

networking equipment, digger, SUV, and Utility Trucks, Emergency Underground Reconstruction, substation/breaker upgrades, and other miscellaneous items.⁶

The "engineering" expenditures include such items as Storage Tank 1934 Refurbishment, T&D Master Plan Transportation and T&D Administration Meter/Relay, EPCM Contract, Typhoon Mankhut Permanent Repairs, and T7 Transformer Replacement.⁷

The Contract Review Protocol does not require that GPA provide justifications for the items listed under General Plant.⁸ GPA indicates that what it has provided is a General Plant (CIP) Budget, it has always been the case that GPA does not expend all amounts indicated in the budget for the stated items.⁹

On October 29, 2024, PUC Legal Counsel submitted his report recommending that the PUC approve GPA's proposed FY2025 CIP Ceiling Cap in the amount of \$34,960,498.

DETERMINATIONS

The FY2025 CIP projects include costly projects. In the "general plant" category, there is the Combustion Inspection and hot parts renew for DCT 1 and 2 at \$1.7 million, Piti Major Overhaul at \$3.5 million, bucket trucks at \$1 million, EV Bucket Trucks at \$724,998, Portable Generators on trailers at \$800,000, and Stationary Generator Replacements at \$3.750 million.¹⁰ In the "engineering" category, there is the Storage

⁶ Supplement at 3-5.

⁷ Id., at 5.

⁸ Contract Review Protocol for GPA, Administrative Docket, February 15, 2008, Sec., 1f.

⁹ Supplement at 4-6.

¹⁰ Id., at 3-4.

Tank 1934 Refurbishment at \$2.1 million, EPCM Contract for \$1.2 million, T7 Transformer replacement at \$1,029,748 million, T-501 Transformer Upgrade at \$700,000, and the T&D Master Plan at \$5 million.¹¹ The total for all the FY2025 CIPs exclusive of line extensions is \$34,960,498.¹²

The cap levels for last ten years are as follows: (1) \$9,974,000 for FY2015; (2) \$12,067,780 for FY2016; (3) \$18,798,120 for FY2017, (4) \$20,959,813 for FY2018; (5) \$22,022,011 for FY2019; (6) \$23,780,278 for FY2020; (7) \$21,561,155 for FY2021; (8) \$32,202,862 for FY2022; (9) \$22,122,263 for FY2023; and (10) \$32,931,099 for FY2024.¹³ Here, the FY2025 cap is \$2,029,399 more than the FY2024 cap. It is notable that the cap has been increasing for nine of the last ten years and the average between year increase for the period is \$5,036,689. Here, the \$2,029,399 increase from FY2024 to FY2025 is lower than that average by \$3,007,290.

The projects in CIP cap should improve the island-wide transmission and distribution system and GPA has justified these costs.

GPA must seek approval under the Contract Review Protocol for procurement of any items included within the CIP cap which exceed the \$1.5 million threshold if the PUC has not previously approved such items.

ORDERING PROVISIONS

Upon consideration of the record herein, the Application of GPA, and the PUC Legal Counsel Report, and for good cause shown, on motion duly made, seconded, and carried by affirmative vote of the undersigned Commissioner, the Commission **HEREBY ORDERS** that:

¹¹ Id., at 5.

¹² Id., at 2.

¹³ PUC Order dated September 28, 2023 in GWA Docket No. 23-22 at 3.

1. The GPA FY2025 internally funded CIP ceiling cap, which consists of General Plant and Engineering, is approved in the amount of \$34,960,498.
2. The General Plant and Engineering budgets are consistent with prior budgets and appear reasonable; no prudency concerns are noted.
3. GPA shall file a complete reconciliation of the FY2024 expenditures on or before December 1, 2024, as required by the Contract Review Protocol.
4. GPA must obtain Contract Review approval from the PUC before it expends amount for those projects which exceed the contract review threshold of \$1.5 million.
5. 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 are authorized pursuant to 1 G.C.A. §§12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

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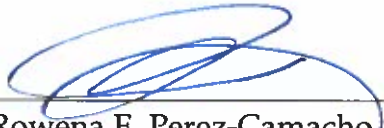
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Order
GPA's Application to Approve the
FY2025 CIP Ceiling Cap
GPA Docket 24-26
November 5, 2024

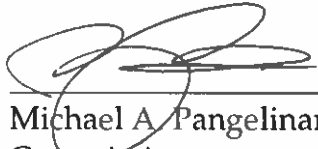
Dated this 5th day of November, 2024.



Jeffrey C. Johnson
Chairman



Rowena E. Perez-Camacho
Commissioner



Michael A. Pangelinan
Commissioner



Joseph M. McDonald
Commissioner



Doris Flores Brooks
Commissioner



Peter Montinola
Commissioner