

**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF: ) GPA Docket No. 26-07  
)  
The Petition of the Guam Power Authority )  
for Reviewing and Approving the Bulk ) **ORDER**  
Fuel Storage Facility Performance )  
Management Contract Two-One Year )  
Extensions and Price Increases )  
\_\_\_\_\_ )



**INTRODUCTION**

This matter comes before the Guam Public Utilities Commission (“PUC”) upon the Petition of the Guam Power Authority (“GPA”) for Review and Approval of Two-One Year Extensions of the Supreme Group Guam LLC Performance Management Contract and Price Increases.<sup>1</sup>

**BACKGROUND**

On April 27, 2023, the PUC approved GPA’s Performance Management Contract (“PMC”) for the GPA Fuel Bulk Storage Facility with Supreme Group Guam LLC (“Supreme”), for a 3-year base period beginning October 1, 2023 and expiring on September 30, 2026, for a contract amount of \$2,728,321.00.<sup>2</sup> GPA now comes before the PUC seeking review and approval of the two-one year option period extensions of the contract with Supreme; and for approval of the price increases to the contract pricing, due mainly to increased operations.<sup>3</sup> GPA seeks PUC review and approval for \$3,017,206.00, for the two-one year extensions and overall price increases. Exhibit A to GPA Resolution No. FY2026-11, provided with the current GPA Petition, sets forth the amounts associated with the two-one year extensions and the increased costs associated

<sup>1</sup> Petition of the Guam Power Authority to Approve Price Increase and 2-Year Extension of the Supreme Group Guam LLC Performance Management Contract, filed February 6, 2026.

<sup>2</sup> PUC Order, GPA Docket No. 23-14, dated April 27, 2023.

<sup>3</sup> GPA Petition, Docket No. 26-07 at pg. 2.

with the increased operations. The Administrative Law Judge filed her ALJ Report herein dated February 20, 2026. <sup>4</sup>

## **DETERMINATIONS**

### **A. Contract Review**

PUC must review any GPA contract or obligation which exceeds \$1,500,000.00<sup>5</sup> For multi-year contracts, whether the contract exceeds the \$1,500,000.00 threshold for PUC review is determined by the total estimated cost for the entire term(s) of the contract.<sup>6</sup> PUC has previously approved the three-year base term of the Supreme contract.<sup>7</sup> The total cost for the three-year base term of the Supreme contract, from October 1, 2023, through September 30, 2026 term, was originally \$2,728,321.00.<sup>8</sup>

#### **1. The Two-One Year Extensions.**

Under the original IFB GPA-015-22, Supreme price submission was \$992,485.00 for option extension year 1 and \$1,015,944.00 for option extension year 2.<sup>9</sup> The aggregate amount for the two-one-year extensions, under the price submission by Supreme in IFB GPA-015-22, is \$2,008,429.00. This contract amount alone requires PUC to review and approve the two- one year extensions of GPA's Fuel Bulk Storage Facility Contract with Supreme.<sup>10</sup>

#### **2. The Price Increases.**

In the Petition, GPA submits that the price increases for contract base years 2 and 3 total \$338,807.00.<sup>11</sup> For option extension year 1, the total price increase from the original

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<sup>4</sup> ALJ Report, GPA Docket No. 26-07, dated February 20, 2026.

<sup>5</sup> Contract Review Protocol for Guam Power Authority, Administrative Docket, §1.

<sup>6</sup> Contract Review Protocol for Guam Power Authority, Administrative Docket, §§1.e and 4.b.

<sup>7</sup> PUC Order, GPA Docket No. 23-14, dated April 27, 2023.

<sup>8</sup> GPA Petition, Docket No. 23-14, Exhibit B-CCU Resolution No. FY2023-14.

<sup>9</sup> GPA Petition, Docket No. 26-07, Exhibit A to GPA Resolution No. FY2026-11.

<sup>10</sup> Contract Review Protocol for Guam Power Authority, Administrative Docket, §§1.e and 4.b.

<sup>11</sup> GPA Petition, Docket No. 26-07 at pg. 2.

submission by Supreme, under IFB GPA-015-22 , totals \$334,259.00.<sup>12</sup> For option extension year 2, the total price increase from the original submission by Supreme, under IFB GPA-015-22, totals \$335,711.00.<sup>13</sup> Adding in the increase costs in base year 2, base year 3, option extension year 1 and option extension year 2--the total amount of increase costs from the initial submission by Supreme in IFB GPA-015-22 is \$1,008,777.00.

The combined costs for the two- one year extensions and the price increases totals \$3,017,206.00. PUC review and approval are required.

**B. GPA's Retention of a PMC Contractor for the Fuel Bulk Storage Facility is essential to the continued functioning and operation of the Island Wide Power System.**

In the Petition, GPA asserts that without a PMC contractor at the Fuel Bulk Storage Facility, GPA will not be able to conduct refueling operations safely and efficiently.<sup>14</sup> PUC has consistently recognized that the management, operation and maintenance services which the PMC contractor performs for GPA regarding the Fuel Bulk Storage Facility are essential to the functioning of the plants in the Island Wide Power System ("IWPS").<sup>15</sup> If there were no PMC contractor to operate the facility, the IWPS could not function.

**C. The 2- 1 Year Extension Costs and Price Increases are reasonable, prudent and necessary.**

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<sup>12</sup> GPA Petition, Docket No. 26-07, Exhibit A to GPA Resolution No. FY2026-11.

<sup>13</sup> GPA Petition, Docket No. 26-07, Exhibit A to GPA Resolution No. FY2026-11.

<sup>14</sup> GPA Petition, Docket No. 26-07 at pg. 2.

<sup>15</sup> PUC Order, GPA Docket 10-08, dated April 30, 2015, at pg. 2 ["The Management, Operation, and Maintenance services which Vital Energy Inc. performs for GPA with regard to the Fuel Farm Bulk Storage Facility are essential to the efficient operation of the Cabras Power Plants."].

The PUC has consistently recognized that the management, operation and maintenance services which the PMC contractor performs for GPA regarding the Fuel Bulk Storage Facility are reasonable, prudent, and necessary.<sup>16</sup>

**1. The Two-One Year Extensions.**

Supreme was selected as the PMC for the GPA Fuel Bulk Storage Facility after a competitive bid in which Supreme offered the lowest price and was determined to be the most responsive and responsible bidder. Review of Exhibit A to the CCU Resolution No. FY2023-14 filed with the GPA Petition in Docket No. 23-14, indicates that Supremes bid was approximately \$1,720,679.00 less than the bid of IP&E LLC for the three year base term.<sup>17</sup> The ALJ report, filed herein, shows that for the two-one year extensions, the bid submitted by Supreme is approximately \$1,196,071.00 less than the bid of IP&E LLC. The pricing for the two-one-year extensions of the Supreme contract is reasonable, prudent and necessary.

**2. The Price Increases.**

In August of 2025, GPA engaged Supreme to increase fuel pipeline operations on a 24-hour, 7 days per week basis, as a result of Ukudu Power Plant operations.<sup>18</sup> Prior to this time, fuel transfers were focused on Cabras Units 1 & 2 and MEC Units 8 & 9.<sup>19</sup> The increase in pipeline operations has resulted in an increase in pricing for contract base year 2, contract base year 3, option extension year 1 and option extension year 2.

In GPA's Petition, the price increases are lumped together for base year 2 and base year 3 for a total of \$338,807.00. The breakdown of this amount is \$15,000.00 in base year 2 for increase manpower to support the 24/7 operations. In base year 3, the breakdown is \$180,000.00 for manpower, \$52,888.00 for utilities and \$90,919.00 for O&M

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<sup>16</sup> PUC Order, GPA Docket No. 23-14, dated April 27, 2023; PUC Order, GPA Docket No. 22-02, dated December 2, 2021; PUC Order, GPA Docket No. 20-08, dated February 27, 2020.

<sup>17</sup> GPA Petition, Docket No. 23-14, Exhibit A to CCU Resolution No. FY2023-14.

<sup>18</sup> GPA Petition, Docket No. 26-07 at pg. 2.

<sup>19</sup> Section 9.2 of IFB GPA-015-22, limited fuel transfers to the hours of 0600 to 1800 daily. Any fuel transfers outside of these hours had to be approved by the Generation Manager.

adjustment. The total amount of price increases for option extension year 1 is \$334,259.00.<sup>20</sup> For option extension year 1, the price increases are for manpower (180,000.00), utilities (\$52,888.00) and O&M adjustment (\$101,371.00). The total amount of price increases for option extension year 2 is \$335,711.00.<sup>21</sup> For option extension year 2 the price increases are for manpower (180,000.00), utilities (\$52,888.00) and O&M adjustment (\$102,823.00). The total amount of increase costs from the initial submission by Supreme in IFB GPA-015-22 is \$1,008,777.00.

The price increases for manpower, utilities and adequate O&M is necessary to maintain reliability, prevent unplanned downtime, and protect the integrity of the IWPS. Even with the price increases, Supremes overall value for the entire contract amounts to \$5,745,525.00.<sup>22</sup> As set forth in the ALJ report, filed herein, Supremes overall total contract value, even with the price increases, is still \$1,907,975.00 less than IP&E LLC overall bid price submission in IFB GPA-015-22. The price increases are reasonable, necessary and prudent.

### **ORDERING PROVISIONS**

After review of the record herein, including GPA's Petition for PUC Review and Approval of the Supreme Group Guam LLC Bulk Fuel Storage Facility Performance Management Contract Two-One Year Extensions and Price Increases, the ALJ Report, the record herein and for good cause shown, on motion duly made, seconded and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

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<sup>20</sup> GPA Petition, Docket No. 26-07, Exhibit A to GPA Resolution No. FY2026-11.

<sup>21</sup> Id.

<sup>22</sup> GPA Petition, Docket No. 26-07, Exhibit A to GPA Resolution No. FY2026-11.

1. GPA is authorized to exercise the first and second one-year options to extend the Performance Management Contract with the Supreme Group Guam LLC for the management, operation and maintenance of GPA's Fuel Bulk Storage Facility. The current Performance Management Contract with the Supreme Group Guam LLC will now expire on September 30, 2028.
  
2. GPA is authorized and approved to expend up to the amount of \$3,017,206.00 for the two-one-year option period extensions of the Performance Management Contract with Supreme Group Guam LLC and the additional price increases to the contract due to increased operations.
  
3. 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]**

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Order  
Price Increase and 2-Year Extension of Contract for GPA's Fuel Bulk Storage Facility  
GPA Docket No. 26-07  
February 26, 2026

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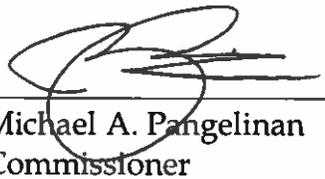
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**SO ORDERED** this 26<sup>th</sup> day of February 2026.

  
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Jeffrey C. Johnson  
Chairman

  
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Peter Montinola  
Commissioner

  
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Joseph M. McDonald  
Commissioner

  
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Michael A. Pangelinan  
Commissioner

  
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Doris Flores Brooks  
Commissioner