam Public Utilities Commission on June 5, 2023, Pursuant to 5 GCA §8108. ALJ Horecky presented the certification based on the justifications that (1) the PUC must reduce the Levelized Energy Adjustment Clause Factor (LEAC, see GPA Docket no. 23-16) in the interest of the Ratepayers of Guam; (2) the PUC must act to ratify a Chairman's Order dated May 19, 2023, which authorizes Guam Solid Waste Authority to purchase three electric trucks, which are critical for GSWA's ongoing operations; and (3) the emergency conditions created by Typhoon Mawar excuse any deficiency in public notice for the meeting (if any). Commissioner Montinola moved to approve the emergency certification presented and submitted by ALJ Horecky, which motion was seconded by Commissioner McDonald, the motion passed unanimously.

1. Approval of Minutes of April 27, 2023.

The Chairperson announced that the first item of business on the agenda was the approval of the minutes of April 27, 2023. Commissioner Montinola moved to approve the minutes of the April 27, 2023 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 23-04, Petition for Review and Approval of the Purchase of Mini Electric Refuse Trucks from Global Enterprise, Inc., ALJ Report, and Ratification Order. ALJ Horecky stated that while GSWA continues its efforts to keep an

adequate supply of refuse trucks, the current shortage has threatened GSWA's ability to carry out the garbage pickup around the island.

ALJ Horecky reported that GSWA attempted three times to procure additional electric trucks locally and were never able to get a single bid. Thus, GSWA creatively moved to a procedure where the local General Services Administration ("GSA") can procure through the federal general services procurement entity. ALJ Horecky explained that this procedure is set up in a federal statute and a local statute that basically provides that if GSWA can get an offer that is 10% better than a local bid, GSWA can go through the federal procedure, which is the local GSA going through the federal GSA. ALJ Horecky raised the question, since there were no local bids, how is the 10% difference determined? ALJ Horecky continued that the Attorney General previously had approved an opinion which basically said that determination is up to the local GSA.

In summary, the GSA used the federal bid and determined that the local bid would be 10% more, which justified the use of this procedure and was further backed by the Attorney General's opinion.

ALJ Horecky continued that the justification has been before the Commission in the prior docket, that was GSWA 23-03, where the Commission found GSWA had an urgent need for new refuse trucks and any further delay could definitely impact GSWA's ability to collect household revenues. Furthermore, the petition has established that this purchase is validated and allowed by the law, 5 GCA 5.22, and the federal statute 48 USC Section 1469(e).

The purchase of these trucks is in the best interest of ratepayers and is reasonable, prudent, and necessary. It is necessary to complete the upgrade and replacement of GSWA's aging fleet that was originally purchased between 2009 and 2018 by the federal receiver. The price includes a five-year warranty, parts, labor, transmission/body maintenance, three (3) mini-electric trucks, one charging station and shipping fee. The amount GSWA seeks for approval is \$1,370,324.

ALJ Horecky stated that the Commission used a Chairman's Order in this matter due to the deadline of acceptance of the quote set for May 29, 2023. ALJ Horecky explained that because the Commission was not meeting until the 5th of June, the Chairman's Order was utilized by the Commission to expedite this urgent matter and meet the deadline of May 29, 2023. Thus, the Chairman signed an order on behalf of the Commission on May 19, 2023. The Commissioners had all consented to that procedure in this case. The Chairman's Order basically adopted the reasoning in the ALJ report and authorized GSWA to proceed ahead with the purchase of the electric trucks.

ALJ Horecky noted that after the Chairman had signed the order, an amendment to the petition was filed by GSWA. Upon review, the amended petition had some relatively minor changes in the total cost, which involve shipping, reduction of price for some matters etc. The specifics can be found in the proposed ratification order.

First, there was an \$8,647.01 decrease in the price of each truck; from \$412,559.00 to \$403,911.99. There was an offset that increased the price of the charging station. The price increased by \$8,647.01; and then finally a correction for the shipping cost. The \$13,470.00 was not the total cost but the shipping cost per truck. Overall, the price changed from \$1,370,324.00 to \$1,379,969.98. The amendment to the petition requested that the Commission approve the price change of an additional \$23,115.98.

ALJ Horecky concluded and recommended that the Commissioners adopt the ALJ Report dated May 18th; to also adopt, approve, ratify, and affirm the Chairman's Order executed on May 19th, 2023; and finally, for the Commission to authorize the additional amount of \$23,115.98.

GSWA GM Irvin Slike (GSWA Slike) answered questions that were raised regarding the 6 cubic yards versus the 8 and explained that the small electrics with the 8 cubic yards have a horizontal ram compression, which can get about 800 pounds per cubic yard in that 8-cubic yard body. The Curbtender is a 6-yard body, but it has a dual compaction, which can get a 1000-1200 pounds per cubic yard, therefore holding a little bit more refuse in a smaller body making it a little superior to the 8 cubic yard.

GSWA Slike answered a question regarding warranty and stated that he notified Brandy Untalan, GSA's coordinator, to ask the manufacturer to extend the warranty as much as possible. GSWA Slike noted that a search online revealed that the warranty is offered to their corporate clients such as Coca Cola, FedEx, and Walmart.

GSWA Slike concluded that it is his intention to get GSWA on a five-year schedule to replace its equipment to avoid aged equipment that costs more to repair, even if it had an extended warranty. This way GSWA can get a higher resale value and the equipment can have higher production value than it does trying to get it repaired.

A discussion ensued between the Chairman, Commissioners Montinola, Flores-Brooks, GSWA Slike concerning truck range, concerns of having one charger, installation of charger, usage of electric cars and how GSWA is managing in the meantime until the arrival of the new trucks. Commissioner Montinola moved to approve the ratification order 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 23-15, Petition for Approval to Increase the Amount of Award for GPA's Physical Security Proof of Concept, ALJ Report, and Proposed Order. ALJ Horecky stated this matter will be postponed until further notice as the Petition was yet to be filed by GPA.

- **GPA Docket No. 23-17**

ALJ Horecky further stated that the Guam Power Authority (“GPA”) Docket 23-17, Petition to Approve the EPCM, Phase I, Liquefied Natural Gas (LNG) Pre-Development Study, Scope, and Costs, ALJ Report, and Proposed Order will be presented at the next PUC meeting. ALJ Horecky noted this matter requires additional assessment.

- **GPA Docket No. 23-18**

The Chairperson announced that the next item of business on the agenda was Guam Power Authority (“GPA”) Docket 23-18, Petition to Authorize GPA & GWA to Procure Merchant Banking Services, PUC Counsel, and Proposed Order. Commissioner Michael Pangelinan recused himself from the matter due to the involvement of GWA, a client of his law firm.

PUC Legal Counsel Anthony R. Camacho, Esq. (PUC Counsel) stated GPA’s petition requests approval of the issuance of a solicitation for merchant banking services for GPA, GWA and the Guam Solid Waste Authority via a memorandum of agreement between the agency for GSWA. The current contract for all three agencies with First Hawaiian Bank (“FHB”) is set to expire around June 30th of 2023. Technically, it expired this month but FHB agreed to continue it for three more days.

PUC Counsel stated the contract review protocol will apply here because the cost is estimated to be more than \$1,500,000 for GPA. In review of the petition, the estimated cost for the merchant banking service is reasonable. GPA estimates the cost to be about \$1.2 million with the driver of cost being the amount of times that the point of sale for these transactions is used. Looking at the data provided by GPA and GWA, since 2017, there’s only an increase in the use of merchant banking services, which is the use of debit cards, credit cards, paid by phone, and paid by mobile applications.

Such services are strictly tied to the use of seller technology, or internet technology, which has only gone up since 2017 and is anticipated to increase this year. Hence, although there will probably be a slightly larger amount paid for the fees for the merchant banking services, it’ll be due to the fact that more people are using the internet, more people are paying by phone, more people are using the mobile applications than before.

PUC Counsel stated the solicitation for merchant banking services was found to be prudent and reasonable. GPA received the amount of about 183 million in merchant banking services transactions for 2022.

GWA received approximately 47 million from these types of transactions. GSWA did not provide any data, however these numbers are telling and it is prudent for these agencies to issue this solicitation for these services because this is a tremendous revenue generator. Furthermore, this is becoming a preferred method ratepayers are using to pay.

To provide further perspective on the increase in these types of transactions, PUC Counsel stated that in 2017, GPA had about \$97,000 or so of these types of payments, which increased to \$272,000 in 2022. GWA also saw an increase in its online pay-by-phone payments with 144,000 payments in 2018 which grew to 292,000 payments by 2022. The trend of receiving payments online and via phone will increase each coming year and merchant banking services is necessary to meet the growing customer demand that GPA, GWA, and GSWA receive.

PUC Counsel recommended that the PUC authorize the issuance of this solicitation. Once GPA identifies a vendor that it wants to award the contract to, GPA would have to come back to the PUC with that contract and get authorization to execute the contract. PUC Counsel submitted a proposed order for this petition for approval, subject to the Commissioners' questions.

A discussion ensued between the Chairman, Commissioners Montinola, Flores-Brooks, and GPA CFO John Kim (GPA Kim) concerning percentage of total customers online, credit card and transaction fees. Commissioner Montinola moved to approve the proposed order granting the petition which motion was seconded by Commissioner McDonald, and the motion passed with four (4) approvals and one (1) recusal.

- **GPA Docket No. 23-16**

The Chairperson announced that the next item of business on the agenda was Guam Power Authority ("GPA") Docket 23-16, Petition to Approve a Reduced LEAC Factor, ALJ Report, and Ratification Order. ALJ Horecky stated the LEAC rate increased by about four times from 8 cents to 32 cents. Since November last year, the LEAC factor rate has been roughly 32 cents.

The CCU approved the reduction of the LEAC factor in April. The original reduction proposed was 24.8 cents and was based upon the fuel factors that GPA had gathered at that time from the Morgan Stanley Morning Call reports.

ALJ Horecky stated that a reduction of the LEAC factor is justified at this time. The fuel prices have gone down quite considerably. From June of this year to January of 2024, the average price of RFO and ultra-low sulfur fuel oil has gone down to \$130.54 a barrel, and the average price per diesel \$123.23. The worldwide reduction in fuel prices has justified the reducing of the LEAC factor that the ratepayers are now paying. The steep decline in fuel prices and the LEAC factor proposed by GPA would actually provide a slight over-recovery of \$10,000.00 by January 31, 2024.

When the GPA petition was received, the updated fuel factor was reviewed along with the fuel prices in May, which was a month later, to see what the Morgan Stanley fuel prices indicate. The prices had again indicated a further considerable drop to basically a price per diesel of about \$90.00 a barrel.

ALJ Horecky explained that in between the time that GPA filed its petition and the May review, there was further justification for the LEAC reduction. ALJ Horecky stated that he worked with GPA CFO John Kim to come up with a reduced LEAC factor to meet the new fuel prices, which is proposed at \$23.144 per kilowatt-hour. This results in about a 27% reduction in the LEAC factor, around 21% in the total bill, and 9 cents overall from 32 cents down to roughly 23 cents for the new LEAC factor. The report prepared for this matter did recommend that that new LEAC factor of 23 cents be adopted.

ALJ Horecky reminded that because this meeting was not occurring until June 5th, and the new LEAC rate had to go in effect by June 1st, the Commission used the emergency procedure of the Chairman's order which the Commissioners had all agreed to. The Chairman signed an order which, effective June 1st, reduced the secondary LEAC factor to 23.1144 cents per kilowatt-hour. It also established the primary 13.8 kV and 34.5 kV LEAC factors and the transmission factor. Additionally, the order also made it clear that it was an interim order and would remain in effect until further action by the Commission.

ALJ Horecky added that another factor that was mentioned in the report was regarding the legislation to continue to provide a subsidy to the ratepayers, as stated in Bill Number 83.37, which provides \$100 each month for the months of May, June, July, August, and September of this year to the ratepayers; since the report was written, the Governor did approve that, which will be another help to the ratepayers.

ALJ Horecky presented the Ratification Order, which approves the rates that were set by the Chairman effective June 1st. The secondary rate and the other rates will continue, if the ratification order is approved, until January 31st of 2024. At that time, in January 2024, the Commission will set a new LEAC rate beginning February 1st.

ALJ Horecky recommended that the PUC approve the Ratification Order.

A discussion ensued between the Chairman, Commissioners Montinola, Flores-Brooks, Guerrero and GPA CFO John Kim concerning under-recovery expectations by January 2024, the notable achievement in reducing the under-recovery from the start of about 47 million down to far less in the last 12 months, and typhoon recovery efforts and damages sustained at the Ukudu powerplant. Commissioner Montinola moved to approve the Ratification Order, which motion was seconded by Commissioner McDonald, and the motion passed unanimously.

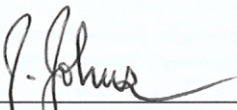
4. Administrative Matters.

The Chairperson announced that the next item of business on the agenda was Administrative matters regarding upcoming PUC meetings for June, July and August. ALJ Horecky noted that due to many upcoming matters and in the interest of keeping quorum for upcoming meetings, Commissioners who expect to be off-island or will be

unavailable during the upcoming months, are encouraged to make note of future plans as soon as possible.

After much discussion from the Commissioners regarding availability for the upcoming months, it was determined that there will be enough quorum for the meetings to be scheduled regularly.

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 special business meeting, commencing at 6:30 p.m. on June 5, 2023, 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 April 27, 2023**
- 3. Guam Solid Waste Authority**
 - **GSWA Docket 23-04, Petition for Review and Approval of the Purchase of Mini Electric Refuse Trucks from Global Enterprise, Inc., ALJ Report, and Ratification Order**
- 4. Guam Power Authority**
 - **GPA Docket 23-15, Petition for Approval to Increase the Amount of Award for GPA's Physical Security Proof of Concept, ALJ Report, and Proposed Order**
 - **GPA Docket 23-17, Petition to Approve the EPCM, Phase I, Liquefied Natural Gas (LNG) Pre-Development Study, Scope, and Costs, ALJ Report, and Proposed Order**
 - **GPA Docket 23-18: Petition to Authorize GPA & GWA to Procure Merchant Banking Services, PUC Counsel, and Proposed Order**
 - **GPA Docket 23-16, Petition to Approve a Reduced LEAC Factor, ALJ Report, and Ratification Order**
- 5. Administrative Matters**
 - **Meeting Schedule for June, July, and August**
- 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 23-04
)
The Application of the Guam Solid Waste)
Authority for Review and Approval of the) **RATIFICATION ORDER**
Purchase of Mini Electric Refuse Trucks)
From Global Enterprise, Inc.)
_____)



INTRODUCTION

This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Order of Chairman Jeffrey C. Johnson in this Docket which approved the purchase of three Mini Electric Refuse Trucks from Global Enterprise Inc.¹ A copy of said Order is attached hereto as Exhibit "1".²

BACKGROUND

GSWA filed its Petition herein for PUC review and approval of the purchase of three Mini Electric Refuse Trucks from Global Enterprise Inc.³ In his Report dated May 18, 2023, the Administrative Law Judge [ALJ] recommended that the PUC approve the purchase of the Mini Electric Refuse Trucks.⁴

The Chairman, acting pursuant to 12 GCA §1205, adopted the recommendation of the ALJ and approved the purchase.

¹ PUC Order, GSWA Docket 23-04, dated May 19, 2023.

² Id.

³ GSWA Petition, GSWA Docket 23-04, dated May 3, 2023.

⁴ ALJ Report, GSWA Docket 23-04, dated May 18, 2023.

Finally, the Order executed by the Chairman indicated that it was an “interim” Order and would remain in effect until further action is taken by the Commission at its next regularly scheduled meeting on June 5, 2023.

Is the intent of the Guam Public Utilities Commission that the Order of the Chairman, dated May 19, 2023 be ratified, adopted and affirmed herein by the Guam Public Utilities Commission.

On May 29, 2023, GSWA filed an AMENDMENT TO PETITION FOR REVIEW AND APPROVAL OF PURCHASE ORDER.⁵ The Vendor Global Enterprises Inc. has increased its total previous quote by the amount of \$23,115.98. The breakdown of the increase is as follows:

- “(1) An \$8,647.01 decrease in the unit price of each truck from \$412,559.00 each to \$403,911.99;
- (2) A single corresponding offset of \$8,647.01 that increases the price of the charging station; and
- (3) A correction to the shipping cost of \$13,470.00 to indicate that \$13,470.00 is not the total shipping cost, but rather it is the shipping cost per truck.”⁶

This additional amount of \$23,115.98 was not included in the Chairman’s Order. It is reasonable and should be approved at the present time.

ORDERING PROVISIONS

After review of the record herein, including GSWA’s Petition, the ALJ Report, the Order of the Chairman dated May 19, 2023, for good cause shown, on motion duly made,

⁵ AMENDMENT TO PETITION FOR REVIEW AND APPROVAL OF PURCHASE ORDER, GSWA Docket 23-04, filed May 29, 2023

⁶ Id. at p.2.

seconded and carried by the undersigned Commissioners the Guam Public Utilities
Commission **HEREBY ORDERS** that:

1. The Report of the ALJ dated May 18, 2023, as hereby adopted and incorporated herein.
2. The Order, executed by the Chairman on May 19, 2023, is hereby adopted, approved, ratified and affirmed.
3. GSWA is also authorized to pay the additional amount of \$23,115.98, which is included in Global Enterprise Inc.'s revised quote. GSWA is authorized to expend up to the total amount of \$1,379,969.98 for the purchase of three mini electric refuse trucks in accordance with the revised quoted price.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

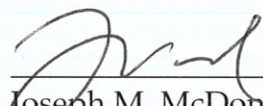
RATIFICATION ORDER
GSWA Petition for Approval
of Purchase of Mini Electric Refuse Trucks
GSWA Docket 23-04
June 5, 2023

Dated this 5th day of June, 2023.

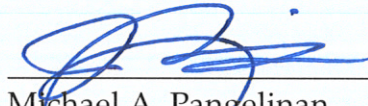


Jeffrey G. Johnson
Chairman

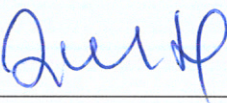
Rowena E. Perez-Camacho
Commissioner



Joseph M. McDonald
Commissioner



Michael A. Pangelinan
Commissioner



Peter Montinola
Commissioner



Doris Flores Brooks
Commissioner



Pedro S.N. Guerrero
Commissioner

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:

)
) GSWA Docket 23-04
)

The Application of the Guam Solid Waste)
Authority for Review and Approval of the)
Purchase of Mini Electric Refuse Trucks)
from Global Enterprise, Inc.)
)
)
)
_____)

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 Purchase of Mini Electric Refuse Trucks from Global Enterprise, Inc.¹

BACKGROUND

The ALJ adopts the "BACKGROUND" Section of GSWA's Petition:

GSWA issued three separate Invitation for Bids which included requests for three (3) 8-CuYd mini electric trucks. GSWA did not receive a single bid response to any of the Invitation for Bids for mini electric refuse trucks.²

Due to the lack of local bidder response to the IFBs for the mini electric trucks, GSWA sought the assistance of the Guam General Services Agency to procure the trucks through the federal procurement system. 5 GCA §5122 authorizes GSA to procure supplies on behalf of the Government of Guam "when the cost to the General Services Agency is less by ten percent (10%) than from other contractors." Utilizing this

¹ GSWA Petition, GSWA Docket 23-04, filed May 11, 2023.

² Id. at p. 2.

authority, GSA solicited price quotes for the electric trucks from federal vendors. One vendor, **GLOBAL ENTERPRISE, INC.**, responded and offered to provide three mini electric refuse trucks at a cost of \$412,559.00 each.³

On May 11, 2023, the GSWA Board issued Resolution No. 2023-012 to approve the purchase of the three mini trucks from Global Enterprise from funds made available through the federal American Rescue Plan Act (ARPA).⁴ The Board indicated in the Resolution that all funding for this purchase would be made from funds available to Guam through the federal American Rescue Plan. Further, GSWA Management was authorized to petition the PUC to review and approve GSA's Purchase Order to Global Enterprise, Inc.

A copy of the Purchase Order from the General Services Agency is attached to the ALJ Report as Exhibit "A".⁵

This Order is issued by the Chairman of the PUC, on behalf of and with the consent of the PUC, pursuant to 12 GCA Sec. 12105(b). For the reasons set forth in the Administrative Law Judge ["ALJ"] Report herein dated May 18, 2023, the Chairman certifies that approval of the Purchase Order for the three mini electric refuse trucks cannot await Commission action at the next scheduled meeting on June 5, 2023. Delay of PUC consideration until that date would jeopardize and possibly nullify this purchase transaction. The Chairman's Order will be subject to ratification by the Commission at its June 5, 2023 meeting.

³ Id. at pgs. 2-3.

⁴ Id. at p. 3.

⁵ See Exhibit 2 to the GSWA Petition, attached hereto as Exhibit "A".

DISCUSSION

1. GSWA's Contract Review Protocol

GSWA indicates that the total cost of the three mini electric refuse trucks, including one (1) EV Fast Charging Station and the shipping fee, will be \$1,370,324.00.⁶ The PUC-GSWA Contract Review Protocol provides that all contract or obligations in excess of \$750,000.00 require prior PUC approval.⁷ Presumably, the ARPA funds have been transferred to GSWA and are now its funds. Therefore, the proposed award and purchase order for the purchase of the three mini electric refuse trucks should be reviewed by the PUC. It is also the case, however, that this GSWA expenditure will not have any impact upon GSWA rates, as the funds are provided solely through the federal government and not through GSWA ratepayer funds.

2. GSWA has justified the purchase of the three mini electric trucks through GSA from Global Enterprise, Inc.

GSWA's well-drafted Petition presents cogent arguments for the approval of this purchase. It is well established that GSWA has been unable to purchase the mini electric trucks through local vendors. There is no dispute concerning the urgent need of GSWA to purchase additional refuse trucks. As previously determined by the PUC in GSWA Docket 23-03, GSWA does not presently have enough trucks to maintain the

⁶ Id. at p. 4.

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

current collection program of 21,000 households. **GWSA has an urgent need for new refuse trucks.**⁸

Any further delays in truck equipment replacement will directly affect GWSA's ability to collect household refuse.⁹

3. The Purchase of the Three Mini Electric Trucks through the Guam General Services Administration is authorized by law.

GWSA has further established that the proposed purchase is legally authorized. 48 U.S. Code §1469e-Insular government purchases, authorizes Guam to make purchases through the federal General Services Administration.¹⁰ As previously indicated, 5 GCA §5122 authorizes the Guam General Services Agency to procure supplies from the United States when the cost to the GSA is less by ten percent (10%) than from other contractors. The problem in this situation is that no local bids were received in any of the three separate solicitations issued by GWSA.¹¹ Thus, there is no local price available to GSA with which to compare against the price offered by federal vendor Global Enterprises.¹²

To account for the 10% differential mandated by 5 GCA §5122, the Chief Procurement Officer of GSA added the 10% to the total offered federal price in order to estimate what the local price reasonably would have been received.¹³ On June 16, 2008, the Guam

⁸ PUC Order, GWSA Docket 23-03, pg. 4, dated October 27, 2022

⁹ Id. at p. 3.

¹⁰ GWSA Petition at pgs. 3-5.

¹¹ Id. at p. 4.

¹² Id.

¹³ Id.

Office of Attorney General issued an opinion concluding that, under 5 GCA §5113, “the manor of finding the [10%] differential [is] left to the Chief Procurement Officer” who has “every right to adopt a procedure therefor in order to make the statute authorizing procurement through the federal GSA a functional one.”¹⁴

4. Approval by the PUC of the Purchase of Mini Electric Refuse Trucks is in the best interest of the ratepayers of Guam, and is reasonable, prudent and necessary.

The purchase of the three mini electric refuse trucks is necessary to complete the upgrade and replacement of GSWA’s aging fleet that was originally purchased between 2009 and 2018 by the federal Receiver.¹⁵ The price includes routine maintenance, a 5-year warranty on parts, labor, transmission and body maintenance, and Global Enterprises will send representatives to Guam to train GSWA and its drivers.¹⁶ The mini electric trucks will not require fuel and are environmentally friendly as they do not emit pollutants into Guam’s air like the diesel trucks.¹⁷ A reasonable delivery time of 210 days is offered by the vendor.¹⁸ The PUC should find that the purchase of the mini electric refuse trucks is reasonable, prudent and necessary.

ORDERING PROVISIONS

Pursuant to 12 GCA Sec. 12105(b), the Commission, through its Chairman, upon consideration of the record herein, the Petition of GSWA, the ALJ Report, and for good cause shown, hereby **ORDERS** that:

¹⁴ Id. at p. 5 (AGOP. No. GSA07-1084) [Exhibit 5 to the GSWA Petition].

¹⁵ Id.

¹⁶ Id.

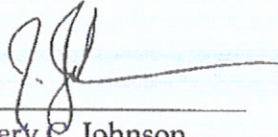
¹⁷ Id. at p. 6.

¹⁸ Id.

Order
Review and Approval for
Purchase of Electric Mini
Refuse Trucks from
Global Enterprise, Inc.
GSWA Docket 23-04
May 18, 2023

1. The purchase of three mini electric refuse trucks from Global Enterprise, Inc. by the Guam General Services Agency (GSA), on behalf of GSWA, is approved.
2. GSWA is authorized to expend up to the amount of \$1,370,324 for said purchase.
3. This Order is an interim Order and shall remain in effect until further action is taken by the Commission at its next regularly scheduled meeting on June 5, 2023.

Dated this 19th day of May, 2023.



Jeffery C. Johnson
Chairman
Guam Public Utilities Commission

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:

)
) GSWA Docket 23-04
)

)
) The Application of the Guam Solid Waste
) Authority for Review and Approval of the
) Purchase of Mini Electric Refuse Trucks
) from Global Enterprise, Inc.
)
)
)
_____)

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 Purchase of Mini Electric Refuse Trucks from Global Enterprise, Inc.¹

BACKGROUND

The ALJ adopts the "BACKGROUND" Section of GSWA's Petition:

GSWA issued three separate Invitation for Bids which included requests for three (3) 8-CuYd mini electric trucks. GSWA did not receive a single bid response to any of the Invitation for Bids for mini electric refuse trucks.²

Due to the lack of local bidder response to the IFBs for the mini electric trucks, GSWA sought the assistance of the Guam General Services Agency to procure the trucks through the federal procurement system. 5 GCA §5122 authorizes GSA to procure supplies on behalf of the Government of Guam "when the cost to the General Services Agency is less by ten percent (10%) than from other contractors." Utilizing this

¹ GSWA Petition, GSWA Docket 23-04, filed May 11, 2023.

² Id. at p. 2.

authority, GSA solicited price quotes for the electric trucks from federal vendors. One vendor, **GLOBAL ENTERPRISE, INC.**, responded and offered to provide three mini electric refuse trucks at a cost of \$412,559.00 each.³

On May 11, 2023, the GSWA Board issued Resolution No. 2023-012 to approve the purchase of the three mini trucks from Global Enterprise from funds made available through the federal American Rescue Plan Act (ARPA).⁴ The Board indicated in the Resolution that all funding for this purchase would be made from funds available to Guam through the federal American Rescue Plan. Further, GSWA Management was authorized to petition the PUC to review and approve GSA's Purchase Order to Global Enterprise, Inc.

A copy of the Purchase Order from the General Services Agency is attached to the ALJ Report as Exhibit "A".⁵

This Order is issued by the Chairman of the PUC, on behalf of and with the consent of the PUC, pursuant to 12 GCA Sec. 12105(b). For the reasons set forth in the Administrative Law Judge ["ALJ"] Report herein dated May 18, 2023, the Chairman certifies that approval of the Purchase Order for the three mini electric refuse trucks cannot await Commission action at the next scheduled meeting on June 5, 2023. Delay of PUC consideration until that date would jeopardize and possibly nullify this purchase transaction. The Chairman's Order will be subject to ratification by the Commission at its June 5, 2023 meeting.

³ Id. at pgs. 2-3.

⁴ Id. at p. 3.

⁵ See Exhibit 2 to the GSWA Petition, attached hereto as Exhibit "A".

DISCUSSION

1. GSWA's Contract Review Protocol

GSWA indicates that the total cost of the three mini electric refuse trucks, including one (1) EV Fast Charging Station and the shipping fee, will be \$1,370,324.00.⁶ The PUC-GSWA Contract Review Protocol provides that all contract or obligations in excess of \$750,000.00 require prior PUC approval.⁷ Presumably, the ARPA funds have been transferred to GSWA and are now its funds. Therefore, the proposed award and purchase order for the purchase of the three mini electric refuse trucks should be reviewed by the PUC. It is also the case, however, that this GSWA expenditure will not have any impact upon GSWA rates, as the funds are provided solely through the federal government and not through GSWA ratepayer funds.

2. GSWA has justified the purchase of the three mini electric trucks through GSA from Global Enterprise, Inc.

GSWA's well-drafted Petition presents cogent arguments for the approval of this purchase. It is well established that GSWA has been unable to purchase the mini electric trucks through local vendors. There is no dispute concerning the urgent need of GSWA to purchase additional refuse trucks. As previously determined by the PUC in GSWA Docket 23-03, GSWA does not presently have enough trucks to maintain the

⁶ Id. at p. 4.

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

current collection program of 21,000 households. **GWSA has an urgent need for new refuse trucks.**⁸

Any further delays in truck equipment replacement will directly affect GWSA's ability to collect household refuse.⁹

3. The Purchase of the Three Mini Electric Trucks through the Guam General Services Administration is authorized by law.

GWSA has further established that the proposed purchase is legally authorized. 48 U.S. Code §1469e-Insular government purchases, authorizes Guam to make purchases through the federal General Services Administration.¹⁰ As previously indicated, 5 GCA §5122 authorizes the Guam General Services Agency to procure supplies from the United States when the cost to the GSA is less by ten percent (10%) than from other contractors. The problem in this situation is that no local bids were received in any of the three separate solicitations issued by GWSA.¹¹ Thus, there is no local price available to GSA with which to compare against the price offered by federal vendor Global Enterprises.¹²

To account for the 10% differential mandated by 5 GCA §5122, the Chief Procurement Officer of GSA added the 10% to the total offered federal price in order to estimate what the local price reasonably would have been received.¹³ On June 16, 2008, the Guam

⁸ PUC Order, GWSA Docket 23-03, pg. 4, dated October 27, 2022

⁹ Id. at p. 3.

¹⁰ GWSA Petition at pgs. 3-5.

¹¹ Id. at p. 4.

¹² Id.

¹³ Id.

Office of Attorney General issued an opinion concluding that, under 5 GCA §5113, “the manor of finding the [10%] differential [is] left to the Chief Procurement Officer” who has “every right to adopt a procedure therefor in order to make the statute authorizing procurement through the federal GSA a functional one.”¹⁴

4. Approval by the PUC of the Purchase of Mini Electric Refuse Trucks is in the best interest of the ratepayers of Guam, and is reasonable, prudent and necessary.

The purchase of the three mini electric refuse trucks is necessary to complete the upgrade and replacement of GSWA’s aging fleet that was originally purchased between 2009 and 2018 by the federal Receiver.¹⁵ The price includes routine maintenance, a 5-year warranty on parts, labor, transmission and body maintenance, and Global Enterprises will send representatives to Guam to train GSWA and its drivers.¹⁶ The mini electric trucks will not require fuel and are environmentally friendly as they do not emit pollutants into Guam’s air like the diesel trucks.¹⁷ A reasonable delivery time of 210 days is offered by the vendor.¹⁸ The PUC should find that the purchase of the mini electric refuse trucks is reasonable, prudent and necessary.

ORDERING PROVISIONS

Pursuant to 12 GCA Sec. 12105(b), the Commission, through its Chairman, upon consideration of the record herein, the Petition of GSWA, the ALJ Report, and for good cause shown, hereby **ORDERS** that:

¹⁴ Id. at p. 5 (AGOP. No. GSA07-1084) [Exhibit 5 to the GSWA Petition].

¹⁵ Id.

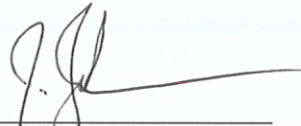
¹⁶ Id.

¹⁷ Id. at p. 6.

¹⁸ Id.

1. The purchase of three mini electric refuse trucks from Global Enterprise, Inc. by the Guam General Services Agency (GSA), on behalf of GSWA, is approved.
2. GSWA is authorized to expend up to the amount of \$1,370,324 for said purchase.
3. This Order is an interim Order and shall remain in effect until further action is taken by the Commission at its next regularly scheduled meeting on June 5, 2023.

Dated this 19th day of May, 2023.



Jeffery C. Johnson
Chairman
Guam Public Utilities Commission

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:)

GPA DOCKET 23-18)

THE APPLICATION OF THE GUAM)

POWER AUTHORITY TO APPROVE)

THE PROCUREMENT OF MERCHANT)

ORDER

BANKING SERVICES FOR THE GUAM)

POWER AUTHORITY, THE GUAM)

WATERWORKS AUTHORITY, AND)

THE GUAM SOLID WASTE)

AUTHORITY)

INTRODUCTION

1. This matter comes before the Public Utilities Commission ["PUC"] pursuant to the Guam Power Authority's ["GPA"] Petition to Approve the Procurement of Merchant Banking Services for GPA, the Guam Waterworks Authority ["GWA"], and the Guam Solid Waste Authority ["GSWA"].¹
2. The GPA's current contract for Merchant Banking Services with First Hawaiian Bank will expire on or about June 30, 2023 and GPA must issue a solicitation to procure Merchant Banking Services for GPA, GWA, and GSWA prior to the expiration date.²
3. GPA requests that the PUC authorize GPA to issue a solicitation for Merchant Banking Services for GPA, GWA, and GSWA.³

BACKGROUND

4. Merchant Banking Services permit GPA, GWA, and GSWA rate payers to use credit and debit cards to pay utility bills and integrate their payments into GPA, GWA, and GSWA customer service and billing systems. Merchant Banking Services enable the rate payers to pay their bills online via GPA, GWA, or GSWA websites, or via phone through voice calls or by using mobile applications. Merchant

¹ GPA Petition to Authorize GPA and GWA to Procure Merchant Banking Services, GPA Docket 23-18, dated May 29, 2023 [GPA Petition].

² GPA Petition at 1. NOTE: The page numbers in GPA's Petition and its exhibits are not continuous and the page numbers cited herein refer to the page number of the PDF version of the Petition which is continuous.

³ Id., at 2.

Banking Services are also used at all GPA, GWA, and GSWA point of sale points at GPA, GWA, and GSWA walk-in and drive through customer service locations.⁴

5. First Hawaiian Bank of the current provider of Merchant Banking Services for GPA, GWA, and GSWA and its contract will expire on June 30, 2023.⁵
6. On April 25, 2023, the Guam Consolidated Commission on Utilities ["CCU"] issued GPA Resolution No. FY2023-18 and GWA Resolution No. 25-FY2023 authorizing GPA and GWA's General Managers to issue a solicitation for Merchant Banking Services to include GSWA for a one-year contract period with four options, and with each option to extend for one-year periods for GPA and GWA, subject to the PUC's approval.⁶
7. On June 2, 2023 PUC Legal Counsel issued his report recommending that the PUC approve GPA's petition.

DETERMINATIONS

8. GPA must obtain the PUC's authorization to issue a solicitation for Merchant Banking Services. The PUC's Contract Review Protocol mandates that GPA shall obtain PUC approval for solicitations and contracts that exceed the amount of \$1,500,000. Here, GPA estimates that the cost of the Merchant Banking Services will exceed that amount.⁷ Therefore, GPA must obtain the PUC's approval of the solicitation for Merchant Banking Services prior to issuing it.
9. GPA's estimated cost of the Merchant Banking Services is reasonable. GPA estimates that its contract costs will be approximately \$1.2 million.⁸ There was no estimate for GWA, however, GWA paid approximately \$626,606 for FY2022.⁹ There was no cost estimate provided by GSWA. The cost of Merchant Banking Services is dependent on the number of transactions made using those services which have been increasing for both GPA and GWA. In 2017 there were 225,533 GPA transactions using

⁴ Id., at 1-2.

⁵ Id., at 1.

⁶ Id., at 12.

⁷ Id., at 2.

⁸ Id., at 17.

⁹ Id., at 16.

Merchant Banking Services and the amount of such transactions increased to each year to reach 426,521 for FY2022. GWA experienced similar growth with 207,894 transactions using Merchant Banking Services in 2018 which grew to 343,938 transactions by 2022. Hence, it is reasonable to expect transactions using Merchant Banking Services to increase for 2023 and beyond resulting in higher contract costs for those services.

10. The solicitation for Merchant Banking Services is prudent. GPA received the amount of \$183,079,000 and GWA received the amount of \$47,140,737 from transactions using Merchant Banking Services in FY2022.¹⁰ As these types of transactions are expected to increase in FY2023 and beyond, it is prudent to continue these revenue streams by soliciting and procuring Merchant Banking Services.
11. The solicitation for Merchant Banking Services is necessary. GPA saw an increase in the use of online payments with 97,122 such payments in 2017 and 372,589 payments by 2022.¹¹ GWA saw an increase in online and pay by phone payments with 144,056 payments in 2018 which grew to 292,684 payments by 2022. Hence, the trend of receiving payments online and via phone will only increase with each coming year and Merchant Banking Services are necessary to meet the growing customer demand that GPA, GWA, and GSWA receive payments in this manner.
12. Based on the foregoing, GPA's request to issue a solicitation for Merchant Banking Services for GPA, GWA, and GSWA is reasonable, prudent, and necessary.

///

///

///

///

///

///

¹⁰ Id., at 15-17.

¹¹ Id., at 15.

ORDERING PROVISIONS

After review of the record herein, GPA's Petition to Approve the Procurement of Merchant Banking Services for GPA, GWA, and GSWA, and the PUC Counsel Report, and 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 Petition to Approve the Procurement of Merchant Banking Services for GPA, GWA, and GSWA is hereby approved.
2. GPA is authorized to issue a solicitation for Merchant Banking Services for GPA, GWA, and GSWA.
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 the PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

///

///

///

///

///

///


///

///

///

Order
GPA's Application to Approve the
Procurement of Merchant Banking
Services for GPA, GWA, and GSWA
GPA Docket 23-18
June 5, 2023

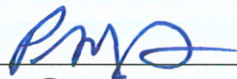
Dated this 5th day of June, 2023.



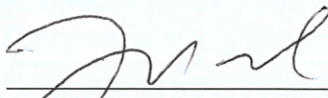
Jeffrey C. Johnson
Chairman

Rowena E. Perez-Camacho
Commissioner

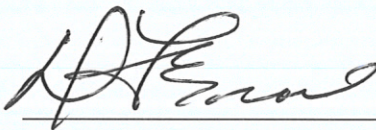
Michael A. Pangelinan
Commissioner



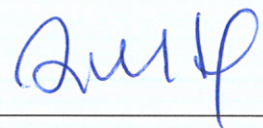
Pete Guerrero
Commissioner



Joseph M. McDonald
Commissioner



Doris Flores Brooks
Commissioner



Peter Montinola
Commissioner

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:) GPA Docket 23-16
)
Guam Power Authority Levelized Energy)
Adjustment Clause (LEAC)) **RATIFICATION ORDER**
)
)
_____)

INTRODUCTION

This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Order of Chairman Jeffrey C. Johnson in this Docket which approved a decrease in the LEAC Factor.¹ A copy of said Order is attached hereto as Exhibit "1".²

BACKGROUND

GPA filed its Petition herein to reduce the Levelized Energy Adjustment Clause Factor (LEAC) effective June 1, 2023.³ In said Petition, GPA requested that a reduced LEAC Factor be applicable to meters read on or after June 1, 2023, to be effective for the period of June 1, 2023 through January 31, 2024.⁴ In his Report dated May 15, 2023 the Administrative Law Judge [ALJ] recommended that the PUC reduce the current LEAC Factor from \$0.318576/kWh to \$0.231144/kWh for meters read on and after June 1, 2023, and for the period of June 1, 2023 through January 31, 2024.⁵

¹ PUC Order, GPA Docket 23-16, dated May 19, 2023.

² Id.

³ GPA Petition, GPA Docket 23-16, dated May 3, 2023.

⁴ Id., at p. 1.

⁵ ALJ Report, GPA Docket 23-16, dated May 15, 2023.

The Chairman, acting pursuant to 12 GCA §1205, adopted the recommendation of the ALJ and approved the reduction of the LEAC Factor effective June 1, 2023.

Furthermore, effective June 1, 2023, the order of the Chairman adjusted LEAC rates for consumers at various voltage levels as follows:

LEAC	
Delivery Classification	\$ per kWh
Secondary -	\$0.231144
Primary – 13.8 KV	\$0.224219
Primary – 34.5 KV	\$0.223573
Transmission – 115 KV	\$0.220821 ⁶

Finally, the Order executed by the Chairman indicated that it was an “interim” Order and would remain in effect until further action is taken by the Commission at its next regularly scheduled meeting on June 5, 2023.

Is the intent of the Guam Public Utilities Commission that the Order of the Chairman, dated May 19, 2023 be ratified, adopted and affirmed herein by the full Guam Public Utilities Commission.

ORDERING PROVISIONS

After review of the record herein, including GPA's Petition, the ALJ Report, the Order of the Chairman dated May 19, 2023, for good cause shown, on motion duly made, seconded and carried by the undersigned Commissioners the Guam Public Utilities Commission **HEREBY ORDERS** that:

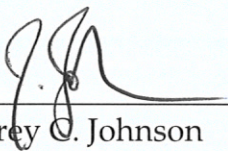
⁶ PUC Order, GPA Docket 23-16, dated May 19, 2023.

1. The Report of the ALJ dated May 15, 2023, as hereby adopted and incorporated herein.
2. The Order, executed by the Chairman on May 19, 2023, is hereby adopted, approved, ratified and affirmed.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

RATIFICATION ORDER
GPA's LEAC
GPA Docket 23-16
June 5, 2023

Dated this 5th day of June, 2023.

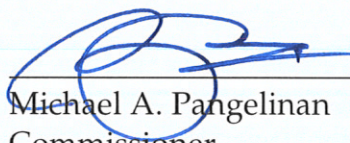


Jeffrey C. Johnson
Chairman

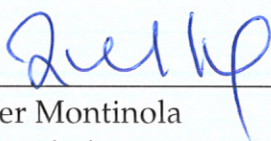
Rowena E. Perez-Camacho
Commissioner



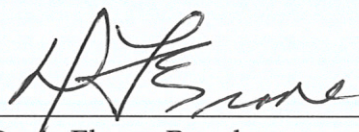
Joseph M. McDonald
Commissioner



Michael A. Pangelinan
Commissioner



Peter Montinola
Commissioner



Doris Flores Brooks
Commissioner

Pedro S.N. Guerrero
Commissioner

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:) GPA Docket 23-16
)
Guam Power Authority Levelized Energy)
Adjustment Clause (LEAC)) **ORDER**
)
)
)
_____)



INTRODUCTION

This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Petition of the Guam Power Authority ["GPA"] to reduce the current LEAC Factor from \$0.318576/kWh to \$0.248145/kWh for meters read on or after June 1, 2023, to be effective for the period of June 1, 2023 through January 31, 2024.¹ On October 27, 2022, the PUC, after several prior increases of the LEAC factor in 2022, the PUC increased the LEAC Factor from \$0.296043 to \$0.318576 per kWh for meters read on or after November 1, 2022.² The LEAC Factor of \$0.318576 has remained in effect from November 1, 2022, up to the present time. If the PUC grants GPA's Petition, the current Factor will remain in effect until June 1, 2023; the new factor of \$0.248145/kWh would be in effect from June 1, 2023 through January 31, 2024.³

This Order is issued by the Chairman of the PUC, on behalf of and with the consent of the PUC, pursuant to 12 GCA Sec. 12105(b). For the reasons set forth in the Administrative Law Judge ["ALJ"] Report herein dated May 15, 2023, the Chairman certifies that implementation of a new LEAC Factor cannot await Commission action at

¹ GPA Petition, In the Matter of: Guam Power Authority Levelized Energy Adjustment Clause (LEAC), GPA Docket 23-16, dated May 3, 2023.

² PUC Order, GPA Docket 22-15, PUC Review of Levelized Energy Adjustment Clause (LEAC) Factor, dated October 27, 2022, at p. 7.

³ GPA Petition at p. 1.

the next scheduled meeting on June 5, 2023. GPA readings for billings for the month of June commence on June 1. Delay will deprive some ratepayers of the right to immediate implementation of reduction of LEAC fuel recovery charges and require ratepayers to pay charges not lawfully owed. The Chairman's Order will be subject to ratification by the Commission at its June 5, 2023 meeting.

BACKGROUND

In GPA Resolution No. FY2023-06, dated April 25, 2023, the Guam Consolidated Commission on Utilities authorized the GPA Management to petition the PUC to reduce the secondary voltage levelized energy adjustment clause factor to \$0.248145/kWh for the period of June 1, 2023, through January 31, 2024.⁴

The ALJ filed his Report herein dated May 15, 2023. The recommendations and conclusions of the Report are adopted.⁵

DETERMINATIONS

I. A REDUCTION IN THE LEAC FACTOR EFFECTIVE JUNE 1 2023, IS JUSTIFIED.

In its Petition submitted for the current LEAC period in December of 2022, GPA stated that the Average Price per Bbl-RFO & ULSFO 0.20% was \$148.10, and the Average Price per Bbl-Diesel was \$119.19.⁶ For the period which GPA now seeks to establish a

⁴ Guam Consolidated Commission on Utilities, GPA Resolution No. FY2023-19, Authorizing the Management of the Guam Power Authority to Petition the Guam Public Utilities Commission to Reduce the Levelized Energy Adjustment Clause for the period of June 1, 2023 through January 31, 2024, adopted and approved on April 25, 2023.

⁵ ALJ Report, GPA Docket 23-16, dated May 15, 2023.

⁶ GPA Petition, GPA Docket 23-06, dated December, 2022 GPA Resolution No. FY2013-06, Exhibit A.

reduced LEAC Factor, June 2023 through January 2024, there has been a considerable reduction in the Average Price per Bbl-RFO & ULSFO 0.20% to \$130.54, and the Average Price per Bbl-Diesel to \$103.23.⁷ GPA's Petition states: "The basis to reduce the present LEAC factor is due primarily to the decrease in worldwide fuel prices from \$130.28/bbl using the current projections for the 6-month period ending July 31, 2023, to an expected \$113.16/bbl for the period ending January 31, 2024."⁸ GPA Resolution No. FY2023-19 also indicates that "...the most recent Morgan Stanley market projections for fuel prices has declined from the previous filing and projected over-recovery for the period ending January 31, 2024 at the proposed reduced LEAC rate of \$0.248145/kWh is about ten thousand dollars"..."⁹

There are two salient reasons which justify a reduction in the LEAC Factor: (1) there has been a steep decline in fuel prices; and (2) the proposed LEAC Factor would eliminate the under-recovery by January 31, 2024, and produce a slight over-recovery of \$10,000.¹⁰

II. DUE TO A FURTHER REDUCTION IN FUEL PRICES SINCE APRIL OF 2023, THE LEAC FACTOR CAN BE REDUCED TO AN EVEN GREATER EXTENT.

GPA's Petition to set the LEAC Factor at \$0.248145/kWh was based upon the Morgan Stanley pricing in the Asia Morning Call. Fuel prices have dropped considerably since the MS Pricing which GPA relied upon in its Petition (April 10-14, 2023). The MS

⁷ GPA Petition, GPA Docket 23-16, Exhibit A-04 (GPA Proposed LEAC Rate (\$000), Update as of 4/21/2023).

⁸ GPA Petition at p. 2.

⁹ Guam Consolidated Commission on Utilities, GPA Resolution No. FY2023-19, Authorizing the Management of the Guam Power Authority to Petition the Guam Public Utilities Commission to Reduce the Levelized Energy Adjustment Clause for the period of June 1, 2023 through January 31, 2024, adopted and approved on April 25, 2023, at Exhibit A-01.

¹⁰ GPA Petition, GPA Docket 23-16, Exhibit A-04 (GPA Proposed LEAC Rate (\$000), Update as of 4/21/2023).

pricing GPA used was approximately \$100-102 per bbl. for Sing Gasoil 10ppm. However, the MS pricing for May 4-11 indicates that the price for Sing Gasoil 10ppm, which is equivalent to pricing for diesel, is now approximately \$90 per bbl.

Based upon the further reduction in fuel oil pricing, approximately 10% since GPA filed its petition, the PUC should reduce the LEAC Factor even further. GPA's updated LEAC calculation is attached to the ALJ Report as Exhibit "A".¹¹ The updated MS pricing data in Exhibit A (May 4-11, 2023) indicates that the Average Price per Bbl-RFO & ULSFO 0.20% is now \$116.80, and the Average Price per Bbl-Diesel is \$94.36.¹²

III. THE PUC SHOULD REDUCE THE LEAC FACTOR TO \$0.231144 FOR METERS READ ON OR AFTER JUNE 1, 2023 FOR THE PERIOD OF JUNE 1, 2023 THROUGH JANUARY 31, 2024.

Exhibit A to the ALJ Report demonstrates that the establishment by the PUC of a LEAC Factor of \$0.23144 for the next eight months will result in the elimination of any under-recovery of GPA's fuel expenses by January 31, 2024. This proposed LEAC Factor will result in a 21.01% decrease in the total bill, and a 27.44% decrease in the LEAC Factor.¹³ The LEAC factor will be reduced by nearly 9 cents per kWh.

GPA ratepayers, who have previously been compelled to pay extremely high fuel oil prices, should benefit, to the fullest extent possible, from the reduction in fuel oil prices. There is also a possibility that GPA ratepayers will be provided with further government assistance on their power bills. On May 10, 2023, the Guam Legislature passed Bill 83-37, which would take about \$15.5 million from the fiscal 2022 general fund excess, and nearly \$10.8 million from fiscal year 2023 excess, to support another 5-

¹¹ GPA Proposed LEAC Rate, Update as of 5/11/2023, attached hereto as Exhibit "A".

¹² Id.

¹³ Id.

month extension to last year's power bill subsidy program.¹⁴ Bill No. 83-37, if approved by the Governor, would provide residential and commercial customers with a Five Hundred Dollar (\$500) credit toward their accounts with the Guam Power Authority, disbursed at \$100 dollars each month for the months of May 2023, June 2023, July 2023, August 2023, and September 2023.¹⁵

ORDERING PROVISIONS

Pursuant to 12 GCA Sec. 12105(b), the Commission, through its Chairman, upon consideration of the record herein, the Petition of GPA, the ALJ Report, and for good cause shown, hereby **ORDERS** that:

1. The secondary Fuel Recovery Factor of \$0.318576/kWh is reduced to \$0.231144/kWh for meters read on or after June 1, 2023, and for the period of June 1, 2023 through January 31, 2024. This LEAC Factor and the other Factors set forth herein are effective as of June 1, 2023.
2. The singular LEAC factors, effective June 1, 2023, and for the period of June 1, 2023 through January 31, 2024, shall be as shown in the following table:

LEAC	
Delivery Classification	\$ per kWh
Secondary -	\$0.231144
Primary – 13.8 KV	\$0.224219
Primary – 34.5 KV	\$0.223573

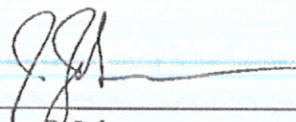
¹⁴ The Guam Daily Post, May 11, 2023, at p. 1.

¹⁵ The Guam Legislature, Bill No. 83-37, passed on May 10, 2023.

Transmission – 115 KV \$0.220821

3. GPA should file for a change in the LEAC factors to be effective February 1, 2024, on or before December 15, 2023
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.
5. This Order is an interim Order and shall remain in effect until further action is taken by the Commission at its next regularly scheduled meeting on June 5, 2023.

Dated this 19th day of May, 2023.



Jeffery C. Johnson
Chairman
Guam Public Utilities Commission

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:) GPA Docket 23-16
)
Guam Power Authority Levelized Energy)
Adjustment Clause (LEAC)) **ORDER**
)
)
_____)



INTRODUCTION

This matter comes before the Guam Public Utilities Commission [“PUC”] upon the Petition of the Guam Power Authority [“GPA”] to reduce the current LEAC Factor from \$0.318576/kWh to \$0.248145/kWh for meters read on or after June 1, 2023, to be effective for the period of June 1, 2023 through January 31, 2024.¹ On October 27, 2022, the PUC, after several prior increases of the LEAC factor in 2022, the PUC increased the LEAC Factor from \$0.296043 to \$0.318576 per kWh for meters read on or after November 1, 2022.² The LEAC Factor of \$0.318576 has remained in effect from November 1, 2022, up to the present time. If the PUC grants GPA’s Petition, the current Factor will remain in effect until June 1, 2023; the new factor of \$0.248145/kWh would be in effect from June 1, 2023 through January 31, 2024.³

This Order is issued by the Chairman of the PUC, on behalf of and with the consent of the PUC, pursuant to 12 GCA Sec. 12105(b). For the reasons set forth in the Administrative Law Judge [“ALJ”] Report herein dated May 15, 2023, the Chairman certifies that implementation of a new LEAC Factor cannot await Commission action at

¹ GPA Petition, In the Matter of: Guam Power Authority Levelized Energy Adjustment Clause (LEAC), GPA Docket 23-16, dated May 3, 2023.

² PUC Order, GPA Docket 22-15, PUC Review of Levelized Energy Adjustment Clause (LEAC) Factor, dated October 27, 2022, at p. 7.

³ GPA Petition at p. 1.

the next scheduled meeting on June 5, 2023. GPA readings for billings for the month of June commence on June 1. Delay will deprive some ratepayers of the right to immediate implementation of reduction of LEAC fuel recovery charges and require ratepayers to pay charges not lawfully owed. The Chairman's Order will be subject to ratification by the Commission at its June 5, 2023 meeting.

BACKGROUND

In GPA Resolution No. FY2023-06, dated April 25, 2023, the Guam Consolidated Commission on Utilities authorized the GPA Management to petition the PUC to reduce the secondary voltage levelized energy adjustment clause factor to \$0.248145/kWh for the period of June 1, 2023, through January 31, 2024.⁴

The ALJ filed his Report herein dated May 15, 2023. The recommendations and conclusions of the Report are adopted.⁵

DETERMINATIONS

I. A REDUCTION IN THE LEAC FACTOR EFFECTIVE JUNE 1 2023, IS JUSTIFIED.

In its Petition submitted for the current LEAC period in December of 2022, GPA stated that the Average Price per Bbl-RFO & ULSFO 0.20% was \$148.10, and the Average Price per Bbl-Diesel was \$119.19.⁶ For the period which GPA now seeks to establish a

⁴ Guam Consolidated Commission on Utilities, GPA Resolution No. FY2023-19, Authorizing the Management of the Guam Power Authority to Petition the Guam Public Utilities Commission to Reduce the Levelized Energy Adjustment Clause for the period of June 1, 2023 through January 31, 2024, adopted and approved on April 25, 2023.

⁵ ALJ Report, GPA Docket 23-16, dated May 15, 2023.

⁶ GPA Petition, GPA Docket 23-06, dated December, 2022 GPA Resolution No. FY2013-06, Exhibit A.

reduced LEAC Factor, June 2023 through January 2024, there has been a considerable reduction in the Average Price per Bbl-RFO & ULSFO 0.20% to \$130.54, and the Average Price per Bbl-Diesel to \$103.23.⁷ GPA's Petition states: "The basis to reduce the present LEAC factor is due primarily to the decrease in worldwide fuel prices from \$130.28/bbl using the current projections for the 6-month period ending July 31, 2023, to an expected \$113.16/bbl for the period ending January 31, 2024."⁸ GPA Resolution No. FY2023-19 also indicates that "...the most recent Morgan Stanley market projections for fuel prices has declined from the previous filing and projected over-recovery for the period ending January 31, 2024 at the proposed reduced LEAC rate of \$0.248145/kWh is about ten thousand dollars"...⁹

There are two salient reasons which justify a reduction in the LEAC Factor: (1) there has been a steep decline in fuel prices; and (2) the proposed LEAC Factor would eliminate the under-recovery by January 31, 2024, and produce a slight over-recovery of \$10,000.¹⁰

II. DUE TO A FURTHER REDUCTION IN FUEL PRICES SINCE APRIL OF 2023, THE LEAC FACTOR CAN BE REDUCED TO AN EVEN GREATER EXTENT.

GPA's Petition to set the LEAC Factor at \$0.248145/kWh was based upon the Morgan Stanley pricing in the Asia Morning Call. Fuel prices have dropped considerably since the MS Pricing which GPA relied upon in its Petition (April 10-14, 2023). The MS

⁷ GPA Petition, GPA Docket 23-16, Exhibit A-04 (GPA Proposed LEAC Rate (\$000), Update as of 4/21/2023).

⁸ GPA Petition at p. 2.

⁹ Guam Consolidated Commission on Utilities, GPA Resolution No. FY2023-19, Authorizing the Management of the Guam Power Authority to Petition the Guam Public Utilities Commission to Reduce the Levelized Energy Adjustment Clause for the period of June 1, 2023 through January 31, 2024, adopted and approved on April 25, 2023, at Exhibit A-01.

¹⁰ GPA Petition, GPA Docket 23-16, Exhibit A-04 (GPA Proposed LEAC Rate (\$000), Update as of 4/21/2023).

pricing GPA used was approximately \$100-102 per bbl. for Sing Gasoil 10ppm. However, the MS pricing for May 4-11 indicates that the price for Sing Gasoil 10ppm, which is equivalent to pricing for diesel, is now approximately \$90 per bbl.

Based upon the further reduction in fuel oil pricing, approximately 10% since GPA filed its petition, the PUC should reduce the LEAC Factor even further. GPA's updated LEAC calculation is attached to the ALJ Report as Exhibit "A".¹¹ The updated MS pricing data in Exhibit A (May 4-11, 2023) indicates that the Average Price per Bbl-RFO & ULSFO 0.20% is now \$116.80, and the Average Price per Bbl-Diesel is \$94.36.¹²

III. THE PUC SHOULD REDUCE THE LEAC FACTOR TO \$0.231144 FOR METERS READ ON OR AFTER JUNE 1, 2023 FOR THE PERIOD OF JUNE 1, 2023 THROUGH JANUARY 31, 2024.

Exhibit A to the ALJ Report demonstrates that the establishment by the PUC of a LEAC Factor of \$0.23144 for the next eight months will result in the elimination of any under-recovery of GPA's fuel expenses by January 31, 2024. This proposed LEAC Factor will result in a 21.01% decrease in the total bill, and a 27.44% decrease in the LEAC Factor.¹³ The LEAC factor will be reduced by nearly 9 cents per kWh.

GPA ratepayers, who have previously been compelled to pay extremely high fuel oil prices, should benefit, to the fullest extent possible, from the reduction in fuel oil prices. There is also a possibility that GPA ratepayers will be provided with further government assistance on their power bills. On May 10, 2023, the Guam Legislature passed Bill 83-37, which would take about \$15.5 million from the fiscal 2022 general fund excess, and nearly \$10.8 million from fiscal year 2023 excess, to support another 5-

¹¹ GPA Proposed LEAC Rate, Update as of 5/11/2023, attached hereto as Exhibit "A".

¹² Id.

¹³ Id.

month extension to last year's power bill subsidy program.¹⁴ Bill No. 83-37, if approved by the Governor, would provide residential and commercial customers with a Five Hundred Dollar (\$500) credit toward their accounts with the Guam Power Authority, disbursed at \$100 dollars each month for the months of May 2023, June 2023, July 2023, August 2023, and September 2023.¹⁵

ORDERING PROVISIONS

Pursuant to 12 GCA Sec. 12105(b), the Commission, through its Chairman, upon consideration of the record herein, the Petition of GPA, the ALJ Report, and for good cause shown, hereby **ORDERS** that:

1. The secondary Fuel Recovery Factor of \$0.318576/kWh is reduced to \$0.231144/kWh for meters read on or after June 1, 2023, and for the period of June 1, 2023 through January 31, 2024. This LEAC Factor and the other Factors set forth herein are effective as of June 1, 2023.
2. The singular LEAC factors, effective June 1, 2023, and for the period of June 1, 2023 through January 31, 2024, shall be as shown in the following table:

LEAC	
Delivery Classification	\$ per kWh
Secondary -	\$0.231144
Primary – 13.8 KV	\$0.224219
Primary – 34.5 KV	\$0.223573

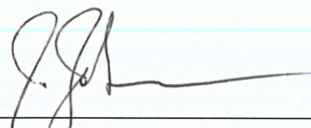
¹⁴ The Guam Daily Post, May 11, 2023, at p. 1.

¹⁵ The Guam Legislature, Bill No. 83-37, passed on May 10, 2023.

Transmission – 115 KV \$0.220821

3. GPA should file for a change in the LEAC factors to be effective February 1, 2024, on or before December 15, 2023
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.
5. This Order is an interim Order and shall remain in effect until further action is taken by the Commission at its next regularly scheduled meeting on June 5, 2023.

Dated this 19th day of May, 2023.



Jeffery C. Johnson
Chairman
Guam Public Utilities Commission