

**GUAM PUBLIC UTILITIES COMMISSION
REGULAR MEETING**

January 30, 2025

SUITE 205, 241 FARENHOLT AVENUE, OKA BUILDING, TAMUNING, GUAM

MINUTES

The Guam Public Utilities Commission [PUC] conducted a regular meeting commencing at 6:30 p.m. on January 30, 2025, pursuant to due and lawful notice. The meeting was called to order at 6:35 p.m. **Commissioners Jeffrey C. Johnson, Peter B. Montinola, Joseph M. McDonald, Michael A. Pangelinan and Doris Flores-Brooks were in attendance.** The following matters were considered at the meeting under the agenda included as Attachment "A" hereto.

1. APPROVAL OF MINUTES

The Chairman announced that the first item of business on the agenda was the approval of the minutes from the regular meeting held on December 2, 2024. Commissioner Montinola moved to approve the minutes, subject to corrections, which motion was seconded by Commissioner McDonald, and the motion was carried and passed unanimously.

The Chairperson announced that the next item of business on the agenda was the Guam Waterworks Authority matters:

2. GUAM WATERWORKS AUTHORITY ("GWA")

- **GWA Docket No. 25-04 - Petition for Contract Approval to JMI-Edison for Submersible Pumps and Motors, and Cables and Splicing Gels for GWA Deep Wells, Island Wide.**

The Chairman announced that the first GWA matter was Docket No. 25-04, a Petition for Contract Approval to JMI-Edison for Submersible Pumps and Motors, and Cables and Splicing Gels for GWA Deep Wells, Island Wide. Commission Pangelinan recused himself from this docket as GWA is a client of his firm in pending litigation. ALJ Alcantara provided a brief overview of GWA's submission stating that GWA is basically asking the PUC to approve its award of procurement to JMI-Edison for the purchase of submersible pumps and motors and cables and splicing gels for GWA's deep wells island-wide. This contract is based on an invitation for a bid which GWA issued back in August of 2024, i.e., IFB GWA 2024-19, which involved in part a re-solicitation of the purchase of submersible pumps and motors but also added a purchase of splicing gels and submersible cables. The earlier IFB was rescinded due to a protest filed by one of the parties. GWA's procurement team evaluated the two (2) bids submitted and selected JMI-Edison's bid for these supplies.

CCU has approved the award of the IFB to JMI-Edison and authorized approximately \$5.4M for this particular contract, which is inclusive of a three (3) year contract term; two (2) option years and a 10% cost contingency, for the following equipment and supplies: low-temperature Franklin electric submersible motors, high-temperature Franklin electric submersible motors, Franklin electric and grand post on all pumps, 3M splicing gels and each electric submersible cables, which are all for GWA's drinking wells. GWA submits that the equipment and supplies are necessary and critical for the maintenance of sufficient level of inventory to ensure timely replenishing of equipment and supplies as needed to reliably operate and prevent any interruptions of its island-wide deep wells water production and water supply. GWA also submits that the contract is fair and reasonable and, in reviewing the bid, there were very small increases in the cost of the pumps versus the current prices and a decrease in prices for the low-temperature motors of approximately 30% to 40%. Based on the foregoing, ALJ Alcantara recommends that the PUC approve the contract award to JMI-Edison.

GWA GM Bordallo provided further clarity on the reason for the rebid of the initial solicitation and how GWA made extensive efforts to ensure that it added maximum amount of competition by canceling the original solicitation and correcting the specifications so that GWA can ensure maximum competition in pricing to the benefit of ratepayers. GWA GM Bordallo further commented on GWA's inventory, materials, types of pumps and motors and specifications. A discussion ensued between Commissioner Brooks and GWA GM Bordallo with regard to the standardization of motors and pump sizes.

There being no further comments by the Commissioners, GWA or any other party, Commission Montinola moved to approve the Petition, which motion was duly seconded by Commissioner McDonald, and the motion was carried and unanimously approved.

- **GWA Docket 25-05 – Petition to Approve a Fund Increase to JMI-Edison Contract for Wastewater Treatment Chemicals and to Ratify Expenditures.**

The Chairperson announced that the next item of business on the agenda was GWA Docket 25-05 – the Petition to Approve a Fund Increase to JMI-Edison Contract for Wastewater Treatment Chemicals and to Ratify Expenditures. ALJ Alcantara stated that this matter is being tabled at this time and anticipates that it should be ready by the next scheduled PUC meeting.

3. GUAM POWER AUTHORITY (“GPA”)

- **GPA Docket No. 24-25 – Petition of GPA to Approve Phase IV Renewable Energy Acquisition Award to KEPCO-EWP-Samsung C&T Consortium and Core Tech Solar Energy, LLC, for up to 192 MW of Renewal Energy Capacity.**

The Chairperson announced that the next item of business on the agenda was GPA Docket 24-25 - Petition to Approve Phase IV Renewal Energy Acquisition Award to KEPCO and Core Tech, for up to 192 MW of Renewable Energy Capacity. Commissioner Michael

Pangelinan recused himself from this matter as KEPCO is a client of his firm. GPA Legal Counsel Woloschuk provided an update and stated that the Attorney General's Office indicated it will approve the KEPCO contract as to form and legality. She is merely awaiting the paperwork from the Attorney General's Office and will transmit the contracts to CALJ Horecky for review upon receipt. GPA Legal Counsel Woloschuk also informed the PUC that they were still in negotiations concerning the contract with Core Tech.

- **GPA Docket 25-05 - Petition of the Guam Power Authority to Reduce the Levelized Energy Adjustment Clause (LEAC) for the period of February 1, 2025, through July 31, 2025.**

The Chairperson announced that the next item of business on the agenda is GPA Docket No. 25-05, Petition of the Guam Power Authority to Reduce the Levelized Energy Adjustment Clause for the period of February 1, 2025, through July 31, 2025. CALJ Horecky provided a brief overview of GPA's submission stating that the petition seeks to reduce the current LEAC factor from 0.261995 per kilowatt-hour ("kWh") down to 0.208802 per kWh, which is roughly a 5.3 cents reduction in the LEAC factor for the next six (6) month period. The CCU approved this reduction and authorized GPA to petition the PUC to reduce the LEAC factor for the next LEAC period. GPA's basis for seeking reduction of its LEAC factor is the decrease of fuel prices. GPA has been able to substantially reduce the LEAC under-recovery balance over the past year. As of July 1, 2024, the fuel expense under-recovery balance had been estimated by GPA at over \$33M; however, GPA estimates that as of January 31, 2025, there will be an under-recovery balance of \$4.285M. CALJ Horecky requested the assistance of the PUC consultant, Marianas Consulting Group, to review the LEAC petition and make recommendations to the PUC. CALJ Horecky further stated that there seems to be justification for this reduction due to the steady decline in fuel prices. The current LEAC period - the one ending January 31, 2025, the average market price of fuels approved is \$116.11 per barrel. The projected average price of fuel for the LEAC period of February 1 through July 31, 2025, is expected to be \$100.00 per barrel. The Morgan Stanley fuel pricing also indicated the same kind of reduction in fuel prices between the two (2) periods - roughly the average price for diesel and for RFO, was reduced by about 14%. This establishes the recommendation to reduce the LEAC.

Between January 13 and 17, 2025, GPA collected the updated average of fuel prices - an updated fuel pricing indicates that fuel prices have risen since GPA filed its petition. CALJ Horecky, following the Morgan Stanley pricing reports, noted that for the period January 17 to January 23, 2025, the fuel prices had dropped for five (5) straight days. The price of diesel (measured by Singapore Gas Oil 10 parts-per-million) was \$99.53. As of January 23, the price of diesel dropped to \$95.02. On January 24 the price further dropped to \$94.78 per barrel. On January 27, diesel dropped to \$93.39 and on January 28, it dropped to \$92.85. The January 24th diesel figure of \$94.78 was only slightly higher than the price GPA used in its petition filed in November 2024. So, despite the updated fuel pricing GPA obtained for the period January 13 and 17, 2025, which showed an increase in fuel prices, the actual price of diesel obtained on January 27 (i.e., \$93.39) and January 28 (i.e., \$92.85), is lower

than it was when GPA filed its petition in November 2024. CALJ Horecky conferred with GPA, and GPA was comfortable with the price of \$0.208802 per kWh as presented in its petition for numerous reasons. The beauty of LEAC is you could always adjust for the next period to accommodate any unexpected occurrences. CALJ Horecky recommended that the PUC reduce the LEAC factor to \$0.208802 from February through July 31, 2025, as stated in GPA's petition. This would be an overall decrease in the LEAC factor of 20.30% for the average residential customer with a 14.80% decrease in their bill. CALJ Horecky has prepared an Order reflecting said reduction, together with various additional factors and a reporting requirement for GPA to update monthly estimates of their cost and use of fuel.

A discussion ensued between the Commissioners and GPA GM Benavente with regard to the pricing, under-recovery, increase in LEAC and Ukudu commissioning. It was noted that references to decrease in billings are usually to residential customers, as they are the vast majority, and there will be a slightly greater reduction for residential customers than that of commercial customers. Finally, Commissioner Pangelinan noted that a technical correction needs to be made to the proposed Order, at page 6, paragraph 2, the word "under-recovery" should be added so that the sentence reads: "... the LEAC under-recovery has been reduced from \$47M"

There being no further comments by the Commissioners, GPA or any other party, Commissioner Montinola moved to approve GPA's petition, subject to the correction to be made on the proposed Order, which motion was duly seconded by Commissioner Pangelinan, and the motion was carried and unanimously approved.

- **GPA Docket No. 25-06 - Petition of the Guam Power Authority to Approve the Solicitation of a Performance Management Contract for GPA's Combustion Turbine Power Plants.**

The Chairperson announced that the next item of business on the agenda is GPA Docket No. 25-06, Petition of the Guam Power Authority to Approve the Solicitation of a Performance Management Contract ("PMC") for GPA's Combustion Turbine ("CT") Power Plants. CALJ Horecky provided a synopsis of GPA's petition and informed the PUC that this is only a request for solicitation. After the solicitation, GPA will petition the PUC to obtain approval of the contract. CALJ Horecky presented his report and stated that the PMC (with TEMES group) for the CT plants has been in effect since 2016 – about nine (9) years. TEMES has been maintaining the Dededo, Macheche, Yigo CT plants, which was later amended to include Piti 7 plant and also some other smaller CTs. The need for a performance management contractor was established, in part, as a result of the explosion of the Cabras plants in 2016 and the need for additional generation capacity and assistance. The concept is that the PMC improves the condition of the CTs and TEMES has been functioning in that capacity since 2016. In 2020, the PUC extended the PMC with TEMES for another five (5) years. The present PMC with TEMES is due to expire in February 2026 and GPA is filing this petition as it believes it will take about a year to complete its solicitation and determine a successful bidder for the bid. The CCU approved the solicitation for a PMC in GPA Resolution FY2025-01, and the CCU found that under the

PMC (with TEMES group), the CTs were able to perform maintenance and execute projects to maintain reliability and availability to support the island-wide power system most especially with the loss of Cabras 3 and 4 in August 2015; during the Cabras boiler incident in February 2022; during the extended outages of Piti 8 and 9 for fuel oil conversion projects in 2022; and, the recent capacity shortfalls post Typhoon Mawar in early 2024. The CTs are necessary and have provided stability and reliability for the power system. GPA plans to solicit a new PMC for a three (3) year base term and an optional two (2) one (1) year extension in order to meet the increasing power demands and provide reserve capacity for plant and forced generation outages. GPA has justified the need for the PMC and the PUC has recognized in the past that the PMC is beneficial and appropriate. See, GPA Docket Nos. 15-22 and 21-03. The PMC is critical for ensuring that the CTs achieve sufficient system capacity and upgraded capacity and without the CTs, GPA would not be able to provide the total desired generation capacity.

The generation capacity has to be maintained because of the anticipated military, commercial and local government projects, which could increase the load by over 100MW in the next five (5) years. The PUC has found that the possible addition to GPA's load growth could be 50MW for military load requirements over the next ten (10) years, with the private and governmental projects increasing by 36MW and Piti 7, whose full capacity is 40MW, producing only 23MW at the present.

GPA's petition supports the continued need for a PMC to maintain load capacity and reliability. GPA submitted a draft contract and it's the same contract used for the PMCs since 2016. CALJ Horecky states he has reviewed the contract and it appears to be in appropriate form and has clauses that protect ratepayers from possible problems that could arise under the contract. The cost for the proposed contract is consistent with that charged for the prior years. The estimated costs per the draft PMC for the three (3) year period is estimated at \$5M, which includes \$2.4M for fixed management fees and \$2.6M for reimbursable O&M costs - there are also capital improvement costs. GPA annually develops a capital improvement project budget with the PMC for all the projects that need to be performed to repair the CTs. GPA and the performance management contractor agree on the budget and price. GPA's petition projects that costs could exceed \$6M over the three (3) year base term period. The cost for the first five (5) years of the PMC is \$5.9 and the second five (5) years is \$7.3M. That is \$7.3M for five years compared to \$5M for three (3) years - there is an increase but it does not seem to be too exorbitant. CALJ Horecky, in researching this matter, further stated that the PMC has performed a lot of work to repair existing CTs and his concern was that the projection for FY25 to FY29, for the capital improvement projects, was pretty high and at some point the issue will be whether the cost for repair outweighs the need for continued use. CALJ Horecky again noted that this is only the solicitation phase and that issues can be addressed and evaluated further. CALJ Horecky concluded that he has prepared an order basically approving GPA's petition to solicit, to perform its management contract. Thereafter, GPA GM Benavente provided further insight supporting CALJ Horecky's recommendation and elaborated on the operation and need of the CTs and the cost for same. GM Benavente further stated that

without the PMC, GPA would have machines that might not be repairable. There is a huge advantage to having the PMC – not only does it provide additional technical support but it also provides an opportunity to obtain competitive bids and products that GPA needs for the operation and maintenance of the CTs. When you consider the budget per year of approximately \$5M, half of that is really reimbursable parts and materials. The other half is management fees for the CTs for any needed upgrade or any repairs to avoid potential failures. GPA GM Benavente has found the PMC to be a success for GPA. Thereafter, a discussion ensued between the Commissioners and GPA GM Benavente as to the commissioning of Ukudu powerplant, the retirement of Cabras 1 and 2 powerplants, the new Phase 4 Renewable Projects and the importance and utilization of CTs.

There being no further comments by the Commissioners, GPA or any other party, Commissioner Montinola moved to approve GPA's petition, which motion was duly seconded by Commissioner McDonald, and the motion was carried and unanimously approved.

5. ADMINISTRATIVE MATTERS

- **FY2024 Financial Review**

The Chairperson announced that the next item of business on the agenda was Administrative matters -- PUC's Budget Review. Commissioner Flores-Brooks re-capped the issues that were being encountered with the QuickBooks accounting software and the \$500K plus in unresolved accounts payable dating back to 2001 that continue to linger. The error in reporting PUC's prior fiscal years was that the reports were being prepared on a "cash basis" as opposed to an "accrual basis". The PUC reports should have been prepared on an "accrual basis", as we are on "accrual". The ladies have since resolved the issue and reconciled the books and did so with one (1) journal entry to eliminate the 45 pages of accounts payables, totaling \$500K plus, dating back to 2001. Commissioner Flores-Brooks stated that she was comfortable with signing off on the FY2024 Financial Report and First Quarter 2025 Report. Commissioner Flores-Brooks further stated that PUC has received a proposal from EY, which she believes is very reasonable for the scope of services to be performed, and that the contract with EY is presently pending PUC's approval. Once approved, PUC will purchase a new QuickBooks accounting software program (our old QuickBooks software is no longer supported) and EY will assist in mapping and transitioning.

- **Withdrawal of Notice of Retirement by Administrator, Lourdes R. Palomo, and Resolution 25-03 – Employment Agreement for Administrator Lourdes R. Palomo**

The Chairman announced that the next item of business was the Withdrawal of Notice of Retirement by Administrator, Lourdes R. Palomo, and Resolution 25-03 – Employment Agreement for Administrator, Lourdes R. Palomo. Administrator Palomo stated that she met with Chairman Johnson and CALJ Horecky with regard to her Withdrawal of her Notice of Retirement and is very grateful to God and to the PUC for the opportunity to continue her employment with the PUC. Administrator Palomo presented Resolution 25-

03 and her Employment Agreement setting her current salary at the salary approved in FY2023 of \$66,000.00. Commissioner Montinola moved to approve Resolution 25-03, Commissioner McDonald seconded the motion and the motion was duly carried and unanimously approved. Administrator Palomo was welcomed back by the PUC Commissioners.

- **FYI - FY2024 PUC Annual Report**

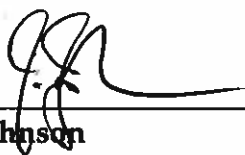
The Chairperson announced that the next item of business on the agenda was the FY2024 Annual Report. Said report has been sent to the Office of the Governor of Guam and Speaker of the 38th Guam Legislature, with a copy being uploaded to PUC's website. The PUC staff were commended for preparing and completing a comprehensive report, which summarized PUC's agency dockets and administrative matters for FY2024.

- **Scheduling of February Meeting**

The Chairman announced that the last item of business on the agenda was the scheduling of the PUC's February meeting. Chairman Johnson stated that PUC's regular meetings are held on the last Thursday of the month, which for the month of February is the 27th. All Commissioners and members confirmed their availability for the meeting.

6. ADJOURNMENT

There being no further business before the Commission, Commissioner Montinola moved to adjourn the meeting, which motion was duly seconded by Commissioner McDonald. The motion passed unanimously and the meeting was adjourned at 8:15 p.m.



Jeffrey C. 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 regular business meeting, commencing at 6:30 p.m. on Thursday, January 30, 2025 at 241 Farenholt Avenue, Oka Bldg., 2nd Floor, Suite 205, Tamuning, Guam.

The following business will be transacted:

AGENDA

- 1. Call to Order**
- 2. Approval of Minutes of December 2, 2024**

GUAM WATERWORKS AUTHORITY

- 3. GWA Docket No. 25-04:** Petition for Contract Approval to JMI-Edison for Submersible Pumps and Motors, and Cables and Splicing Gels for GWA Deep Wells, Island Wide; ALJ Report; and proposed Order.
- 4. GWA Docket No. 25-05:** Petition to Approve a Fund Increase to the JMI-Edison Contract for Wastewater Treatment Chemicals and to Ratify Expenditures; ALJ Report; and proposed Order.

GUAM POWER AUTHORITY

- 5. GPA Docket No. 24-25:** Petition of the Guam Power Authority to Approve Phase IV Renewable Energy Acquisition Award to KEPSCO-EWP-Samsung C&T Consortium and Core Tech Solar Energy LLC, for up to 192 MW of Renewable Energy Capacity; ALJ Report; and proposed Order.
- 6. GPA Docket No. 25-05:** Petition of the Guam Power Authority to Reduce the Levelized Energy Adjustment Clause (LEAC) for

the period of February 1, 2025 through July 31, 2025; ALJ Report; and Proposed Order.

7. **GPA Docket No. 25-06:** Petition of the Guam Power Authority to Approve the Solicitation of a Performance Management Contract for GPA's Combustion Turbine Power Plants; ALJ Report; and Proposed Order.

ADMINISTRATIVE MATTERS

8. **FY2024 Financial Review**
9. **Withdrawal of Notice of Retirement by Administrator, Lourdes R. Palomo and Resolution 25-03 - Employment Agreement for Administrator Lourdes R. Palomo**
10. **FYI - FY2024 PUC Annual Report**
11. **Scheduling of February 2025 Meeting**

ADJOURNMENT

Further information about the meeting may be obtained from the PUC's Administrator Lourdes R. Palomo at 671-472-1907. Those persons who require special accommodations, auxiliary aids, or services to attend the meeting should also contact Mrs. Palomo.

This Notice is paid for by the Guam Public Utilities Commission.



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

PETITION TO APPROVE CONTRACT)	GWA DOCKET 25-04
FOR SUBMERSIBLE PUMPS AND)	
MOTORS, AND CABLES AND)	
AND SPLICING GELS FOR ISLAND-)	ORDER
WIDE GWA DEEP WELLS TO)	
JMI-EDISON BY GUAM)	
WATERWORKS AUTHORITY)	

INTRODUCTION

This matter comes before the Guam Public Utilities Commission (the “PUC” or the “Commission”) pursuant to the Petition for Contract Approval to JMI-Edison for the purchase of Submersible Pumps and Motors and Cables and Splicing Gels for GWA Deep Wells, Island Wide (the “Petition”), filed on January 14, 2025 by the Guam Waterworks Authority (“GWA”).

On January 29, 2025, the Administrative Law Judge of the PUC (the “ALJ”) assigned to this matter filed an ALJ Report that included his findings and recommendations based on the administrative record before the PUC. The ALJ found the following.

DETERMINATIONS

In August of 2024, GWA issued Invitation for Bid Number GWA 2024-19 (“IFB 2024-19”) soliciting the purchase of submersible pumps, motors, splicing gels, and submersible cables for GWA’s drinking wells.¹ In September of 2024, GWA’s procurement team evaluated the submission of two bids and selected JMI-Edison’s

¹ Petition, p. 1 (July 12, 2017).

indefinite quantity bid for the deep well supplies.² Thereafter, the Consolidated Commission on Utilities (the “CCU”) approved the award to JMI-Edison and authorized \$2,965,892.04 for the purchase of these supplies and for the initial three-year contract term. The CCU further authorized an additional \$1,977,261.36 for the two-year options, for a total of \$4,943,153.40 for the full five-year term. The CCU additionally authorized a 10% contingency of \$494,315.34, bringing the total authorized cost to \$5,437,468.74.³

A. Contract Review Protocol

Pursuant to 12 G.C.A. §12105, GWA may not enter into any contractual agreements or obligations which could increase rates and charges without the PUC’s express approval. In addition, GWA’s Contract Review Protocol requires that “[a]ll professional service procurements in excess of \$1,000,000” require “prior PUC approval under 12 G.C.A. §12004, which shall be obtained before the procurement process is begun”⁴

B. GWA’s Petition

In its Petition, GWA sought PUC approval of its award of an indefinite quantity contract with JMI-Edison for the purchase of submersible pumps, motors, splicing gels, and submersible cables for GWA’s drinking wells.⁵ The contract is based on IFB 2024-19, which sought submersible equipment for its deep water wells, which require the maintenance of sufficient inventory to ensure timely replenishing of such submersible

² Petition, p. 1.

³ Petition, Exhibit A (CCU Resolution No. 11-2025), p. 3.

⁴ GWA’s Contract Review Protocol (“GWA CRP”), Administrative Docket 00-04, p. 1 (Oct. 27, 2005).

⁵ Petition, p. 1.

equipment as needed.⁶ GWA submitted that it regularly purchases this equipment and material and that it must maintain a certain level of inventory for it to reliably operate its island-wide deep well water production.⁷

Specifically, GWA sought approval to award JMI-Edison the bid for the following equipment and supplies: (1) Low Temperature Franklin Electric Submersible Motors; (2) High Temperature Franklin Electric Submersible Motors; (3) Franklin Electric and Grundfos Pumps; (4) 3M Splicing Gels; and (5) Paige Electric Submersible Cables.⁸ GWA submits that the total cost for the purchase of the equipment and supplies from JMI-Edison is \$5,437,468.74, which includes the initial three-year contract term, plus the exercise of two one-year renew options.⁹ GWA has indicated that it requests a full five-year term “due to the limited market for these supplies and the critical necessity for GWA to maintain an adequate stock of these items to prevent any interruptions in the water supply.”¹⁰

GWA further maintained that this contract is reasonable, prudent, and necessary inasmuch as the submersible pumps, motors, splicing gels, and submersible cables are critical supplies and equipment used for GWA’s drinking wells; and are essential in maintaining GWA’s water production operations.¹¹

⁶ Petition, p. 1.

⁷ Petition, p. 1.

⁸ Petition, p. 2.

⁹ Petition, p. 3.

¹⁰ Petition, p. 3.

¹¹ Petition, pp. 3-4.

C. IFB 2024-04, JMI-Edison Bid, Contract Term, Total Cost, and Funding

The Indefinite Quantity IFB lists a number of bid items, which include low temperature and high temperature motors of varying speed; and pumps of various sizes, from 6 inches to 8 inches. The IFB also sought splicing gels and spools of 500 feet submersible cables.

Based on its bid, JMI-Edison agreed to provide submersible motors, ranging from \$1,888.00, to \$6,055.80, to \$19,593.90, depending on the temperature specification, strength and horsepower of the motor. JMI-Edison also agreed to provide submersible pumps, ranging from \$1,319.52 to \$10,889.17, depending on the size of, and number of stages contained in, the pump.

Based on the contract, the initial term is three (3) years, with two (2) one-year options to renew. GWA has been authorized by the CCU to purchase the pumps and motors, and other equipment, at a total cost of \$5,437,468.74 for the full five-year term of the contract.¹²

GWA has indicated that the funding for the contract will either be from GWA revenue or from its CIP Funding.

E. CCU Resolution No. 11-FY2025

The Petition is supported by Resolution No. 11-FY2025 issued by the CCU at its November 26, 2024 meeting. In the Resolution, the CCU found that the terms of the bid submitted by JMI-Edison were fair and reasonable.¹³ Accordingly, the CCU authorized

¹² Petition, Exhibit A, p. 3.

¹³ Petition, Exhibit A (CCU Resolution No. 11-2025), p. 3.

GWA to purchase the high and low temperature Franklin Electric submersible motors, Franklin Electric and Grundfos pumps, 3M splicing gels and Paige Electric submersible cables for GWA's Deep Wells, totaling \$2,965,892.04 for the initial three-year contract term.¹⁴ In addition, the CCU further authorized funding for these purchases for an additional two years after the initial contract term, in the amount of \$1,977,261.36; and approved a 10% contingency to the total cost of the contract, thereby authorizing a total of \$5,437,468.74 for the full five-year term of the contract.¹⁵

CONCLUSION

It is clear that GWA utilizes these submersible pumps, motors, cables and splicing gels for its drinking water wells. It also purchases these pumps, motors, cables and splicing gels on an as needed basis, and when it needs to replenish its inventory of spare parts. It is therefore crucial for GWA to maintain a reliable and sufficient inventory of these supplies and equipment in order to operate its deep well water production island wide. The Commission has consistently supported GWA's purchase of this material. In addition, a review of the bid analysis provided by GWA indicates that while there were very slight increases in the cost of the pumps versus the current prices, with respect to the prices for the low temperature motors, the bids showed a decrease between thirty percent (30%) and almost forty percent (40%) versus the current prices.

Based on the foregoing, the ALJ recommended that the PUC approve the award of the contract between GWA and JMI-Edison.

¹⁴ Petition, Exhibit A (CCU Resolution No. 11-2025), p. 3.

¹⁵ Petition, Exhibit A (CCU Resolution No. 11-2025), p. 3.

RECOMMENDATION

Based on the documentation provided by GWA in this docket, and for the other reasons set forth herein, the ALJ recommended that the PUC approve the award to JMI-Edison for the purchase of submersible pumps, motors, cables and splicing gels, for an estimated cost of \$2,965,892.04 for the initial three-year contract term, and \$1,977,261.36 for the two-year options, for a total of \$4,943,153.40 for the full five-year term. The cost contingency is already provided by GWA's CRP; therefore the ordinary PUC contingency shall apply to this contract. The Commission hereby adopts the findings in the April 23, 2024 ALJ Report and therefore issues the following.

ORDERING PROVISIONS

Upon careful consideration of the record herein, and for good cause shown, on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS the following:

1. That the instant Petition is hereby APPROVED.
2. GWA is authorized to enter into contract with JMI-Edison for the purchase of submersible pumps, motors, cables and splicing gels, for an estimated cost of \$2,965,892.04 for the initial three-year contract term, and \$1,977,261.36 for the two-year options, for a total of \$4,943,153.40 for the full five-year term..
3. The cost contingency is already provided by GWA's CRP; therefore the ordinary PUC contingency shall apply to this contract.
4. GWA is ordered to pay the PUC's regulatory fees and expenses, including and without limitation, consulting and counsel fees, and the fees and expenses associated

with this matter. Assessment of the PUC's regulatory fees and expenses is authorized pursuant to 12 G.C.A. §§ 12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the PUC.


[SIGNATURES TO FOLLOW ON NEXT PAGE]

SO ORDERED this 30th day of January, 2025.




JEFFREY C. JOHNSON
Chairman

ROWENA E. PEREZ-CAMACHO
Commissioner



JOSEPH M. MCDONALD
Commissioner



PEDRO GUERRERO
Commissioner

MICHAEL A. PANGELINAN
Commissioner

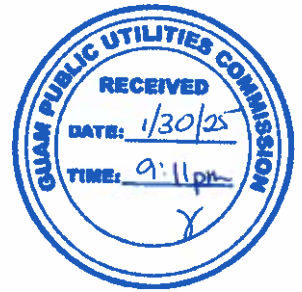


PETER MONTINOLA
Commissioner



DORIS FLORES BROOKS
Commissioner

P253004.JRA



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:) GPA Docket 25-05
)
Guam Power Authority Levelized Energy)
Adjustment Clause (LEAC)) **ORDER**
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)
)

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 \$0.261995/kWh to \$0.208802/kWh for the period from February 1, 2025, through July 31, 2025.¹ On July 25, 2024, the PUC maintained the LEAC Factor at \$0.261995/kWh for meters read on or after August 1, 2024.² GPA now seeks to reduce the LEAC factor by over 5.3 cents per kWh for the next six-month period.³

BACKGROUND

In GPA Resolution No. FY2025-03, dated November 26, 2024, the Guam Consolidated Commission on Utilities authorized GPA Management to petition the PUC to reduce the current LEAC Factor for the next six-month period.⁴

¹ GPA Petition, In the Matter of: Guam Power Authority Levelized Energy Adjustment Clause (LEAC), GPA Docket 25-05, dated December 15, 2024.

² PUC Order, GPA Docket 24-20, dated July 25, 2024, at p. 5.

³ GPA Petition at p. 2.

⁴ Guam Consolidated Commission on Utilities, GPA Resolution No. FY2025-03, To Authorize the Management of the Guam Power Authority to Petition the Guam Public Utilities Commission to Reduce the Levelized Energy Adjustment Clause (LEAC) for the Period of February 1, 2025, through July 31, 2025, adopted and approved on November 26, 2024.

GPA's basis for seeking to reduce the current LEAC Factor is that there has been a reduction in fuel prices. Over the past year, GPA has been able to substantially reduce the LEAC under recovery balance. As of January 31, 2024, the fuel expense under recovery balance was over \$33M.⁵ However, as of January 31, 2025, GPA estimates that there will be an over-recovery balance of \$4.285M.⁶

On January 3, 2025, the Administrative Law Judge ("ALJ") requested the assistance of PUC Consultant Marianas Consulting Group ("MCG") to review the GPA LEAC petition filing, and to make recommendations to the PUC. On January 22, 2025, MCG provided its Report in response to GPA's Petition to maintain the existing LEAC Factors.⁷ Copies of the MCG Report have been provided to the Commissioners.

The ALJ submitted his Report in this Docket dated January 24, 2025.⁸ The PUC adopts the conclusions and recommendations therein.

DETERMINATIONS

I. THE REDUCTION OF THE LEAC FACTOR IS JUSTIFIED BY THE DECLINE IN FUEL PRICES.

In the current LEAC period (August 1, 2024, through January 31, 2025), the average market price of fuel was approved at \$116.11/bbl. The projected average price of fuel for the for the period from February 1, 2025, through July 31, 2025, is expected to be \$100.01/bbl.⁹

⁵ ALJ Report, GPA Docket 24-20, dated July 19, 2024, at p. 2.

⁶ GM Report Work Session Presentation on LEAC - Nov 2024 Justification, at p. 6.

⁷ Marianas Consulting Group, Report in GPA Docket 25-05, dated January 23, 2025.

⁸ ALJ Report, GPA Docket 25-05, dated January 24, 2025.

⁹ GPA Petition at p. 2.

The Morgan Stanley Fuel Pricing for the current LEAC period and the next six-month period also indicates the substantial decrease that has occurred in fuel prices. For the current LEAC period (August 1, 2024-January 31, 2025), the average price per Bbl-RFO & ULSFO 0 20% was \$131.07. The average price per Bbl-Diesel was \$108.70¹⁰. According to GPA's Petition, for the next LEAC period (February 1, 2025 to July 31, 2025), the average price per Bbl-RFO & ULSFO 0 20% is \$113.63. The average price per Bbl-Diesel is \$94.24¹¹. For RFO & ULSFO, the price decreased by roughly 14%. For Diesel, the price also decreased by roughly 14%.

II. THE UPDATED MORGAN STANLEY ASIA MORNING CALL FUEL PRICES FOR JANUARY 13-17, 2025, INDICATE THAT FUEL PRICES HAVE RISEN SINCE GPA FILED ITS PETITION; HOWEVER, THE PUC SHOULD NOT RAISE THE LEAC FACTOR TO \$0.219673/KWH FOR THE PERIOD FROM FEBRUARY, 2025, THROUGH JULY 31, 2025.

On January 21, 2025, GPA filed the latest Morgan Stanley fuel pricing reports from January 13-17, 2025.¹² PUC consultant MCG filed its Report with the PUC on January 23, 2025.¹³ That Report, based upon the increases in fuel pricing between January 13 and 17, 2025, indicates that, for GPA to fully recover its "under-recovery" on fuel prices, the LEAC Factor for the next LEAC period would have to be raised to \$0.219673. Based upon such increase, as well as a number of other factors, MCG concluded that "[T]he GPA petition LEAC rate of \$0.208802 will result in an under-recovery of fuel costs of approximately \$6.7 million for the projection period based upon the most recent MS average noon call prices for that period".¹⁴

¹⁰ GPA Petition, GPA Docket 24-20, dated June 7, 2024, at Exhibit A.

¹¹ GPA Petition at Exhibit 1, p. 10, attached to the ALJ Report as Exhibit 1.

¹² Email from Maripaz Perez to Corazon Montellano dated January 21, 2025.

¹³ Marianas Consulting Group, Report in GPA Docket 25-05, dated January 23, 2025.

¹⁴ Id at p. 4.

For various reasons, the PUC should not alter the original LEAC Factor that GPA requested in its November 2024 Petition.

The MCG Report indicates that the updated average price per Bbl-RFO rose from \$113.63 in November 2024 to \$115.19 in January 2025. The average price per Bbl Diesel of \$94.24 in November rose to \$103.27 in January 2025.¹⁵

However, the most recent Morgan Stanley Asia Morning Call pricing from January 17, 2025 to January 23, 2025 indicates that fuel prices have dropped for five straight days.¹⁶ On January 17, 2025 (the last day of the period for which GPA calculated the updated fuel prices), the price of Sing Gasoil 10ppm was \$99.52 per barrel. As of January 23, 2025, the price for Sing Gasoil 10ppm dropped to \$95.02 per barrel. On January 24, 2025, the price for Sing Gasoil 10ppm further dropped to \$94.78 per barrel.¹⁷ The price of \$94.78 per Bbl-Diesel on January 24, 2025, is only very slightly and minimally higher than the average price per Bbl-Diesel of \$94.24 when GPA's Petition was filed on December 15, 2024.

Fuel prices are always volatile and speculative. There is a good possibility that fuel prices will continue to decrease. The stated policy of the new Trump Administration is to encourage an increase in domestic US fuel production. The expansion of fuel supply could potentially further reduce fuel prices.

¹⁵ Id. at p. 2.

¹⁶ Morgan Stanley Asia Morning Call dated January 23, 2025.

¹⁷ Morgan Stanley Asia Morning Call dated January 24, 2025.

The ALJ has confirmed that the GPA desires approval by the PUC of the LEAC Factor of \$0.208802/kwh, as presented in its Petition.¹⁸ GPA believes that the anticipated early availability of power from the new Ukudu plant this year will also contribute to a reduction in the LEAC Factor. In the CCU Work Session on GPA on January 23, 2025, GPA General Manager John Benavente presented a compelling justification as to why the PUC should approve the LEAC Factor in GPA's November 2024 Petition at \$0.208802/KWH.

Although there have been fuel price increases since November, GM Benavente noted that such prices "creeped down since [President] Trump was elected." Even with such fuel price increases, he stated that the fuel prices for customers will continue to trend down when the new Ukudu plant comes on line. During the Ukudu testing period, the plants will run more efficiently. GM Benavente asked: "why not hold the increase so we can help customers today. We will still collect the under-recovery when Ukudu comes on line."¹⁹ There was no objection from the CCU on GM Benavente's stated intention to request that the PUC reduce the LEAC Factor to \$0.208802/KWH.²⁰

III. THE PUC SHOULD REDUCE THE LEAC FACTOR TO \$0.208802/KWH FOR THE PERIOD FROM FEBRUARY, 2025, THROUGH JULY 31, 2025.

GPA indicated in its Petition that, if the proposed LEAC factor is adopted the current estimated under recovery balance of \$4,285,244 will be reduced to zero by July 31, 2025.²¹

¹⁸ Phone Conversation between Marianne Woloschuk, GPA Counsel and ALJ Fred Horecky on January 24, 2025.

¹⁹ Guam Consolidated Commission on Utilities, GPA Work Session, held on January 23, 2025.

²⁰ Id.

²¹ GPA Petition at Exhibit A, Proposed LEAC Rate.

MCG points out in its Report that because of the increase of fuel prices and other factors, the GPA under-recovery by July 31, 2025 could potentially be as high as \$6.7M. While this is a possibility, the under-recovery balance of GPA has been declining significantly over the past few LEAC periods. Also, with the current downward trend of fuel prices, it is by no means clear that the under-recovery balance will continue to grow. If such an increase in the under-recovery does occur, the PUC can make appropriate adjustments to the LEAC Factor in the next LEAC period.

At the CCU Work Session on GPA, GM Benavente stated that the LEAC under-recovery has been reduced from \$47M at its highest. Even if the under-recovery is \$6.7M, "we will still be able to pay our bills including the cost of fuel."²² The possibility of a \$6M under-recovery did not dissuade GM Benavente from his position that PUC should reduce the LEAC Factor to \$0.208802/KWH.

If the decrease in the LEAC Factor to \$0.208802/KWH is approved by the PUC, the overall decrease in LEAC factor will be 20.30% for the average residential customer, with a 14.80% decrease in the total bill.

ORDERING PROVISIONS

After carefully reviewing the record in this proceeding, having considered the LEAC Petition of GPA, the Report of PUC Consultant Marianas Consulting Group, and the Administrative Law Judge Report, and after discussion at a duly noticed regular meeting held on January 30, 2025, for good cause shown and on motion duly made, seconded and carried by affirmative vote of the undersigned Commissioners, the Guam Public Utilities Commission hereby **ORDERS** that:

²² Id.

1. The secondary Fuel Recovery Factor of \$0.208802/kWh shall be effective for meters read on or after February 1, 2025.
2. The current singular LEAC factors are hereby adjusted, effective February 1, 2025, as shown in the following table:

LEAC

Delivery Classification	\$ per kWh
Secondary -	\$0.208802
Primary – 13.8 KV	\$0.201762
Primary – 34.5 KV	\$0.201106
Transmission – 115 KV	\$0.198308

For the entire LEAC period, these changes represent a 20.30% decrease in the LEAC Factor for a residential customer utilizing an average of 1,000 kilowatt hours per month, and a 14.80% decrease in the total bill.

3. GPA should file for a change in the LEAC factors to be effective August 1, 2025, on or before June 15, 2025.
4. GPA shall file updates with the PUC on actual costs to date versus the cost estimates included in its Petition in this docket for each of six months for the period from February through July 2025 as soon as such actual costs become available.

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 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.

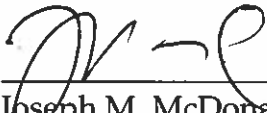
[SIGNATURES TO FOLLOW ON NEXT PAGE]

Dated this 30th day of January 2025.




Jeffrey C. Johnson
Chairman

Rowena E. Perez-Camacho
Commissioner



Joseph M. McDonald
Commissioner



Michael A. Pangelinan
Commissioner



Peter Montinola
Commissioner



Doris Flores Brooks
Commissioner



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:) GPA Docket 25-06
)
GUAM POWER AUTHORITY'S)
PERFORMANCE MANAGEMENT) **ORDER**
CONTRACT FOR COMBUSTION)
TURBINE POWER PLANTS)
)
)
)

INTRODUCTION

This matter comes before the Guam Public Utilities Commission ["PUC"] for review and approval of the Guam Power Authority's ["GPA"] Petition to solicit for a Performance Management Contract (PMC) for GPA's Combustion Turbine (CT) Power Plants.¹

BACKGROUND

Since March, 2016, GPA has utilized a PMC for the management, operations, and maintenance of the Dededo, Macheche and Yigo CT plants.² On January 25, 2016, the PUC approved an Award of a Performance Management Contract for the combustion turbine power plants, to Taiwan Electrical and Mechanical Engineering Services ["TEMES"] for management, operation, and maintenance.³ At that time, faced with the prior explosion of the Cabras 3 & 4 plants, and the loss of 79MW in generation capacity, the PUC found that it was "critical to achieving sufficient system capacity that the availability of the Dededo CTs, and upgraded capacity for the Macheche and Yigo CTs,

¹ GPA Petition for Request to Approve a Performance Management Contract for the Combustion Turbine Power Plants, GPA Docket 25-06, filed January 7, 2025.

² Id. at p. 1.

³ PUC Order, GPA Docket 15-22, GPA's Procurement of a PMC for the Combustion Turbine Power Plants, dated January 25, 2016, at p. 1.

be ensured.”⁴ Without the availability of the CTs, GPA would simply not be able to provide the total desired generation capacity.⁵

The original TEMES PMC Contract was for a 5-year base term.⁶ In GPA Docket 21-03, on November 30, 2020, the PUC approved a 5-year extension of the TEMES PMC Contract.⁷ The present TEMES PMC will expire in February 2026. GPA is filing its Petition now because it will require nearly one year to award the contract, including regulatory approvals and a mobilization period.⁸

The proposed Invitation for Bids will also include the Piti 7 CT within the scope of the PMC.⁹ GPA has stated that “Piti 7 provides critical generation capacity until the Ukudu Power Plant is commissioned and will provide the necessary reserve capacity going forward.”¹⁰

In GPA Resolution No. FY2025-01, the Guam Consolidated Commission on Utilities authorized the solicitation of a Performance Management Contract for GPA’s Combustion Turbine Power Plants.¹¹ The CCU found that “under the PMC contractor [i.e. TEMES] the CTs were able to perform maintenance and execute projects to maintain reliability and availability to support the Island Wide Power System (IWPS) most especially after the loss of Cabras 3 & 4 in August 2015, during the Cabras boiler

⁴ Id. at p. 2.

⁵ Id. at p. 3.

⁶ GPA Petition at p. 2.

⁷ PUC Order, GPA Docket 21-03, dated November 30, 2020, at p. 1.

⁸ GPA Petition at p. 3.

⁹ GPA Petition at Attachment 1(Contract Highlights & Comparison).

¹⁰ PUC Order, GPA Docket 24-21, GPA’s Petition to Approve the Contract with TEMES Inc. to Overhaul Piti 7, dated August 29, 2024, at p. 1.

¹¹ Guam Consolidated Commission on Utilities GPA Resolution No. FY2025-01, Relative to Authorizing the Solicitation of a Performance Management Contract for GPA’s Combustion Turbine Power Plants, adopted and approved on November 26, 2024.

incident in February 2022, during the extended outages of Piti 8 & 9 for the fuel oil conversion projects in 2022 and the recent capacity shortfalls post Typhoon Mawar and early 2024...".¹²

GPA "plans to solicit for a new Performance Management Contract for the continued Management, Operation and Maintenance of GPA's Combustion Turbine (CT) Power Plants for a 3-year base term and an optional two 1-year extensions in order to meet the increasing power demands and provide the reserve capacity for planned and forced generation outages...".¹³

DETERMINATIONS

A. GPA HAS JUSTIFIED THE NEED TO SOLICIT A PERFORMANCE MANAGEMENT CONTRACTOR FOR THE CONTINUED MANAGEMENT, OPERATION, AND MAINTENANCE OF THE COMBUSTION TURBINE POWER PLANTS.

In GPA Dockets 15-22 and 21-03, the PUC recognized that the retention of a Performance Management Contractor for the Combustion Turbine Power Plants is beneficial and appropriate. The retention of a PMC is critical for ensuring that the CTs achieve sufficient system capacity and further upgraded capacity. Without the availability of these CTs, GPA would simply not be able to provide the total desired generation capacity.¹⁴

¹² Id. at p. 1.

¹³ Id. at pgs. 1-2.

¹⁴ PUC Order, GPA Docket 21-03, dated November 30, 2020, at p. 4.

Soliciting a PMC for the Combustion Turbine Plants is consistent with GPA's long-standing policy of seeking private contractors for the management of GPA's generation assets.

The Dededo, Macheche, and Yigo CT Power Plants in total make up the 89MW of total generating capacity of the peaking units for GPA's Island Wide Power System.¹⁵ The Piti 7 Plant provides up to 40MW.¹⁶ The generation capacity of the CTs must be maintained, as GPA believes that upcoming military, commercial and local government projects could increase loads by over 100MW in the next 5 years.¹⁷ In GPA Docket 24-21, dated August 29, 2024, the PUC recognized possible additions to GPA's load growth by 50MW for military load requirements over the next 10 years and private and government projects which could increase load by 36MW.¹⁸ The PUC also recognized that Piti 7, which has a full capacity of 40MW, is only producing 23MW at the present time.¹⁹

After the commissioning of the Ukudu Power Plant and the retirement of Cabras 1 & 2 Power Plants, the new Phase IV renewable projects with energy shifting are not expected to be commissioned earlier than 2028.²⁰ GPA anticipates that the CTs operations will provide peak support or production at night during peak demand periods and during baseload unit outages, as well as during low solar production

¹⁵ GPA Petition at p. 142.

¹⁶ Id. at p. 146.

¹⁷ Guam Consolidated Commission on Utilities GPA Resolution No. FY2025-01, Relative to Authorizing the Solicitation of a Performance Management Contract for GPA's Combustion Turbine Power Plants, adopted and approved on November 26, 2024, at p. 2.

¹⁸ PUC Order, Approval for TEMES Inc. Contract to Overhaul Piti 7, GPA Docket 24-21, dated August 29, 2024, at p. 6.

¹⁹ Id.

²⁰ Id.

periods during cloudy or rainy days.²¹ In addition, the Dededo CT has provided direct and uninterrupted service to the Anderson Air Force Base during Typhoon Mawar via an underground transmission line from the hardened CT facility to AAFB, which allowed for a faster recovery post-typhoon because the system had not completely blacked out.”²²

GPA’s Petition supports the continued retention of a Performance Management Contractor to maintain the load capacity and reliability of the Combustion Turbines. The PMC has repaired the CTs and brought them to an improved operational status. The CTs have provided reliable power to the IWPS.

B. THE FORM OF THE PROPOSED PMC IN THE SOLICITATION HAS BEEN PREVIOUSLY APPROVED BY THE PUC.

In the instant Petition, GPA has attached a draft PMC Contract. At present GPA only seeks authorization to issue its solicitation for a new PMC contract for the period after February 2026. The proposed contract form is similar to that which GPA and TEMES have used over the past 9-year period. The contract contains standard provisions for the protection of GPA and its ratepayers, such as bid and performance bond requirements, insurance, indemnification clause, termination for cause or convenience, performance guarantees, and overall responsibility for management, operations and maintenance of the Combustion Turbines.

C. THE COST FOR THE PROPOSED PMC CONTRACT IS CONSISTENT WITH THAT PREVIOUSLY CHARGED IN PRIOR YEARS OF THE PMC CONTRACT.

²¹ GPA Petition at p. 2.

²² Id.

The estimated cost for the draft PMC contract for the 3-year period will be in the range of \$5M, which includes over \$2.4M for fixed management fees and \$2.6M for reimbursable O & M costs.²³ It is also anticipated that Capital Improvement Project costs could exceed \$6M over the 3-year base term, based on historical cost.²⁴

The cost for the first 5 years of the PMC contract with TEMES was roughly \$5.9M (fixed management fees/routine O & M). The cost for the 5-year PMC extension was estimated to be in excess of \$7.3M.²⁵ The estimate of the proposed cost in the draft contract for fixed management fees and routine O & M, does not appear out of line with prior contracts. Of course, the final proposed cost will not be known until GPA obtains bid proposals through the solicitation.

In response to a PUC Request for Information to GPA, Assistant General Manager of Operations Jennifer Sablan has provided: (1) a Summary of PMC Costs, including Fixed Management Fees, Routine O & M, and CIP Project Costs for FY2020-2024; (2) a Summary of CIP Projects and Costs; and (3) Recommended CIP Projects for Contract Years 2026-2030.²⁶ Said materials are attached to the ALJ Report collectively as Exhibit "A".

ORDERING PROVISIONS

After review of the record herein, including GPA's Petition to solicit for a Performance Management Contract (PMC) for GPA's Combustion Turbine (CT) Power Plants and

²³ GPA Petition at p. 3.

²⁴ Id.

²⁵ PUC Order, GPA Docket 21-03, PMC Contract Extension for the Combustion Turbine Plants, dated November 30, 2020, at p. 7.

²⁶ Email from GPA Counsel Marianne Woloschuk to PUC ALJ Fred Horecky dated January 22, 2025.

the ALJ Report, 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 solicit a Performance Management Contract for GPA's Combustion Turbine Power Plants is approved.
2. 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.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

Order
Performance Management Contract for
Combustion Turbine Power Plants
GPA Docket 25-06
January 30, 2025

Dated this 30th day of January 2025.



Jeffrey D. Johnson
Chairman




Joseph M. McDonald
Commissioner




Peter Montinola
Commissioner

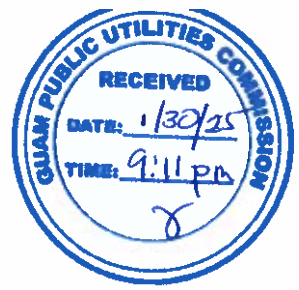
Rowena E. Perez-Camacho
Commissioner



Michael A. Pangelinan
Commissioner



Doris Flores Brooks
Commissioner



GUAM PUBLIC UTILITIES COMMISSION

Jeffrey C. Johnson
Chairman

Peter B. Montinola
Vice Chairman

Commissioners

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Lourdes R. Palomo
Administrator

Sheila M. Salas
Administrator Assistant

Frederick J. Horecky
Chief Administrative Law Judge

Joephet R. Alcantara
Administrative Law Judge

Anthony R. Camacho
Legal Counsel

BEFORE GUAM THE PUBLIC UTILITIES COMMISSION

RESOLUTION NO. 25-03

RE: APPROVAL OF FY2025 EMPLOYMENT AGREEMENT FOR PUC ADMINISTRATOR

Whereas, the Guam Public Utilities Commission ("PUC") is an autonomous instrumentality within the Government of Guam;

Whereas, pursuant to 12 GCA §12103, the PUC has the authority to employ administrative staff personnel for the conduct of Commission business;

Whereas, for a period of twenty (22) years Lourdes R. Palomo has served as Administrator of the Commission;

Whereas, the Commission is satisfied with the services rendered by the Administrator;

Whereas, the Commission has determined that the PUC Administrator should be hired as an employee pursuant to 12 GCA §12103;

Whereas, the PUC and the Administrator desire that the PUC Administrator be hired under an Employment Agreement, a true and correct copy of which is attached to this Resolution;

NOW THEREFORE, in due consideration of the above recitals and for good cause shown, the PUC hereby resolves that:

1. The PUC is authorized to hire Lourdes R. Palomo as an employee of the Guam Public Utilities Commission for a term of one year (FY2025);

2. The Employment Agreement attached hereto is approved.
3. The salary of Ms. Palomo as Administrator for the term of the employment Agreement shall be Sixty-Six Thousand Dollars (\$66,000.00).
4. The Administrator's base salary is \$60,000.00. The total salary includes a payment for Health and Welfare Benefits of \$6,000.00. The Guam Federal Wage Determination standards recommends that compensation for Health & Welfare Benefits be included in an employee's salary where such benefits (i.e., health insurance and others) are not provided to the employee. The PUC is unable to provide health insurance or retirement benefits to the Administrator.
5. During the term of the Employment, all terms and conditions of said Agreement between the PUC and Ms. Palomo shall fully remain in effect and shall govern the respective relations of the parties.
6. The Chairman is authorized to sign all documents necessary to effectuate the above referenced agreement.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

DULY AND REGULARLY ADOPTED ON THIS 30th DAY OF JANUARY, 2025.

Dated: January 30, 2025



JEFFREY C. JOHNSON
PUBLIC UTILITIES COMMISSION
Chairman

Dated: January 30, 2025

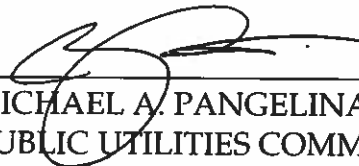


JOSEPH M. MCDONALD
PUBLIC UTILITIES COMMISSION
Commissioner

Dated: January 30, 2025

ROWENA E. PEREZ-CAMACHO
PUBLIC UTILITIES COMMISSION
Commissioner

Dated January 30, 2025



MICHAEL A. PANGELINAN
PUBLIC UTILITIES COMMISSION
Commissioner

Dated: January 30, 2025



PETER MONTINOLA
PUBLIC UTILITIES COMMISSION
Commissioner

Dated: January 30, 2025



DORIS FLORES BROOKS
PUBLIC UTILITIES COMMISSION
Commissioner

EMPLOYMENT AGREEMENT

This Agreement is entered into effective November 22, 2024, by and between the **PUBLIC UTILITIES COMMISSION OF GUAM** (the "Commission"), a public corporation and autonomous instrumentality of the Government of Guam, and **LOURDES R. PALOMO** (the "Employee"), whose mailing address is Post Office Box 399, Hagåtña Guam 96932.

WITNESSETH:

WHEREAS, 12 GCA § 12103 empowers the Commission to employ administrative staff personnel for the conduct of Commission business; and

WHEREAS, Employee desires to be employed by the Commission as its PUC Administrator; and

WHEREAS, Employee has previously served in the position of PUC Administrator for 22 years (since 2002) in a contractual capacity and four (4) years in an employment capacity; and

WHEREAS, the Commission has been satisfied with the past services rendered by the Administrator; and

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the adequacy of which is acknowledged by both parties, the Commission and Employee agree as follows:

1. Scope of Work.

The Commission hereby hires Employee to serve as its Administrator. Employee will operate the Commission's office during its regular office hours [8:00 a.m.-5:00 p.m.], Monday through Friday, excluding Government of Guam holidays and such additional hours as may be required to attend to Commission business. Employee shall undertake her duties with her best efforts and will not accept or engage in any employment outside of the services of the Commission. Employee shall be responsible for the day-to-day operations of the Commission, subject to the supervision and control of the Commission's Chairman and the Commission. Her duties will include, but not be limited to:

- (a) To ensure that the Commission's office is open and operational during its regular office hours;
- (b) To supervise other employees or administrative staff of the Commission;
- (c) To receive and file all documents submitted to the Commission, and to take appropriate action for the processing of such documents;
- (d) To handle incoming inquiries and requests from all members of the public or representatives of the utilities and to assure that such matters are handled by her or other Commission personnel;
- (e) To undertake any tasks necessary for the operation and maintenance of the Commission office;
- (f) To undertake accounting and bookkeeping, or to ensure that said functions are performed by authorized Commission personnel/contractors;
- (g) To maintain and update the Commission's website, with the assistance of the Commission's webmaster;
- (h) To undertake efforts to scan and digitize Commission files and documents;
- (i) To provide administrative and secretarial service to the Commission;
- (j) To arrange and coordinate Commission meetings and hearings, and to ensure that such meetings are properly broadcasted in accordance with law; and
- (k) To perform such other duties as may be assigned to her by the Commission or its authorized representatives.

2. Compensation.

- (a) Employee shall receive a salary in the amount of \$66,000.00 per annum, which shall be paid by the Commission in bi-weekly installments on the 15th and last day of each month.
- (b) All salary paid to Employee shall be less all amounts required by law or authorized in writing by Employee to be withheld or deducted.

3. Employee Benefits.

- (a) The Commission is unable to provide retirement or health insurance benefits; however, Employee's salary includes compensation to Employee for health and welfare benefits.
- (b) Employee shall be entitled to three weeks paid vacation during the term of this Agreement.
- (c) Employee shall be provided with appropriate training.

- (d) Employee agrees that her employment is not Government of Guam employment, and that there is no insurance coverage provided by the government, participation in the Government of Guam retirement system, accumulation of vacation leave or sick leave, or other benefits not specifically provided herein.

4. *Term.*

The term of this Agreement shall be for one year, and it may be extended upon the mutual agreement of the parties for additional one-year periods.

5. *Termination.*

Employee shall serve at the Commission's pleasure and may be terminated at will upon thirty (30) days prior written notice.

6. *Employee's Duties on Termination.*

In the event of termination of employment with the Commission for any reason, Employee agrees to deliver promptly to the Commission all equipment, notebooks, documents, memoranda, reports, files, samples, books correspondence, lists, or other written or graphic records, and the like, relating to the Commission's business, which are or have been in her possession or under her control.

7. *Law Governing Agreement.*

This agreement is to be interpreted and enforced in accordance with the laws of Guam.

8. *Severable Provisions.*

If any provision of this agreement shall be deemed by a court of competent jurisdiction to be invalid, then such provision shall be deemed stricken from the agreement and the agreement shall be enforced according to its valid and subsisting terms and provisions.

9. Notices.

Any notices required to be given hereunder by the Commission to the Employee may be affected either by personal delivery in writing or by email to Employee's email address at the Commission. Any notices required to be given hereunder by the Employee to the Commission may be affected by personal delivery to the Chairman and the Chief ALJ or by email to the Chairman and the ALJ.

10. Attorney's Fees and Costs.

If any action at law or in equity is necessary to enforce or interpret the terms of this agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which he may be entitled.

11. Containment of Entire Agreement Herein.

This agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the employment of the Employee by the Commission and contains all of the covenants and agreements between the parties with respect to such employment in any manner whatsoever. Each party to this agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not contained in this agreement. No statement, or promise not contained in this agreement shall be valid or binding. Any modification of this agreement will be effective only if it is in writing signed by the party charged.

12. CERTIFICATE OF EMPLOYEE. THE EMPLOYEE CERTIFIES TO THE COMMISSION THAT SHE HAS READ THE FOREGOING AGREEMENT AND THAT SHE FULLY UNDERSTANDS ITS TERMS AND CONDITIONS, AND FURTHER CERTIFIES THAT THE FOREGOING TERMS AND CONDITIONS CONSTITUTE HER ENTIRE AGREEMENT WITH THE COMMISSION, AND THAT NO PROMISES OR UNDERSTANDINGS OR REPRESENTATIONS HAVE BEEN MADE OTHER THAN THOSE STATED ABOVE. IT IS SPECIFICALLY AGREED BY THE PARTIES HERETO THAT THIS AGREEMENT

**SHALL BE SUBJECT TO MODIFICATION ONLY BY WRITTEN INSTRUMENT
SIGNED BY THE PARTIES.**

IN WITNESS WHEREOF, the parties have executed this agreement on the dates
indicated by their respective names.

Dated: 1-30-25

EMPLOYEE



LOURDES R. PALOMO

Dated: 01-30-2025

**PUBLIC UTILITIES COMMISSION
OF GUAM**



JEFFREY C. JOHNSON, Chairman