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Attorney for Guam Power Authority

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:

GPA DOCKET NO. 24-26

**GUAM POWER AUTHORITY'S
APPLICATION TO APPROVE THE
FY2025 CIP CEILING CAP**

**PETITION TO APPROVE GPA'S
REVENUE-FUNDED CAPITAL
IMPROVEMENT PROJECT CEILING
CAP FOR FY2025**

The Guam Power Authority (GPA) hereby files its Petition requesting the Public Utilities Commission of Guam (PUC) to review and approve GPA's FY2025 revenue-funded Capital Improvement Project (CIP) ceiling cap, which consists of General Plant (\$21,860,498), Engineering (\$13,100,000), and Line Extensions (\$4,200,000) for a total internal FY2025 CIP ceiling cap of \$39,160,498.

I. Background

Paragraph 6 of the Contract Review Protocol requires GPA to file its revenue funded CIP ceiling cap each year by mid-September for PUC review and approval. GPA's filing should contain its construction budget, project estimates, project descriptions, and detail to identify project locations.

Draft FY2024 and FY2025 budgets, which included GPA's internally funded CIP projects and budgets, were presented to the Consolidated Commission on Utilities (CCU) by GPA

ORIGINAL

1 Resolution No. 2023-32 during the CCU's September 21, 2023, working session. The draft
2 budgets included the FY2024 and FY2025 GPA revenue funded CIP plant and engineering project
3 lists, budget estimates, and project descriptions and further included budget estimates with and
4 without line extensions. The CCU approved both years' budgets. See GPA Resolution
5 No. 2023-32 (Sept. 27, 2023) (Attach. B to Ex. 1).
6

7
8 GPA subsequently petitioned the PUC for approval. See Petition, GPA Docket No. 23-22
9 (Sept. 23, 2023). The PUC approved only the FY2024 budget. See Order GPA Docket No. 23-22
10 (Sept. 28, 2023).
11

12 II. Discussion


13 GPA petitions the PUC, pursuant to the Contract Review Protocol, paragraph 6, to review
14 and approve GPA's FY2025 internal CIP ceiling cap of \$39,160,498. In support of this petition,
15 GPA provides the General Manager's letter to the PUC dated September 12, 2024, together with
16 attachments detailing the FY2025 CIP ceiling cap. See Ex. 1 & Attach. A.
17

18 III. Conclusion

19
20 The PUC should approve GPA's request to approve GPA's FY2025 revenue funded CIP
21 ceiling cap, which consists of General Plant (\$21,860,498), Engineering (\$13,100,000), and Line
22 Extensions (\$4,200,000) for a total internal FY2025 CIP ceiling cap of \$39,160,498, as it is
23 reasonable, prudent, and necessary.
24

25
26 Respectfully submitted this 13th day of September, 2024.

27 *Attorney for Guam Power Authority*

28
29 By: 
30 Marianne Woloschuk
31 GPA Legal Counsel
32



**GUAM POWER AUTHORITY ATURIDAT
ILEKTRESEDAT GUAHAN**
P.O. Box 2977 HAGATNA, GUAM USA 96932 - 2977

September 12, 2024

Mr. Frederick Horecky, Esq.
Administrative Law Judge
Guam Public Utilities Commission
Suite 207 GCIC Building
414 West Soledad Avenue Hagatna,
Guam 96910

**SUBJECT: GPA DOCKET NO.: 24-26 - CONTRACT REVIEW PROTOCOL FY2025
CAPITAL IMPROVEMENT PROJECT CEILING CAP**

Dear Mr. Horecky:

In accordance with GPA Docket 24-26, the Guam Power Authority is requesting the Guam Public Utilities Commission's approval for FY2025 internally funded Capital Improvement Project Ceiling Cap of \$34,960,498, respectively, without line extension projects.

Attachment A provides General Plant CIP projects of \$100K and above. Attachment A.1 provides Approved Engineering Projects.

Capital Improvement Projects (CIP) - REVENUE FUNDED	FY2025 APPROVED
General Plant (Attachment A)	\$21,860,498
Engineering Projects (Attachment A.1)	\$13,100,000
SUB-TOTAL	\$34,960,498
Line Extensions	\$4,200,000
TOTAL CAPITAL IMPROVEMENT PROJECTS	\$39,160,498

On Wednesday, September 27, 2023, the Consolidated Commission on Utilities (CCU) Board of Directors approved Fiscal Year 2025 Guam Power Authority Budget as referenced on Resolution #2023-32 (See Attachment B).

Please do not hesitate to call Mr. John E. Kim, Chief Financial Officer, at 648-3120 should you have any further questions or concerns regarding the aforementioned filing.

Sincerely,


JK JOHN M. BENAVENTE, P.E.
General Manager

cc: Mr. John E. Kim, Chief Financial Officer
Ms. Pamela R. Aguigui, Chief Budget Officer Ms.
Marianne Woloschuk, Legal Counsel

EXHIBIT 1

GUAM POWER AUTHORITY

9/12/24

FY2025 CAPITAL IMPROVEMENT PROJECTS (CIP) - Revenue Funded

GENERAL PLANT - \$100K & Over

ATTACHMENT A

CIP DESCRIPTION		FY24 Carry over	FY2025 Approved BUDGET
Cabras 1 & 2	Carry Over: T-1 Transformer Radiator Fins (new)	\$ 414,474	\$ 415,000
Cabras 1 & 2	Components and part preparation for outage unit 1&2 boiler&turbine system and their auxiliaries, including oil injection spray plates, oil guns, air register parts, APH rotating components, CWP,CP,EHC pump,Fuel oil pump,etc.		\$ 200,000
Cabras 1 & 2	Carry Over: Replacement of Unit 2 safety valve after verification by Basin Valve Inc. during boiler outage site pressure setting adjustment and testing inspection, repairs, and replacement if required	\$ 150,000	\$ 150,000
Cabras 1 & 2	Unit 2 Boiler Casing and Refractory Renewal during overhaul, including soot waste disposal		\$ 120,000
Diesel	Replace Cooling Towers for Caterpillar units Tenjo-Vista Power plant (Units #2 & #6)		\$ 250,000
Diesel	Caterpillar 3616 engine inter and after coolers		\$ 100,000
Diesel	Turbo Charger (Tenjo Diesel Caterpillar Units, 4ea)		\$ 300,000
Diesel	Turbo Charger (Talofofo Diesel Caterpillar Units, 2 ea)		\$ 200,000
Diesel	Replace Plant Air Compressors MDI, Talofofo, Tenjo Vista		\$ 150,000
Diesel	Exhaust Manifold for Tenjo Unit 1		\$ 100,000
Diesel	Upgrade ventilation fans at Tenjo vista Power Plant		\$ 100,000
Engineering	Distribution Automation		\$ 250,000
Facilities	Hagatna Power Plant Building Renovation to include Fencing Upgrades		\$ 100,000
Gas CT	Request Combustion Inspection and hot parts renew for DCT 1 unit.		\$ 850,000
Gas CT	Request Combustion Inspection and hot parts renew for DCT 2 unit.		\$ 850,000
Gas CT	MCT, To upgrade MCT Turbine Fuel Treatment Motor Control Center #3 and Water Treatment Motor Control Center#2		\$ 150,000
Gas CT	Yigo Horizontal oil Tank T-120 replacement		\$ 150,000
Information Tech	GPWA Physical Security Services (Revenue-funded Portion) - Additional Cost		\$ 100,000
Information Tech	Carry Over: Carry Over: Storage services to Primary flashstack Data Center Cluster	\$ 512,000	\$ 512,000
Piti 7	Carry Over Parts: Piti Major OH including Turbine Parts	\$ 688,148	\$ 3,500,000
PSCC	Siemen Storage Expansion Project (1 units)		\$ 50,000
PSCC	Carry Over :SCADA Fiber Switch	\$ 99,725	\$ 150,000
PSCC	Substation Controller I/O Modules		\$ 80,000
PSCC	Carry Over: SCADA Storage Redundant Storage	\$ 146,890	\$ 150,000
Safety	Substation Hardening Phase II		\$ 550,000
Substation	Carry Over: Outdoor Vacuum Circuit Breaker	\$ 165,746	\$ 165,746
SPORD	Tier 2 Expansion Project/Equipment		\$ 105,000
T & D Overhead	Upgrade Monotubes		\$ 300,000
T & D Overhead	Upgrade Tower 22		\$ 100,000
T & D Underground	Carry Over: Emergency Underground Reconstruction - Civil Work, Cable Replacement	\$ 125,242	\$ 500,000
Transportation	SUV		\$ 200,000
Transportation	4x4 Utility Truck (Medium Heavy Duty 4-Wheel Drive)		\$ 300,000
Transportation	Bucket Trucks - Various (5 units)		\$ 1,000,000
Transportation	Carry over: Commerical Utility Van	\$ 179,865	\$ 179,865

GUAM POWER AUTHORITY
FY2025 CAPITAL IMPROVEMENT PROJECTS (CIP) - Revenue Funded
GENERAL PLANT - \$100K & Over

9/12/24

ATTACHMENT A

CIP DESCRIPTION		FY24 Carry over	FY2025 Approved BUDGET
Transportation	Trimming Equipment (T&D Equipment Operators)		\$ 520,135
Transportation	CARRYOVER: EV Bucket Trucks (2 units)	\$ 724,998	\$ 724,998
Transportation	CARRYOVER: EV Bucket Truck Cost Share	\$ 250,000	\$ 250,000
Transportation	65ft Bucket Trucks		\$ 400,000
Transportation	Tractor Trucks		\$ 175,000
Warehouse	Renovation of Dededo supply warehouse and receiving section		\$ 450,000
Water Systems	Portable generators on trailers to support existing stationary generators island wide on deep well/booster & sewer stations		\$ 800,000
Water Systems	Carry Over: Stationary Generator Replacements*	\$ 750,529	\$ 3,750,000

Note: FY24 carryovers embedded into FY25 budget

Total General Plant Budgets \$100k and Over	\$ 4,207,617	\$ 19,447,744
Total General Plant Budgets below \$100k		\$ 2,412,754
Grand Total FY25 General Plant Budget		\$ 21,860,498

GUAM POWER AUTHORITY

9/12/24

FY2025 CAPITAL IMPROVEMENT PROJECTS (CIP) - Revenue Funded

ENGINEERING PROJECTS

ATTACHMENT A.1

CIP DESCRIPTION	FY2025	
	FY24 Carry over	Approved R1 BUDGET
Engineering Projects		
Storage Tank 1934 Refurbishment - Additional Cost	\$ 475,947	\$ 2,131,900
Storage Tank 1935 Refurbishment - Additional Cost	\$ 368,100	\$ 568,100
EPCM Contract - Stanley Consultants	\$ 545,617	\$ 1,200,000
Typhoon Mangkhut Permanent Repairs (75% FEMA Funded)	\$ 500,000	\$ 500,000
T7 Transformer Replacement		\$ 1,029,748
Protection Relays, ICON	\$ 252,188	\$ 300,000
P-111 and P-047 Metal Cross Arm Refurbishment		\$ 350,000
T-501 Transformer Upgrade		\$ 700,000
115kV Cabras to Agana - monotube upgrade		\$ 50,000
EV Charging Station		\$ 200,000
Concrete Fencing - Harmon Substation- design		\$ 100,000
SCADA Ready Regulators		\$ 100,000
Automated Omni Rupter Switch		\$ 50,000
SCADA Ready Switched Cap Banks		\$ 100,000
New Northern Substation near Potts Junction DESIGN		\$ 250,000
Smargrid Controller Conversion and T&D Line Maintenance Support/Distribution Improvement		\$ 100,000
Substation and Transmission Improvements		\$ 100,000
LNG Phase I prev-development study	\$ 270,252	\$ 270,252
* T&D Master Plan (Transportation and T&D bldg)	\$ -	\$ 5,000,000
TOTAL ENGINEERING PROJECTS	\$ 2,412,104	\$ 13,100,000

Note: FY24 carryovers embedded into FY25 budget

* Pending PUC approval in September 2024



CONSOLIDATED COMMISSION ON UTILITIES
Guam Power Authority | Guam Waterworks Authority
P.O. Box 2977 Hagåtña, Guam 96932 | (671)649-3002 | guamccu.org

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GPA RESOLUTION 2023-32

**RELATIVE TO THE ADOPTION OF A BUDGET FOR THE
GUAM POWER AUTHORITY FOR FISCAL YEAR 2024 AND 2025**

WHEREAS, the Guam Power Authority (GPA) is a Public Corporation of the Government of Guam; and

WHEREAS, Section 8117 of Chapter 8 of Title 12 of Guam Code Annotated authorizes the Consolidated Commission on Utilities (CCU) to adopt an annual budget for the Authority; and

WHEREAS, Section 6.11 of the GPA Bond Indenture Agreement requires the Authority to provide a copy of an approved budget to the Bond Trustee prior to the beginning of each fiscal year; and

WHEREAS, the General Manager of the Guam Power Authority has reviewed and proposes the budget for Fiscal Year 2024 and 2025 totaling \$555,607,000 and \$576,098,000, respectively; and

WHEREAS, the General Manager has reviewed and proposes a Revenue Funded Capital Improvement Project (CIP) budget totaling \$36,931,099 and \$39,160,498; and

WHEREAS, the General Manager has reviewed the budget to ensure that all budget expenditures are consistent with the strategic goals of the Authority; and


NOW, THEREFORE BE IT RESOLVED BY THE CONSOLIDATED COMMISSION ON UTILITIES AS THE GOVERNING BODY OF THE GUAM POWER AUTHORITY, AS FOLLOWS:

- 1. The Fiscal Year 2024 and 2025 proposed budget of \$555,607,000 and \$576,098,000, respectively, of operating revenues, and operating expenses in addition to other cash flow

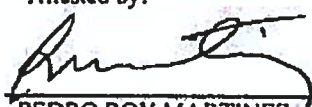
- 33 requirements such as debt services, working capital and conforming to obligatory debt
 34 coverage ratio of 1.59 for FY2024 and 1.57 for FY2025 are hereby approved (Exhibit A).
 35 2. The authorized level of positions within the Authority shall be 490 FTEs for FY2024 and
 36 FY2025.
 37 3. The General Manager is authorized to implement annual structural pay adjustments to the next
 38 incremental percentile in Fiscal Years 2024 and 2025 based on the 2022 Market Data and
 39 updated pay scale, subject to availability of funds.
 40 4. GPA shall not transfer into the personnel account from other non-labor accounts.

41 **RESOLVED**, that the Chairman of the Commission certifies and the Board Secretary of this
 42 Resolution.

44 **DULY and REGULARY ADOPTED AND APPROVED THIS** this 27th DAY
 45 **of SEPTEMBER 2023**

46 Certified by:


 JOSEPH T. DUENAS
 Chairman
 Consolidated Commission on Utilities

Attested by:


 PEDRO ROY MARTINEZ
 Secretary
 Consolidated Commission on Utilities

47
 48 I, Pedro Roy Martinez, Secretary for the Consolidated Commission on Utilities (CCU), as
 49 evidenced by my signature above do certify as follows:

50 The foregoing is a full, true, and correct copy of the resolution duly adopted at a regular meeting
 51 of the members of Guam Consolidated Commission on Utilities, duly and legally held at the meeting
 52 place properly noticed and advertised at which meeting a quorum was present and the members who were
 53 present voted as follows:
 54 present voted as follows:

55 Ayes: 5
 56 Nays: 0
 57 Absent: 0
 58 Abstain: 0
 60
 61
 62



GPA Revenue Requirement
Fiscal Year 2025 (CCU Approval 9/27/23)

Exhibit A

Proforma Income Statement
(In '000)

	FY2025 Approved
1 REVENUES	
2 Existing Base Rate Revenues	\$ 162,534
3 Fuel Revenues	406,877
4 Miscellaneous Revenues	6,687
5 Total Revenues	576,098
6 Bad Debt Expense	(1,295)
7 Net Operating Revenues	574,802
8	
9 Production Fuel	406,877
10	
11 MEC	14,631
12 IPP	14,631
13	
14 O&M EXPENSES	
15 Yigo Diesel Units (Aggreko)	\$ 2,267
16 Operating Supplies	3,299
17 Utilities - Water & Communications	3,025
18	
19 <u>WORK FORCE</u>	
20 Salaries	39,708
21 Employee Benefits	14,197
22 Retiree & Health Care	5,947
23 Labor, Benefits & Retirees	59,853
24 Less Capitalized Labor	(6,973)
25 Personnel	52,880
26	
27 Apprentice labor	2,527
28 Workforce Interns	1,477
29 Workforce contracts	4,004
30 Total Work Force	56,884
31	
32 Fixed Management Fees (PMC)	3,644
33 Apprentice supplies & others	54
34 Security Guard/Armored Car Services	940
35 Software & Network Maintenance	1,978
36 Environmental protection	701
37 Other Contracts	8,952
38 Contractual	16,270

GPA Revenue Requirement
Fiscal Year 2025 (CCU Approval 9/27/23)

Exhibit A

Proforma Income Statement
(In '000)

FY2025
Approved

77	Debt Service	
78	Bond Interest Expense	21,294
79	Bond Principal	16,650
80	Total Debt Service	37,944
81		
82	Debt Service Coverage (Bond Method)	1.57
83	Debt Service Coverage (S&P Method)	1.57
84		
85	<u>Cashflow Statement</u>	
86	Net Income	\$ (1,393)
87	Depreciation & amortization	39,635
88	(Unrecovered)/recovered fuel cost	-
89	CIP's-Internally Funded	(39,160)
90	Principal Payment (2012 Revenue Bond)	-
91	Principal Payment (2014 Revenue Bond)	(1,935)
92	Principal Payment (2017 Refunding Bond)	(4,460)
93	Principal Payment (2022 Refunding Bond)	(10,255)
94	Principal Payment (IPP)	-
95	MEC Recapitalization	(2,000)
96	Cash Carry Over-Surplus/(Deficit)	(19,569)
97	Beginning Balance	43,538
98	Ending Balance	23,969

**GPA Revenue Requirement
Fiscal Year 2025 (CCU Approval 9/27/23)**

Exhibit A

**Proforma Income Statement
(In '000)**

**FY2025
Approved**

Contracts		
Apprentice	\$	53,768
-Supplies & others	\$	53,768
Environmental protection	\$	701,061
-Compliance-Emission and water	\$	470,000
-Used oil, catalyst and others	\$	231,061
Fixed Management Fees (PMC)	\$	3,644,427
- Cabras 1 & 2	\$	2,773,220
- CT	\$	871,207
Software & Network Maintenance	\$	1,978,001
-Advance Grid Analysis (AGA)	\$	71,062
-JDE license	\$	473,665
-MDMS SW License Renewal & Software Maintenance	\$	110,000
-Oracle DB license renewal for CC&B Database	\$	88,292
-Oracle DB license renewal for CC&B Database-DR	\$	53,309
-Universal Credits of CHATBot	\$	-
-CC&B SW Maintenance License fee renewal	\$	131,456
-Other licenses	\$	1,050,217
Security Guard/Armored Car Services	\$	939,859
-Security Guard Services	\$	900,000
-Armored Car Services	\$	39,859
Audit Fee Financial	\$	145,000
Building maintenance	\$	841,396
Engineering Consultants	\$	150,000
Grounds Maintenance	\$	522,771
Heavy Equipment Maintenance	\$	34,800
Heavy Equipment Rental	\$	112,531
Land Lease	\$	108,240
Legal Consultants	\$	16,500
Light Vehicle Maintenance	\$	29,095
Office Equipment Rental	\$	100,000

GPA Revenue Requirement
Fiscal Year 2025 (CCU Approval 9/27/23)

Exhibit A

Proforma Income Statement
(In '000)

	FY2025 Approved
Chemicals	\$ 181,497
Conductors, Poles & Line HW	\$ 385,215
Copier Supplies	\$ 34,174
Coveralls/Uniforms	\$ 60,798
Diesel Fuel	\$ 130,000
Diesel Plant Parts	\$ 75,150
EPA & Others	\$ 69,246
Gases	\$ 158,828
Gasoline fuel	\$ 150,000
Janitorial Supplies	\$ 31,200
Lead Seals	\$ 5,000
Lubrication	\$ 258,694
Meter Test Parts, Etc.	\$ 11,500
Other Materials	\$ 361,095
Other Parts	\$ 285,883
Other Supplies	\$ 20,286
Printed Forms	\$ 23,356
Safety Supplies	\$ 127,282
SCADA Parts & Accessory	\$ 80,000
Station Equipment Repair Parts	\$ 16,000
Tires	\$ 43,264
Tools	\$ 121,092
Transformer Repair Parts	\$ 43,100
Turbine & Associated Eqpt parts	\$ 40,000
Vehicle & Heavy Equipment Parts	\$ 110,608
Total - Operating Supplies	\$ 3,298,587
Utilities - Water & Communications	
Courier Services	\$ 79,140
Postage	\$ 371,077
Telephone (Local)	\$ 210,000
Telephone (Overseas)	\$ 10,500
Utilities - Water	\$ 2,354,055
Total - Utilities - Water & Communications	\$ 3,024,772
Miscellaneous	
Ads & Radio Announcements	\$ 138,570
Board Fees	\$ 31,500
Collection Fees	\$ 2,500,000

**GPA Revenue Requirement
Fiscal Year 2025 (CCU Approval 9/27/23)**

Exhibit A

**Proforma Income Statement
(In '000)**

**FY2025
Approved**

**FY2025 CAPITAL IMPROVEMENT PROJECTS (CIP) - REVENUE
FUNDED**

Overhaul	\$	9,576,500
Network - SCADA, Advanced Meter Infrastructure, E1 Enhancement and Disaster Recovery	\$	1,906,400
Substation and Transmission Improvements	\$	1,522,700
Water Well System Improvements	\$	2,300,000
Heavy Equipment - Bucket trucks, Diggers	\$	4,849,998
Other General	\$	1,704,900
General Plant		21,860,498
Engineering Projects	\$	13,100,000
Line Extensions	\$	4,200,000
Total - CIP (Revenue Funded)	\$	39,160,498