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7 **BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

9 IN THE MATTER OF: ) GPA DOCKET NO. 24-18  
10 )  
11 **GUAM POWER AUTHORITY AND GUAM WATERWORKS AUTHORITY** ) **AMENDED PETITION TO**  
12 **MERCHANT BANKING SERVICES CONTRACT** ) **AUTHORIZE GPA AND GWA TO**  
13 ) **AWARD MERCHANT BANKING**  
14 ) **SERVICES CONTRACT**

15 The GUAM POWER AUTHORITY (“GPA”), by and through its counsel of record,  
16 MARIANNE WOLOSCHUK, hereby amends its Petition to Authorize GPA and the Guam  
17 Waterworks Authority (“GWA”), conjointly GPWA, to award the Merchant Banking Services  
18 contract. The amended petition updates exhibit B-01 to B-03 from a draft to a CCU-approved  
19 Resolution (GPA Resolution No. FY2024-21 and GWA Resolution No. 21-FY2024).

21 **I. BACKGROUND**

22 On June 5, 2023, the PUC approved GPA Docket 23-18, approving the procurement of  
23 merchant banking services for GPA, GWA, and the Guam Solid Waste Authority (“GSWA”).  
24 The PUC also authorized GPA to solicit for merchant banking services on behalf of GWA and  
25 GSWA. *See Exhibit A.* Through a mutual agreement, the previous contract with First Hawaiian  
26

1 Bank expired on June 30, 2023, and has been extended on a month-to-month basis pending the  
2 award of a new contract.

3 Merchant banking services permit GPA and GWA ratepayers to utilize credit and debit  
4 cards to pay utility bills and integrate ratepayer payments into GPA and GWA customer service  
5 and billing systems. These services are crucial for ratepayers who pay bills online through GPA's  
6 and GWA's websites or through phone calls or by using GPA's and GWA's mobile applications.  
7 At ratepayer convenience, merchant banking services also extend point-of-sale accessibility to  
8 all walk-in and drive-thru customers at GPA and GWA locations. In order to maintain multiple  
9 payment options for ratepayers and consistent pricing of services, GPA and GWA in October  
10 2023 issued an Invitation for Bid ("IFB") No. RE-BID GPA-076-23 seeking bids for merchant  
11 banking services for a one (1) year contract with an option to extend for four (4) one-year terms.  
12 While eight (8) bidders registered, only one bidder, namely Bank of Hawaii, submitted the  
13 lowest, most responsive and responsible bid. The total contract amount and costs to each utility  
14 separately are expected to exceed the PUC's required contract review amounts of \$1M and  
15 \$1.5M for GWA and GPA, respectively. IFB RE-BID GPA-076-23 includes merchant banking  
16 services for GSWA; GPA and GWA have entered into an MOA with GSWA for the collection  
17 of GSWA payments.  
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## 21 II. REQUEST FOR APPROVAL

22 GPA and GWA now desire to award joint merchant banking services through IFB RE-  
23 BID GPA-076-23 to Bank of Hawaii. With annual cost varying with the volume of customer  
24 usage and projects, GPA will cost approximately Two Million Two Hundred Thousand Dollars  
25 (\$2,200,000) each year for a total of Eleven Million Dollars for five (5) years while GWA will  
26  
27

1 cost One Million Dollars (\$1,000,000) each year for a total amount of Five Million Dollars  
2 (\$5,000,000) for the full life of the contract (5 years).


3 In support of this Petition, the CCU approval of the contract for Merchant Banking  
4 Services is anticipated through GPA Resolution No. 2024-21 and GWA Resolution No. 21-  
5 FY2024 and will be voted upon during the CCU regular meeting on May 28, 2024. The draft  
6 resolution and its supporting exhibits are attached hereto as Exhibit B and are incorporated by  
7 reference. The above-mentioned Resolutions are forthcoming and shall be filed with the PUC  
8 for its review and consideration once final and approved.  
9

### 10 III. CONCLUSION

11 Based on the foregoing, and pursuant to its Contract Review Protocol, GPA and GWA  
12 request that the PUC authorize the award of merchant banking services, with the inclusion of  
13 GSWA, as it is reasonable, prudent, and necessary.  
14

15 **RESPECTFULLY SUBMITTED** this 29<sup>th</sup> day of May 2024.  
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17  
18 By:

  
19 **MARIANNE WOŁOSCHUK**  
20 GPA Legal Counsel  
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**GPA RESOLUTION NO.: FY2024-21**  
**GWA RESOLUTION NO.: 21-FY2024**

**RELATIVE TO AUTHORIZING THE MANAGEMENT OF**  
**GUAM POWER AUTHORITY AND GUAM WATERWORKS AUTHORITY**  
**TO AWARD THE CONTRACT FOR MERCHANT BANKING SERVICES AND TO**  
**PETITION THE GUAM PUBLIC UTILITIES COMMISSION FOR APPROVAL**

WHEREAS, under 12 G.C.A. § 14105, the Consolidated Commission on Utilities has plenary authority over financial, contractual, and policy matters relative to the Guam Power Authority and the Guam Waterworks Authority; and

WHEREAS the Guam Power Authority and the Guam Waterworks Authority are Guam Public Corporations established and existing under the laws of Guam; and

WHEREAS, the Guam Power Authority (“GPA”) and the Guam Waterworks Authority (“GWA”) were authorized by the Consolidated Commission on Utilities (“CCU”) to issue an Invitation for Bid (IFB) for Merchant Banking Services for a one-year contract with the option to extend for four one-year periods in April 2023; and

WHEREAS, GPA and GWA personnel were selected to review and evaluate two bids received in response to the IFB; and

WHEREAS, the evaluation committee has completed its review and has determined that the proposal from Bank of Hawaii is the lowest, most responsive and responsible bidder; and

WHEREAS, the Bank of Hawaii has proposed to provide all implementation support at no extra cost to both utilities in addition to maintaining consistent pricing throughout the duration of the contract; and

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1           **WHEREAS**, the Public Utility Commission’s (“PUC”) contract review protocol requires  
2 PUC authorizations for all contracts in excess of \$1.5 million for GPA and \$1 million for GWA;  
3 and  
4

5           **WHEREAS**, the GPA and GWA General Managers now recommends the approval to  
6 award for a one-year contract for Merchant Banking Services with the option to extend for four  
7 one-year periods; and  
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9           **WHEREAS**, the annual cost varies with the volume of customer usage and projects such  
10 cost to be approximately \$2.2 million per year and \$11 million for five years for GPA and \$1  
11 million per year and \$5 million for five years for GWA; and  
12

13           **NOW, THEREFORE BE IT RESOLVED**, by the Consolidated Commission on  
14 Utilities, subject to the review and approval of the Public Utilities Commission, does hereby  
15 approve and authorize the following:  
16

- 17 1.       The General Managers of the Guam Power Authority and Guam Waterworks Authority  
18 are hereby authorized to award the Merchant Banking Services contract to Bank of Hawaii  
19 at a cost of approximately \$2.2 million per year and \$11 million for five years for GPA  
20 and \$1 million per year and \$5 million for GWA for the five-year contract period  
21 consisting of a base year and four additional one-year options. Annual cost varies with the  
22 volume of customer usage. The offer includes options for renewal that can be exercised  
23 at a later date.  
24
- 25 2.       The CCU further authorizes the management of GPA and GWA to petition for the PUC’s  
26 approval as required by the contract review protocol.  
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29           **RESOLVED**, that the Chairman of the Commission certifies and he Secretary of the  
30 Commission attests the adoption of this Resolution.  
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1 **DULY AND REGULARLY ADOPTED**, this 28<sup>th</sup> day of May, 2024.

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3 Certified by:

Attested by:

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7 **JOSEPH T. DUENAS**

**PEDRO ROY MARTINEZ**

8 Chairperson

Secretary

9 Consolidated Commission on Utilities

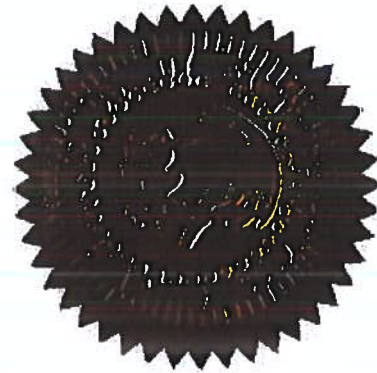
Consolidated Commission on Utilities

10  
11 **SECRETARY'S CERTIFICATE**

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

15  
16 The foregoing is a full, true and accurate copy of the resolution duly adopted at a  
17 regular meeting by the members of the Guam CCU, duly and legally held at a place properly  
18 noticed and advertised at which meeting a quorum was present and the members who were  
19 present voted as follows:

20  
21 AYES: 5  
22 NAYS: 0  
23 ABSENT: 0  
24 ABSTAIN: 0



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