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9 *Attorney for Guam Power Authority*

10 **BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

11 **IN THE MATTER OF:**

**GPA DOCKET NO. 25-02**

12 **GUAM POWER AUTHORITY'S**  
13 **REPLACEMENT PITI SUBSTATION T-7**  
14 **POWER TRANSFORMER**

**PETITION OF THE GUAM POWER**  
**AUTHORITY TO APPROVE**  
**PROCUREMENT OF SERVICES TO**  
**DESIGN AND BUILD**  
**INFRASTRUCTURE FOR AND**  
**SERVICES TO INSTALL, TEST AND**  
**COMMISSION PITI SUBSTATION T-7**  
**POWER TRANSFORMER AS PART OF**  
**REPLACEMENT PROJECT**

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19 The Guam Power Authority (GPA), by and through its counsel of record, Marianne  
20 Woloschuk, hereby files its Petition for the Public Utilities Commission of Guam (PUC) to review  
21 and approve GPA's request to approve the procurement of services to design and build the  
22 necessary infrastructure for and services to install, test and commission the Piti Substation T-7  
23 Power Transformer as part of the replacement project.

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26 **I. BACKGROUND**

27 GPA seeks to replace the Piti substation T-7 power transformer, which serves critical  
28 distribution loads such as the Port Authority of Guam and acts as an emergency/maintenance  
29 source for the Navy T-8 power transformer distribution load. GPA had to remove the Piti  
30 substation T-7 power transformer from service in January 2021, after it experienced irreparable  
31 failure due to the deterioration of its mechanical parts and insulating components.  
32

1 GPA procured a replacement transformer for the Piti substation in November 2021 and  
2 received various parts, components and drawings between December 2022 and February 2023. In  
3 addition to the unit itself, replacing the Piti substation T-7 transformer will require the construction  
4 of a new transformer pad with a secondary containment structure and the appurtenances for the  
5 installation, because the existing pad was built in the 1950s and does not comply with current U.S.  
6 Environmental Protection Agency (EPA) Spill Prevention, Control, and Countermeasures (SPCC)  
7 secondary containment requirements.  
8  
9

10 The scope of work for the project includes the design and construction of the transformer  
11 infrastructure to support the oil containment, the assembly and installation of the already acquired  
12 T-7 transformer and its electrical connections to existing substation equipment, and the site  
13 acceptance testing and commissioning for the transformer. Because the Piti substation is a joint-  
14 use facility that remains the property of the United States Navy, the design and execution of  
15 construction will comply with the United States Navy's consent and approval terms and  
16 conditions.  
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20 The replacement and commissioning are expected to take up to 14 months to complete  
21 from the time of award. The estimated cost of approximately \$2.8 million dollars exceeds the  
22 General Manager's authority under the Consolidated Commission on Utilities (CCU) and thus  
23 PUC approval is required.  
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## 26 II. DISCUSSION

27 GPA hereby petitions the PUC, pursuant to its Contract Review Protocol for GPA, to  
28 review and approve GPA's request to procure the services needed to replace the Piti substation  
29 T-7 power transformer at an estimated cost of \$2.8 million. In support of this petition, GPA hereby  
30 provides the PUC with the following supporting documentation:  
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- 1 (1) CCU Resolution No. FY2024-31, in which the CCU authorizes the General  
2 Manager to procure the necessary services, subject to the PUC's approval.  
3 Ex. A.  
4 (2) U.S. Navy letter of consent and approval (May 5, 2022). Ex. B.  
5 (3) A breakdown of the costs of the project. Ex. C.

6 The project will be revenue funded.

### 7 III. CONCLUSION

8 The PUC should approve GPA's request to procure services to design and build the  
9 necessary infrastructure for and services to install, test and commission the Piti substation T-7  
10 power transformer as part of the project to replace it at an estimated cost of \$2.8 million. The  
11 operation of the Piti 7 unit is essential to the island-wide power system and thus the contract is  
12 reasonable, prudent, and necessary.  
13

14 Respectfully submitted this 3rd day of October, 2024.

15 *Attorney for Guam Power Authority*

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17 By: \_\_\_\_\_

18 Marianne Woloschuk  
19 GPA Legal Counsel  
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**CONSOLIDATED COMMISSION ON UTILITIES**  
Guam Power Authority | Guam Waterworks Authority  
P.O. Box 2977 Hagåtña, Guam 96932 | (671) 648-3002 | guamccu.org

**GPA Resolution No. FY2024-31**

**Relative to Approval for the Replacement of the Piti Substation T-7 Transformer.**

**WHEREAS**, the Piti substation T-7 power transformer was removed from service on January 3, 2021, upon experiencing irreparable failure due to the deterioration of mechanical parts and insulating components;

**WHEREAS**, the Piti substation T-7 transformer serves critical distribution loads such as the Port Authority of Guam and as an emergency/maintenance source for the Navy T-8 power transformer distribution load;

**WHEREAS**, Guam Power Authority (GPA) has, on November 2021, procured the replacement power transformer for Piti substation T-7;

**WHEREAS**, GPA has received the transformer tank, associated components, shop drawings and manual between the period of December 2022 and February 2023;

**WHEREAS**, the existing Piti substation T-7 transformer pad, built in the 1950's, is non-compliant with the Environmental Protection Agency (EPA) Spill Prevention, Control, and Countermeasures (SPCC) secondary containment requirements;

**WHEREAS**, the Piti Substation T-7 transformer replacement requires the construction of a new transformer pad with a secondary containment structure and the appurtenances for the installation;

**WHEREAS**, the Piti substation, a joint-use facility, remains the property of the United States Navy, where the design and execution of construction must comply with the United States Navy's consent and approval terms and conditions as follows:

- (1) Soil testing, the management of excavated soils, and the development of an approved project work plan, in accordance with the Land Use Control Decision Document for Piti Substation dated September 2011, the Time Critical Removal Action Various Utilities document dated December 2010, and the Final Removal Site Evaluation Various Utilities document dated January 2008;
- (2) the review and approval by NAVFAC Marianas as it relates to National Historic Preservation Act requirements;
- (3) the compliance with real estate requirements involving Unexploded Ordinance (UXO) and Munitions and Explosives of Concern (MEC) as described in the Consent and Approval for Modification - Piti substation T-7 power transformer letter dated May 5, 2022;

**WHEREAS**, the cost to design and execute the construction, installation, testing and commissioning tasks associated with the Piti substation T-7 power transformer replacement is estimated to possibly cost up to \$2.8 million dollars;

**WHEREAS**, GPA seeks to procure the services of a contractor who will develop the design and project work plan, execute the construction, and perform the installation, testing and commissioning tasks associated with the replacement of the Piti substation T-7 power transformer as stated in the GPA General Scope of Work, in compliance with the United States Navy terms and conditions; Federal, EPA and GEPA regulations; and Government of Guam mandates, to include building codes and regulations;

**WHEREAS**, GPA shall secure FY2025 and FY2026 revenue funds in the amount of \$2.8 million dollars for the Piti substation T-7 transformer replacement; and

**WHEREAS**, the estimated cost to design and build the infrastructure for, and the installation, testing and commissioning of the Piti substation T-7 power transformer replacement exceeds the General Manager's authority under the CCU and also requires prior PUC approval under 12 GCA § 12004 and the PUC Contract Review Protocol; now, therefore, be it


**RESOLVED**, by the Consolidated Commission on Utilities, the governing body of the Guam Power Authority, and subject to the review and approval of the Public Utilities Commission;

**RESOLVED**, that the CCU authorizes the GPA General Manager to procure the services to design and build the necessary infrastructure for; and services to install, test and commission the Piti Substation T-7 Power Transformer as part of the Replacement Project, estimated at \$2.8 million dollars; and

**RESOLVED**, that the Chairman of the Commission certifies and the Secretary of the Commission attests to the adoption of this resolution.

**DULY AND REGULARLY ADOPTED** at Mangilao, Guam, this 25<sup>th</sup> day of September 2024.

Certified by:

  
\_\_\_\_\_  
Joseph T. Duenas  
CHAIRPERSON

Attested by:

  
\_\_\_\_\_  
Pedro Roy Martinez  
SECRETARY

**SECRETARY'S CERTIFICATE**

**I, Pedro Roy Martinez, Secretary for the Consolidated Commission on Utilities, as evidenced by my signature above, do hereby certify:**

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

  5   AYES  
  0   NAYS  
  0   ABSTENTIONS  
  0   ABSENT





DEPARTMENT OF THE NAVY  
NAVAL FACILITIES ENGINEERING SYSTEMS COMMAND MARIANAS  
PSC 455, BOX 195  
FPO AP 96540-2937

IN REPLY REFER TO:  
11011  
Ser 00/070  
May 5, 2022

John M. Benavente, P.E.  
General Manager  
Guam Power Authority  
P.O. Box 2977  
Hagatna, Guam 96932-2977

Dear Mr. Benavente:

SUBJECT: CONSENT AND APPROVAL FOR MODIFICATION – PITI SUBSTATION T-7 POWER TRANSFORMER

This responds to your letter dated August 30, 2021, requesting Navy consent to replace the T-7 transformer inside the Piti Substation. Consent and approval are hereby granted subject to the following terms and conditions:

1) Soil testing shall be in accordance with the *Land Use Control Decision Document for Piti Substation* dated September 2011, *Final Removal Verification Report (RVR)*, *Time Critical Removal Action Various Utilities* dated December 2010, and *Final Removal Site Evaluation Various Utilities* dated January 2008 to determine how excavated soil from the project can be managed. Enclosure (1) depicts final excavation limits of prior investigation and cleanup within Piti Substation. Enclosure (2) provides construction depths that trigger testing for specific contaminants of concern. Guam Power Authority (GPA) shall submit a project work plan, describing what and how work (to include sampling and analysis) will be performed, to NAVFAC Marianas and Guam Environmental Protection Agency for approval no less than 30 days prior to commencement of work. Should results deem the soil contaminated, GPA shall submit a health and safety plan and waste management plan for approval;

2) GPA shall provide a project design and scope of work to NAVFAC Marianas for review and approval. National Historic Preservation Act requirements will be covered under the Joint Region Marianas 2008 Programmatic Agreement;

3) GPA acknowledges that the land underlying and adjacent to subject project location may contain Unexploded Ordnance (UXO). GPA shall follow the real estate requirements involving UXO and Munitions and Explosives of Concern (MEC) identified in enclosure (3).

Please contact Lt Cyndele McVeigh at (671) 349-3715 or at [Cyndele.mcveigh@fe.navy.mil](mailto:Cyndele.mcveigh@fe.navy.mil) or Ms. Khristine Leinweber (671) 333-9812 or at [khristine.leinweber@fe.navy.mil](mailto:khristine.leinweber@fe.navy.mil) for questions or concerns.

Sincerely,

J. B. GATES  
Commander, U.S. Navy  
Commanding Officer  
Acting

- Enclosures
- 1. Piti Substation Excavation Limits, Final RVR December 2010
  - 2. Construction Depth Soil Testing Criteria
  - 3. UXO/MEC Real Estate Requirements

**EMERGENCY**  
**THIS CRITICAL REMOVAL ACTION**  
**REQUIRES ELECTRICAL UTILITY BERTS**  
**CONNECTIONS TO POWER**

**LEGEND**

- Excavation Grids
- Areas Excavated to 1 ft bgs
- Areas Excavated to 2 ft bgs
- Areas Excavated to 3 ft bgs
- Areas Excavated to 3.5 ft bgs
- Areas Excavated to 4 ft bgs
- Areas Excavated to 4.5 ft bgs
- Areas Excavated to 5 ft bgs
- Excavation Completed to groundwater (6.5 ft bgs)
- Area Below Cleanup Criteria
- Area with Land Use Controls
- Perimeter: Horizontal Extent Contained Clean
- Chain Fence
- Edge of A.C. Road
- Concrete Slab
- Buildings

**LOCATION MAP**



**NOTES & SOURCES**

Map Coordinates: Quick Coordinate System (CGN11) 1983 is used.  
 Survey Information: 1986 Photogrammetric Survey of Oahu, HI.  
 All Excavation Depths are to PGSP (Pacific Geospatial Services) datum.

**TITLE**

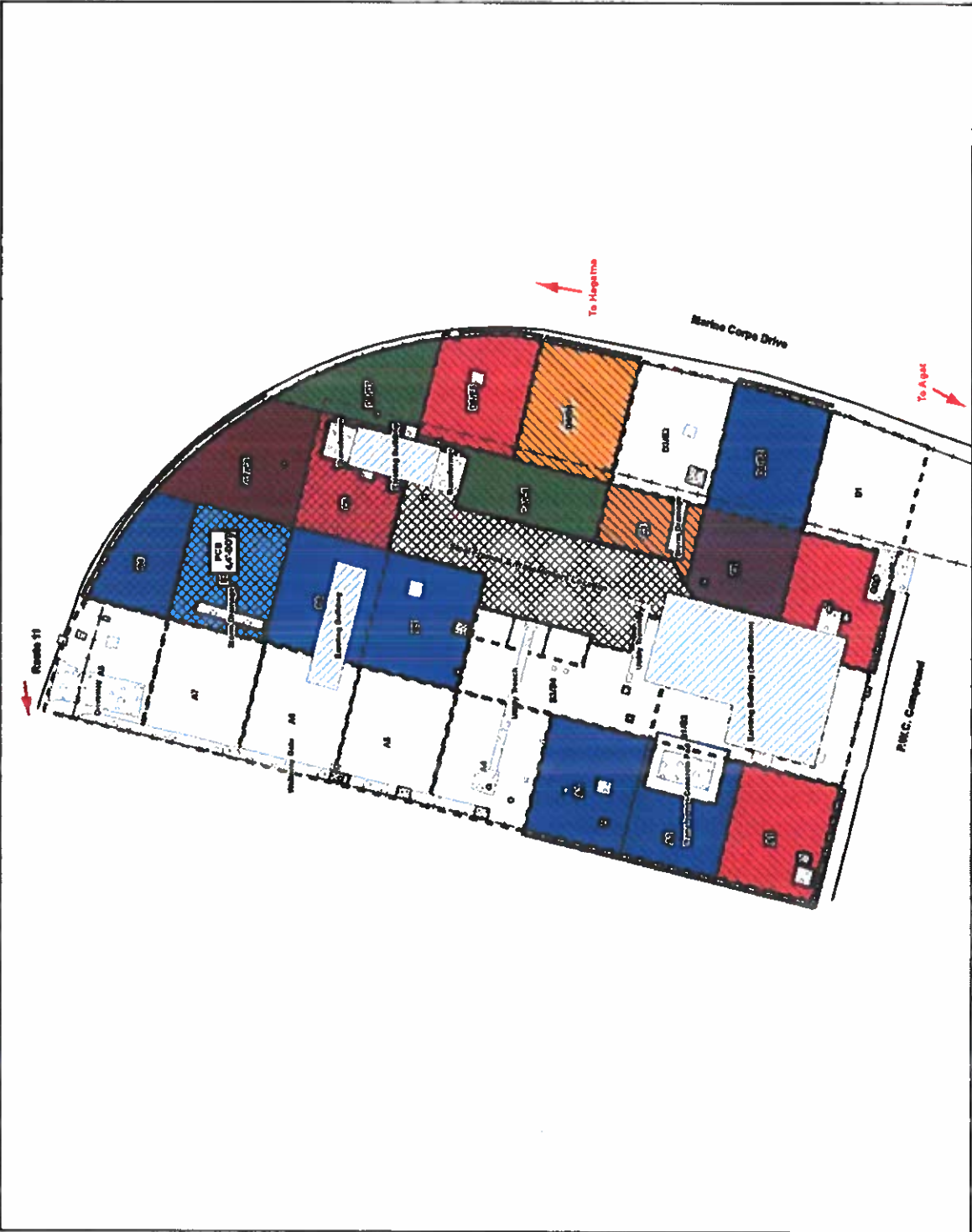
**Pali Substation**  
**Excavation Status**



**FIGURE**

**2-3**

CGN 11B Series  
 Copyright © 2004 by the U.S. Geological Survey  
 All rights reserved. Published in 2004  
 1:50,000 Scale, 1:100,000 Scale, 1:250,000 Scale



Enclosure (1)



**SOIL TESTING DEPTH CRITERIA AND CHEMICALS OF CONCERN,  
GPA Modification Piti Substation T-7 Power Transformer Request, August 2021**

**AREA C4/C5**

**If excavation is beyond 1.0 ft below ground surface (bgs), test for:**

- PCB
- benzo(a)pyrene
- 4-4' DDT
- Dieldrin

**AREA C3**

**If excavation is beyond 4.5 ft bgs, test for:**

- PCB
- benzo(a)pyrene
- 4-4' DDT
- Dieldrin

**AREA PS-2**

**Excavation at any depth (underneath existing T7 concrete pad or bldg.), test for:**

- Volatile organic carbon
- Semi-volatile organic carbon
- PCBs
- TPH
- Chlorinated Pesticides
- metals

**Real Estate Requirement involving Unexploded Ordnance (UXO) and  
other Munitions and Explosives of Concern (MEC)**

1. Guam Power Authority (GPA) shall acknowledge that land underlying and adjacent to the Leased Premises may contain UXO. Unless otherwise explicitly stated in this paragraph, GPA shall not conduct or permit any subtenant(s) to conduct any subsurface excavation, digging, drilling or other disturbance of the surface at any time without the prior written approval of the Government. Any excavation, digging, drilling, or other disturbance of the surface shall be done in compliance with all applicable Federal, state, and local laws and regulations and with Department of Defense and Department of the Navy safety policies, including those pertaining to explosives safety.

After receipt of written approval by Government, the following conditions apply to all ground disturbing and excavation activities:

1.1. GPA shall provide notice to the Installation Commander, Naval Base Guam (NBG) at least seven (7) calendar days prior to engaging in any excavation activities on the subject premises. Such notice will include the expected duration of excavation activities.

1.2. Notice of excavation activities and explosive safety risks shall be made to residents, motorists, and pedestrians within the established explosive safety zones. (as defined by the NBG Installation planner during the excavation approval process) by reasonable means of signs and flyers prior to any excavation activities. (\*\*Warning: ongoing investigation for unexploded ordinance ahead\*\* i.e. acceptable sign verbiage) Such public notices shall remain in place through the duration of the excavation activity.

1.3. GPA shall consider alternate work schedules and other reasonable methods to minimize vehicular and pedestrian traffic exposure to UXO and MEC risks during excavation activities.

1.4. Should GPA encounter suspected UXO or MEC on the subject premises, all work shall cease and Tenant will conduct the "3-Rs": Recognize, Retreat, and Report for all on site personnel. Tenant will confer immediately with CJRM Regional Explosives Safety Officer to determine the scope of any investigation and the requisite response action.

Piti T-7 Transformer Replacement

	DESCRIPTION OF WORK	APPROVED BUDGET	LATEST ENG'G ESTIMATE	COMMITMENT TO DATE	ACTUAL EXPENDITURE	BALANCE OF APPR'D BUDGET	REMARKS (STATUS OF ACTIVITY)
	<b>Design</b>						
1	A/E Design Development	\$300,000.00	\$300,000.00				
2	In-House Engineering	\$20,000.00	\$20,000.00				
3	EIA	\$20,000.00	\$20,000.00				
4	Advertise/Bid/Award	\$5,000.00	\$5,000.00				
	<b>Total Design Cost</b>	<b>\$345,000.00</b>	<b>\$345,000.00</b>				
	<b>Owner-Furnished Equipment</b>						
5	Power Transformer	\$1,034,968.00	\$1,034,968.00				
	<b>Total OFE Cost</b>	<b>\$1,034,968.00</b>	<b>\$1,034,968.00</b>				
	<b>Construction Management</b>						
6	Construction Engineering	\$80,000.00	\$80,000.00				
7	On-site Construction Management	\$60,000.00	\$60,000.00				
8	GPA Testing/ T&D Field Work	\$40,000.00	\$40,000.00				
9	Advertise/Bid/Award						
	<b>Total CM Cost</b>	<b>\$180,000.00</b>	<b>\$180,000.00</b>				
	<b>Construction</b>						
10	Mobilization/Demobilization	\$80,200.00	\$80,200.00				
	<b>Site Civil Works:</b>						
11	8" Crush Rock Surface	\$32,400.00	\$32,400.00				
12	Earthwork and Civil Improvements						
	<b>Equipment Foundation</b>						
13	Steel Structure	\$20,000.00	\$20,000.00				
14	Equipment Foundation	\$27,200.00	\$27,200.00				
15	Transformer Pad and Oil Containment	\$470,000.00	\$470,000.00				
	<b>Conduit Systems / Risers</b>						
16	34.5 kV Underground Conduits	\$102,800.00	\$102,800.00				
17	34.5 kV Riser Structure	\$67,200.00	\$67,200.00				
18	34.5 kV Riser Pole						
19	13.8 kV Underground Conduits	\$111,140.00	\$111,140.00				
20	13.8 kV Riser Structure	\$67,200.00	\$67,200.00				
21	Control and Communication Underground Conduits	\$63,300.00	\$63,300.00				
	<b>Electrical Structure / Miscellaneous</b>						
22	Outdoor Aluminum Tubular Bus	\$41,400.00	\$41,400.00				
	<b>Cables and Terminations</b>						
23	Power Cables 34.5 kV	\$62,400.00	\$62,400.00				
24	Power Cables 13.8 kV	\$159,600.00	\$159,600.00				
25	Cable Terminations 34.5kV & 13.8kV	\$26,400.00	\$26,400.00				
26	Low Voltage Control and Power Cables	\$26,400.00	\$26,400.00				
	<b>Grounding</b>						
27	Grounding grid and Equipment Ground	\$11,400.00	\$11,400.00				
	<b>Switchgear Upgrades</b>						
28	Busbars, CTs, Terminal Blocks, Test Switches, etc	\$40,000.00	\$40,000.00				
	<b>Control Building</b>						
29	Electrical	\$46,400.00	\$46,400.00				
30	Mechanical						
31	Structural/Civil	\$23,800.00	\$23,800.00				
32	Architectural						
	<b>Installation of Owner-Furnished Equipment</b>						
33	Install Power Transformer	\$121,000.00	\$121,000.00				
	<b>Testing / Commissioning</b>						
34	Site Acceptance Testing - Equipment	\$55,000.00	\$55,000.00				
35	Commissioning / Energization	\$10,000.00	\$10,000.00				
	<b>Soil Mitigation / MEC / Archeological</b>						
36	Monitor and Test - Contaminated Soil & Resistivity	\$115,000.00	\$115,000.00				
37	Handling and Disposal of Contaminated Soil	\$400,000.00	\$400,000.00				
38	MEC	\$27,950.00	\$27,950.00				
39	Archeological	\$32,250.00	\$32,250.00				
	<b>Total Construction Cost</b>	<b>\$2,223,440.00</b>	<b>\$2,223,440.00</b>				
	<b>Training and Maintenance Equipment</b>						
40	Transformer Maintenance Training and Certifications	\$80,000.00	\$80,000.00				
41	Phase Detection Equipment	\$10,000.00	\$10,000.00				
	<b>Total Training and Equipment Cost</b>	<b>\$90,000.00</b>	<b>\$90,000.00</b>				
	<b>SUMMARY</b>						
42	<b>TOTAL DESIGN</b>	<b>\$345,000.00</b>	<b>\$345,000.00</b>				
43	<b>TOTAL OFE</b>	<b>\$1,034,968.00</b>	<b>\$1,034,968.00</b>				
44	<b>TOTAL CONSTRUCTION MGMT</b>	<b>\$180,000.00</b>	<b>\$180,000.00</b>				
45	<b>TOTAL CONSTRUCTION</b>	<b>\$2,223,440.00</b>	<b>\$2,223,440.00</b>				
46	<b>TOTAL MISCELLANEOUS COST</b>	<b>\$90,000.00</b>	<b>\$90,000.00</b>				
47	<b>TOTAL PROJECT INSTALLATION COST</b>	<b>\$2,818,440.00</b>	<b>\$2,818,440.00</b>				

TOTAL INSTALLATION PROJECT COST \$2,818,440.00  
ALLOWED 20% OFFSET \$563,688.00  
TOTAL PROJECT COST + ALLOWED 20% OFFSET \$3,382,128.00