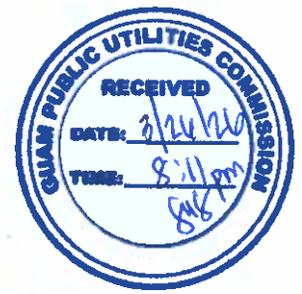


**GUAM PUBLIC UTILITIES COMMISSION**  
**REGULAR MEETING**



**February 26, 2026**

**SUITE 807, DNA BUILDING, 238 ARCHBISHOP FLORES ST., HAGATNA, GUAM**

**MINUTES**

**1. CALL TO ORDER**

The Guam Public Utilities Commission [PUC] conducted a regular meeting commencing at 6:30 p.m., on February 26, 2026, pursuant to due and lawful notice. The meeting was called to order at 6:30 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.

**2. APPROVAL OF MINUTES**

The Chairman announced that the first item of business on the agenda was the approval of the minutes of the December 22, 2025 and January 29, 2026 meetings. Commissioner Peter B. Montinola moved to approve the minutes of the December 22, 2025 and January 29, 2026 meetings, subject to corrections, which motion was seconded by Commissioner Joseph M. McDonald, and the motion was carried and unanimously passed.

The Chairperson announced that the next item of business on the agenda is the following GWA matter:

**GUAM WATERWORKS AUTHORITY**

**3. GWA Docket No. 24-05 – ALJ Report on the Process and Boundaries for Determination of Adjustments for Annual True-Up of GWA’s Five-Year Financial Plans (Ordering Provision No. 8 Proceeding).**

Chairman Johnson addressed the next Agenda item, GWA Docket No. 24-05, ALJ’s Report on the Process and Boundaries for Determination of Adjustments for Annual True-Up of GWA’s Five-Year Financial Plans (Ordering Provision No. 8 Proceeding). Chairman Johnson stated that there’s a proposed Order and invited CALJ Frederick J. Horecky to present this matter. **Commissioner Michael A. Pangelinan recused himself on the GWA matters, as GWA is a client of his law firm in pending litigation.** CALJ Horecky reminded the Commissioners that every year there is a true-up proceeding for the GWA five-year rate plans, which usually occurs in September when the PUC review its fiscal year. At the last true-up proceeding in September 2025, the parties stipulated to the procedures in a true-up proceeding, including what adjustments could be made in the true-up proceeding. The Order entered in September 2025, orders the ALJ to conduct proceedings to determine the procedures or process in the true-up and the boundaries that constitutes permissible adjustments for the true-up proceedings. CALJ Horecky met with the parties regarding the true-up process and position statements have been exchanged and filed. The parties entered into a Joint

Stipulation as to certain matters concerning the true-up proceedings and the five-year rate plan procedures to assist and improve the true-up process. The parties agreed to the following:

- With the initial filing of the five-year plan, GWA will provide its petition, together with testimony and exhibits, as well as the minimum filing requirements and the rate model developed. GWA's petition would propose the rate path for the full five years with a full narrative support and work papers. The initial decision of the PUC would set the rates for the full five-years.
- Certain true-up process timelines – 120 days for true-up, GWA's true-up petitions will be filed in April with hearings for true-up held in August, subject to the PUC's availability. instead of September.
- Ongoing implementation of GWA's Water Loss Control Program and documented issues affecting GWA's ability to meet water loss goals.
- GWA will modify some of the current reporting that it prepares on the status of the Water Loss Control Program, which would include a 2025 baseline report, informal mid-year review and a year-end reconciliation report.
- A broad range of adjustments to be considered in a true-up proceeding, including but not limited to: Capital Improvement Program variances, CIPs, debt service schedule adjustments, revenue variances, operating reserve adjustments, grant funding variances, debt service coverage, maintenance adjustments, O&M variance adjustments, and many others.
- GWA can seek adjustments in the true-up year for any item pertaining to revenues, expenses or other matters in the test year and Georgetown Consulting Group (GCG) will similarly have a broad authority to explore the validity or the impact of any adjustments which GWA seeks for the true-up year such as differences in revenues, expenses, or other costs previously anticipated including administrative and general expenses.

CALJ Horecky informed the PUC that the main focus of disagreement in the proceedings is GCG seeking authority, in each annual true-up proceeding, to issue requests for information and discovery for all remaining years of the five-year plan. GCG wanted unrestricted ability to pose any questions for all subsequent outline years so it can verify accuracy and continued validity of the initial projections for those years in the five-year rate plan and PUC's decision. However, in a true-up proceeding, the PUC only looks at one year – the true-up year. GWA contends that the annual true-up is intended to address differences between projected and actual results for a single year. Prior PUC orders in true-up proceedings, reflect that PUC examines and approves rates for a specific fiscal year – i.e., projections provided and information considered are always for a specific year and ordinarily a true-up is based upon an update to the schedules approved in the last rate case. It is an update to revenues, expenses and other items – it was never intended to be a review of all of the remaining years because each of the remaining years will have its own true-up proceedings. To allow GCG full discovery of all five years will not only delay, but also complicate the proceedings and make them inefficient. Many commissions do not consider changes beyond the test year.

Another item at issue was GWA's outstanding reporting requirements. The parties agreed to new reporting requirements and GWA has also agreed to bring all outstanding reporting requirements up to date by the end of February 2026, although CALJ Horecky requests that the deadline be extended to March 2026. Another dispute involved the RAM model that reflects all the changes in the test year and each year. It is GWA's method for analyzing the rate changes. GWA proposed to alter the RAM model in the true-up to only provide the RAM for the test year; however, GWA has

traditionally filed the RAM for five years for every true-up proceeding. CALJ Horecky recommends that GWA continue to file the RAM for five years, but with the understanding that GWA does not have to make numerous adjustments or analysis regarding the outlying year. In conclusion, CALJ Horecky requested that the PUC approve the joint stipulation of the parties and the changes recommended in his ALJ report.

Chairman Johnson thereafter solicited comments from GWA and GWA CFO Taling Taitano thanked CALJ Horecky and informed the PUC that she appreciated the opportunity to participate in the process to clarify the annual true-up framework, as it has been helpful in reinforcing the intent of the five-year plan and the annual true-up, particularly the balance between GWA's revenue requirements and affordability for repairs. Discussions ensued between the Commissioners and CALJ Horecky regarding the issue of outlying test years, which was resolved to the parties' satisfaction, and the adjustments to the quarterly reporting process pertaining to the water loss schedule, to include the recent five-year total water production.

There being no further discussions or comments, Commissioner Peter B. Montinola moved to approve the proposed Order in GWA Docket No. 24-05, which motion was duly seconded by Commissioner Joseph B. McDonald, and the motion was carried and approved by majority vote.

**4. GWA Docket No. 26-03 - Petition to Ratify and Approve Fund Increase and Scope to Landis+GYR, Inc. Indefinite Delivery/Indefinite Quantity (IDIQ) Contract for the Supply of Ultrasonic Water Meters.**

Chairman Johnson introduced the next item of business on the Agenda, GWA Docket No. 26-03, GWA's Petition to Ratify and Approve Fund Increase and Scope to Landis+GYR, Inc. Indefinite Delivery/Indefinite Quantity (IDIQ) Contract for the Supply of Ultrasonic Water Meters. Chairman Johnson stated that there's a Legal Counsel Report and a proposed Order and invited legal counsel Anthony R. Camacho to present this matter. **Commissioner Michael A. Pangelinan was recused on the GWA matters, as GWA is a client of his law firm in pending litigation.** Legal counsel Camacho thereafter informed the Commissioners that GWA has two (2) contracts with the Landis+GYR, Inc. (LG) that are a product of two (2) separate solicitations. GWA originally solicited for small ultrasonic water meters and although several potential bidders picked up packets, LG was the only one to submit a bid. Subsequently, GWA submitted a bid for large water meters and, again, several packets were picked up but LG was the sole bidder in that solicitation. The purchase order for the small ultrasonic water meters contract is \$404K and the large water meters contract is \$991K. Subsequently, LG requested to combine both contracts and if combined, the total cost would result in a \$1.3M cost, thus requiring PUC's review and approval of the contract as it exceeds GWA's \$1M threshold on its Contract Review Protocol. GWA has also disclosed a pending requisition of large ultrasonic water meters in the amount of \$254K, which further increases the cost to approximately \$1.6M. The CCU issued its Resolution 07-FY2026, on January 27, 2026, which basically authorized GWA's management to enter into a contract combining the two (2) purchase orders for the amount of \$1.3M. Additionally, the CCU also authorized GWA management to purchase additional large ultrasonic water meters for the amount of \$254K. Under this new contract, the CCU authorized GWA management to use either grant bond or internally-funded capital improvement program funds, which is also subject to PUC's review and approval. It is clear that GWA has to obtain PUC's review and approval for two (2) reasons: first, combining the two (2) purchase orders into one (1) contract would exceed the \$1M Contract Review Protocol; and, second, the use of bond funds to fund a contract, regardless of the amount, requires PUC's prior approval for the use of those bond funds. The \$1.6M cost of the new contract, which combines the two (2) purchase orders for the

small ultrasonic water meters and the large ultrasonic water meters, together with the additional large ultrasonic water meters purchase is reasonable. Under the original contract, GWA ordered the following:

- 2,000 small ultrasonic water meters for approximately \$202 each, totaling \$404K.
- 179 1½ large ultrasonic water meters for \$1,896K each, totaling \$339K.
- 61 4” ultrasonic meters for about \$3.6K each, totaling \$225K.
- 18 6” ultrasonic meters for approximately \$5.9K each, totaling \$107K.
- 5 8” ultrasonic meters for approximately \$7K each, totaling \$35K.
- 3 8” ultrasonic meters for \$13.3K totaling \$40K.
- 25 3” ultrasonic meters for \$2.7K each, totaling \$68K.
- 97 2” ultrasonic meters for \$1.8K each, totaling \$175K.

The total amount of the large ultrasonic water meters is \$991K. The total order for GWA’s additional 38 4” ultrasonic meter for \$3.6K each, totaling \$140K and 19 6” ultrasonic meters for \$5.9K each, totaling \$113K. This is a grand total of **\$1,244,034.00**. The contract combining the two (2) purchase orders and the cost of purchasing the additional 57 large ultrasonic meters is reasonable, as GWA will have a total of 2,000 small ultrasonic meters and 445 large ultrasonic meters for a total of 2,445 ultrasonic meters. The price of the small ultrasonic water meters fit within the median price but the larger ones, particularly the 4” ultrasonic water meters are on the high end and are more costly than the median price most likely due to Guam’s higher shipping cost. Also, there is the fact that there was only one (1) bidder on these solicitations – there is no price competition, which is beyond GWA’s control. This is an indefinite quality contract which means there is no set quantity in the amount of years that GWA can order under this new contract – GWA could order more – GWA’s needs are based on how much funding it has. Guam procurement law has allowed for an indefinite quantity as well as an indefinite delivery. That is what this contract is as well. GWA does not know when it will need the new meters. Although Guam procurement laws allow for these types of IDIQ contracts, these contracts require closer monitoring to ensure that GWA is not ordering too much that the price continuously goes above the contract review threshold. Legal counsel Camacho found that GWA’s estimated \$1.6M cost of the new contract and the purchase of the additional ultrasonic meters is reasonable, prudent, and necessary. GWA is dependent on these ultrasonic meters to accurately measure water consumption to bill its customers for water service delivered and will replace the aging meters on the drinking water distribution system. Both contracts allow for amendments or addenda, to include scope, to be effective only if it is in writing signed by the party to be charged.

Legal counsel Camacho recommends that the PUC approve GWA’s petition. Finally, GWA’s contract review protocol allows for a 20% contingency over any approved amount by the PUC. However, GWA’s petition as well as the CCU Resolution, only provides or authorizes a 10% contingency, which falls within the 20% contingency, and the proposed Order prepared authorizes only the 10% contingency authorized by the CCU.

Chairman Johnson solicited for comments from GWA and GWA Assistant General Manager (AGM) of Administration and Support Christopher Budasi informed the PUC that GWA views this as an administrative petition and had no intention of going over the contract review protocol threshold when it started the initial procurement. The large meter procurement came a year and 3 months after the initial procurement. The initial bidder (LG) won both procurements and recommended that the contracts be combined to avoid any delays. Additional discussion ensued between the Commissioners and AGM Budasi regarding GWA’s future plans to purchase additional meters, as

well as converting GWA's existing AMR endpoints to AMI endpoints; the 10% contingency requested, the reason for the additional purchase of the 57 large ultrasonic meters; the problems encountered with GWA's previous meter company, resulting from a prior purchase of smart meters (LP meters) that were had failure rates of 60% and 70%, and the lawsuit that ensued; GWA's reliable relationship with LG and the purchase of the meters (Water Meter similar in size to Badger) from a reputable meter manufacturer that is a partner of LG; how the meters will be used and why different sizes are necessary owing to the flows going to the different areas it services; and the problems being entered with GWA's current Badger meters.

There being no further discussions or comments, Commissioner Peter B. Montinola moved to approve GWA Docket No. 26-03, which motion was duly seconded by Commissioner Joseph M. McDonald, and the motion was carried and approved by majority vote.

## **GUAM POWER AUTHORITY**

### **5. GPA Docket No. 26-05 – Notice to the Public Utilities Commission Relative to the Approval to Increase the Limit to the Repair and Overhaul of the Navy-Owned Orote Power Plant.**

Chairman Johnson addressed the next Agenda item, GPA Docket No. 26-05, GPA's Notice to the PUC Relative to the Approval to Increase the Limit to the Repair and Overhaul of the Navy-Owned Orote Power Plant. The Chairman informed the Commissioners that there is an ALJ Report and a proposed Order and invited CALJ Frederick J. Horecky to present this matter. Thereafter, CALJ Horecky provided an overview and informed the PUC that this docket was addressed in prior GPA Docket 24-17, wherein GPA received a request from the Navy to perform certain repair work and overhauls to the Orote Power Plant. The Orote Power Plant consists of 3 6.8MW Wartsila diesel engines and CALJ Horecky believes that only one of the three diesel engines is currently operational. GPA further informed the PUC that it has an Inter-Services Government Agreement (ISGA) with the Navy and that agreement basically provides that the Navy can request GPA to perform work or repairs needed to the Orote Power Plant. The ISGA clearly provides that GPA will not be responsible for any of the costs involved and that all costs for repairs and overhauls (i.e., parts and services) provided by Wartsila to the Orote Power Plant will be borne by the Navy. **Additionally, the Navy pays upfront for all costs for repairs to be performed, before any work is performed by GPA.** The Orote Power Plant is utilized by both the Navy and the Island-Wide Power System (IWPS). Thus, the ISGA and Orote Power Plant benefits all concerned.

GPA Docket 24-17 involved the overhaul of two of Orote Power Plants diesel units (i.e., units 1 and 3) and the Navy approved \$1.8M for the repairs. After that, there was a fire in diesel unit 2 thus rendering it inoperable. Some of the parts for diesel unit 2 will be shipped off-island (i.e., Philippines) for repair and the cost for repairs (approximately \$1.5M) have greatly increased.

Normally, in contract review, the PUC approves requests by GPA to expend money for procurements for services. Paragraph 2 of GPA's Contract Review Protocol involves procurement requests where GPA receives funds either through grants or the ISGA. And, in situations like this, GPA still comes before the PUC but the PUC does not perform an ordinary procurement review. GPA is entitled to decide on the advisability or propriety of the contract on its own without prior PUC approval. However, prior to entering into a contract, GPA is still required to provide or file certain information to the PUC such as: (1) a resolution authorizing the specific contract; (2) an affidavit from GPA management stating that the contract does not produce an increased revenue requirement; (3) a

narrative description of the contract; and (4) a Memorandum of Record (approval from ComNavMar accepting GPA's proposal). GPA provided all that information in the prior Docket No. 24-17 and on September 24, 2024, the PUC issued its Order holding that prior PUC review of GPA contracts with the Navy and Wartsila, were not required under paragraph 2 of GPA's Contract Review Protocol. In this docket before the PUC, GPA Docket 26-05, GPA filed its notice advising of an increase in the cost of the contract repair and overhaul to the Orote Power Plant owing to the substantial damage sustained by diesel unit 2, together with additional recommended repairs (cleaning, servicing, generator rewinding and overhaul) to diesel units 1 and 3 of over \$500K to prevent burning of these 2 diesel units. GPA has submitted documents necessary to proceed, i.e., CCU Resolution FY2026-08, which authorizes the increase of the contract with Wartsila for the additional repairs and overhaul services; and, the affidavit from GPA GM, indicating that there is no increased revenue requirement, was submitted. There is no final contract with Wartsila (costs currently estimated at \$6M) and the ISGA is currently being revised to cap the yearly costs incurred by the Navy to \$2B. A draft approval from the Navy for \$3.8M was submitted and the Navy has already transferred \$2.734M to GPA, with plans to transfer another \$1M in FY2026 to achieve the 576,000 overhaul projects to prevent diesel units 1 and 3 from burning. Also, in FY2027, the Navy will submit an additional \$2M. Hopefully, all these sums transferred or to be transferred will cover the \$1.843M project to repair diesel unit 2. GPA has indicated that it will not perform work on the project until it receives the Navy's written approval, the signed Memorandum of Record under the ISGA, and the transfer of funds.

CALJ Horecky believes GPA has covered all its bases and recommends that the PUC authorize GPA to contract with the Navy and Wartsila; however, conditioning its approval on GPA finalizing and executing the contract, the ISGA and the Memorandum of Record, and further clarifying and explaining the total cost of these contracts for the repair and overhaul of the Orote Power Plant diesel units.

Thereafter, Chairman Johnson solicited for comments and discussions ensued between the Commissioners, GPA CFO John Kim and Legal Counsel Marianne Woloschuk regarding the following:

- The major overhauls, significant repairs and the extended life to the diesel units.
- The estimated costs for these projects at \$5.7M to \$6M and the amounts already transferred to GPA by the Navy of approximately \$2.7M.
- The Wartsila contract, staggered projects and the procedure GPA utilizes/adheres to in obtaining the funds from the Navy for the costs and expenses necessary for these projects.
- The average amount of power utilized by the Navy from the IWPS during the overhaul and repair of the Orote Power Plant diesel engines and the anticipated time to complete the overhaul and repair.

There being no further inquiries or comments, Commissioner Michael A. Pangelinan moved to approve GPA Docket No. 26-05, which motion was duly seconded by Commissioner Peter B. Montinola, and the motion was carried and unanimously approved.

**6. GPA Docket No. 26-07 - Petition of the Guam Power Authority to Approve the Price Increase and 2-Year Extension of the Supreme Group Guam LLC Performance Management Contract.**

Chairman Johnson addressed the next Agenda item, GPA Docket No. 26-07, GPA's Petition to Approve the Price Increase and 2-Year Extension of the Supreme Group Guam LLC Performance

Management Contract. The Chairman informed the Commissioners that there is an ALJ Report and a proposed Order and invited ALJ Kritina L. Baird to present this matter. ALJ Baird stated that what is before the PUC is GPA's petition for review and approval of two (2) one-year extensions of the Supreme Group Guam, LLC (SGG) Performance Management Contract (PMC) for the GPA Bulk Fuel Storage Facility and the price increases to the contract's pricing owing to increased operations. ALJ Baird provided a brief background of the SGG contract, GPA's IFB and PUC's prior approval of SGG's 3-year base contract in April 27, 2023, which contract expires on September 30, 2026. GPA seeks PUC's review and approval for \$3,017,206.00 for the two (2) one-year extensions and overall price increases. PUC review and approval is required as the amount of the SGG contract extension exceed GPA's \$1.5M threshold. ALJ Baird determines that the SGG's PMC contract, costs for the extensions and price increases, are reasonable, prudent and necessary for the following reasons:

- GPA's retention of a PMC contract for the Fuel Bulk Storage Facility is essential to the continuing function and operation of the Island-Wide Power System (IWPS). GPA asserts that without a PMC contract at the Fuel Bulk Storage Facility, GPA will not be able to conduct refueling operations safety and efficiently.
- The PUC in other dockets 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 IWPS. If there were no PMC contractors to operate the facility, the IWPS could not function.
- SGG was selected as the PMC, after a competitive bid, as SGG offered the lowest price and was determined to be the most responsive and responsible bidder. The two (2) one-year extensions submitted by SGG is approximately \$1,196,071.00 less than the original bid of IP&E.
- The price increases commenced in August 2025 (i.e., SGG contract Year-3), when GPA engaged SGG to increase fuel pipeline operations on a 24-hour, 7-day per-week basis as a result of the Ukudu Power Plant operations. The increase in pipeline operation has resulted in an increase in pricing for contract Base Year 2, Base Year 3, Optional Extension Year 1 and Optional Extension Year 2.
- The price increases are lumped together for Base Year 2 and Base Year 3, totaling \$338,807.00. The total amount for Option Extension Year 1 is \$334,259.00 and the total amount for Option Extension Year 2 is \$335,711.00.
- The total amount of increased costs from SGG's initial submission in IFB GPA-015-22 is \$1,089,777.00. GPA engineer states that the O&M adjustment is due to the additional equipment that was installed for the Ukudu pump station, which included, but is not limited to, new pumps, motors, pressure sensor switches, valves, and a new 21-kilometer pipeline from GPA tank farm to the Ukudu Power Plant. All these assets now full under the maintenance and responsibility of SGG per the original IFB. All of these assets are critical mechanical and electrical components that require routine maintenance, spare part allocation and operational support, which results in the increase in O&M amounts, the manpower amounts, and the increase in utilities each year.
- Even with the price increases, SGG's overall value for the entire contract amounts to \$5,745,525.00 and is still \$1,907,975.00 less than IP&E's overall bid price submission in IFB GPA-015-22.

Based on the ALJ Report and the past history of this contract, ALJ Baird recommends that the PUC approve GPA's Petition. Chairman Johnson solicited for comments from GPA, and no comments were made. A discussion ensued thereafter with the Commissioners and GPA CFO John Kim and

GPA Legal Counsel Marianne Woloschuk concerning the Ukudu fuel tanks and their capacity and the increase in operation and costs of the SGG PMC in Contract Year-2 (one month) and Year-3.

There being no further questions or comments, Commissioner Peter B. Montinola moved to approve GPA Docket No. 26-07, which motion was duly seconded by Commissioner Joseph B. McDonald, and the motion was carried and unanimously approved.

## **ADMINISTRATIVE MATTERS**

### **7. Guam Power Authority Power Quality Review Protocol.**

The PUC then transitioned to administrative matters, beginning with the GPA's Power Quality Review Protocol. Chairman Johnson invited GPA to take part in this discussion and asked legal counsel Anthony R. Camacho to present this matter. Legal counsel Camacho stated he has been in discussions with GPA management on developing a power quality review protocol, which is quite complex. It is not just measuring the quality of power that comes out of the generation but it is also affected by the end-user – the influence on the quality of power that one receives, the type of equipment the end-user has, especially a commercial user. GPA, with some additional metering, could start measuring the quality of the power it produces. More research needs to be conducted to develop a fair and quantifiable review protocol – how one measures the quality of power that goes into the end user. For example, if an end-user has inefficient appliances (non-energy saver) or much older appliances that might affect the quality of power. There is discussion concerning items that need to be added to the scope of the protocol and we may be looking at approximately 3 months in completing a draft protocol. Chairman Johnson commented that it is quite complex having to integrate the solar in the current system and the batteries with the traditional generation. It is a challenge not just here in Guam but also in other jurisdictions. We are just hoping to try to stay ahead and develop certain quantifiable measurements that can determine where we are at and improve upon it. Discussion ensued between the Commissioners regarding old appliances and how it affects the input into the residential user. Legal counsel Camacho commented that GPA is currently working on a model for creating such protocol – engineering math – that is still being deciphered with regard to how the end user will utilize the product, even if GPA is providing quality power. Other jurisdictions resolve this issue in its contract with its customers – it agrees to provide power within certain parameters – after that it is up to the customer and we are trying to do something similar.

### **8. Monthly Financials for January 2026 Report.**

Chairman Johnson announced that the next item of business on the Agenda is the Monthly Financials for the January 2026 Report. Commissioner Doris Flores-Brooks informed the Commissioners that we have migrated to the new QBES accounting software as of October 1, 2025, which is our current fiscal year, FY2026. There is no comparative on the report, as only the balances from the prior fiscal year were entered into our new QBES accounting software. In addition, there are two (2) items on the books that need to be reconciled – the Undeposited Funds and the Accounts Receivables. Undeposited Funds is a new account created in our current QBES accounting software. Administrator Palomo is able to identify the deposits that needs to be cleared and she is working with EY to address the issues. The Accounts Receivables is rather high as a result of the annual assessments that remain outstanding from the Telecoms, i.e., Docomo, PTI and PDS, and the offset resulting from a deposit inadvertently made by a vendor to PUC's Regulatory Account that should have been deposited to PUC's Admin account. All these items are currently being addressed and Administrator Palomo will be meeting with EY on Friday, February 27<sup>th</sup>, to rectify the issues being encountered and to reconcile said accounts.

**9. Resolution No. 26-04 – Relative to Extension of Administrative Law Judge Services Agreement with the Guam Public Utilities Commission.**

Chairman Johnson announced that the next item of business on the Agenda is Resolution No. 26-04, relative to the extension of Chief Administrative Law Judge Frederick J. Horecky's Services Agreement with the PUC. CALJ Horecky briefly summarized the pending matters that he is handling on behalf of the PUC, i.e., GSWA True-Up Protocol; the LNG docket; the GPA net metering docket, GPA 24-03; the GPA LEAC docket, the Telecom certifications for Universal Service Funds (USF) proceedings, and a pending inquiry from GTA for a possible rate increase for its landline rates.

Commissioner Michael A. Pangelinan moved to approve Resolution No. 26-04, relative to the extension of Administrative Law Judge Services Agreement with the PUC, which motion was duly seconded by Commissioner Joseph B. McDonald, and the motion was carried and unanimously approved.

**10. FYI FY2025 Annual Report.**

Chairman Johnson announced that the next item of business on the Agenda is the FY2025 Annual Report. Chairman Johnson commented that the report summarizes all the work the PUC performed during the FY2025 – 42 cases in total from the utilities. The Commissioners were informed that the FY2025 Annual Report has been uploaded to the PUC website.

**ADJOURNMENT**

There being no further business before the Commission, Commissioner Peter B. Montinola moved to adjourn the meeting, which motion was duly seconded by Commissioner Michael A. Pangelinan. The motion passed unanimously and the meeting was adjourned at 8:24 p.m.



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**Peter B. Montinola**  
**Vice Chairmain**

# **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, February 26, 2026, at Suite 807, DNA Bldg., 238 Archbishop F.C. Flores St., Hagatna, Guam.**

The following business will be transacted:

#### **AGENDA**

1. **Call to Order**
2. **Approval of Minutes December 22, 2026 Special Meeting and January 29, 2026 Regular Meeting.**

#### **GUAM WATERWORKS AUTHORITY**

3. **GWA Docket No. 24-05: ALJ Report on the Process and Boundaries for Determination of Adjustments for Annual True-Up of GWA's Five-Year Financial Plans (Ordering Provision No. 8 Proceeding), and Proposed Order.**
4. **GWA Docket No. 26-03: Petition to Ratify and Approve Fund Increase and Scope to Landis+GYR, INC. Indefinite Delivery/Indefinite Quantity (IDIQ) Contract for the Supply of Ultrasonic Water Meters, Legal Counsel Report and proposed Order.**

#### **GUAM POWER AUTHORITY**

5. **GPA Docket No. 26-05: Notice to the Public Utilities Commission Relative to the Approval to Increase the Limit to the Repair and Overhaul of the Navy-Owned Orote Power Plant, ALJ Report and proposed Order.**
6. **GPA Docket No. 26-07: Petition of the Guam Power Authority to Approve Price Increase and 2-Year Extension of the Supreme Group Guam LLC Performance Management Contract, ALJ Report and proposed Order.**

#### **ADMINISTRATIVE MATTERS**

7. **Guam Power Authority Power Quality Review Protocol.**
8. **Monthly Financials for January 2026 Report**
9. **Resolution No. 26-04: Relative to Extension of Administrative Law Judge Services Agreement with the Guam Public Utilities Commission**
10. **FYI FY2025 Annual Report.**

#### **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



IN THE MATTER OF: ) GWA Docket 24-05  
)  
GUAM WATERWORKS AUTHORITY'S ) **ORDER ON THE PROCESS AND**  
FY2025-2029 RATE APPLICATION AND ) **BOUNDARIES FOR DETERMINATION**  
REQUEST FOR RATE INCREASES ) **OF ADJUSTMENTS FOR ANNUAL**  
) **TRUE UP OF GWA'S FIVE-YEAR**  
) **FINANCIAL PLANS (ORDERING**  
) **PROVISION NO. 8 PROCEEDINGS)**  
)  
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**BACKGROUND**

In Ordering Provision No. 8 of the Guam Public Utilities Commission (PUC) Order Re: Annual True-Up for FY2026 Rates, dated September 25, 2025, the Commission ordered as follows: "The ALJ is ordered to conduct a proceeding subsequent to the Commission's issuance of its Order in this proceeding to obtain input from all Parties as to the process and boundaries of what is permissible as adjustments in a true-up proceeding. (emphasis added). The ALJ's recommendations, as accepted or modified by the Commission, shall be made in a timely fashion to guide GWA's filing in the subsequent true-up proceeding for FY2027 rates."

On November 17, 2025, the ALJ commenced this proceeding. The ALJ and the parties, met in conferences to discuss the true-up process and permissible adjustments. The parties stated their positions on the issues, and the ALJ had a full opportunity to question the parties concerning their respective positions. The parties have also recommended adjustments to the initial five-year plan filing which will facilitate the conduct of the true-up proceedings.

On February 10, 2026, the ALJ submitted his Report in this proceeding. The Report outlines the agreements of the parties in a JOINT STIPULATION, and the ALJ has also made recommendations on several issues. The ALJ has filed with the PUC a document titled "POSITION STATEMENTS OF GWA AND GCG IN DOCKET 24-05 (ORDERING PROVISION NO. 8 PROCEEDINGS), which sets forth the positions of the parties in this proceeding.

**THE PUC ADOPTS THE CONCLUSIONS AND  
RECOMMENDATIONS IN THE ALJ REPORT**

Having reviewed the ALJ Report dated February 10, 2026 in this Docket, the PUC adopts the analysis, recommendations, determinations, and conclusions therein.

**ORDERING PROVISIONS**

Upon consideration of the record herein, the ALJ Report and the POSITION STATEMENTS OF GWA AND GCG in this proceeding, and for good cause shown, on motion duly made, seconded, and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby **ORDERS THAT:**

1. The JOINT STIPULATION of the parties is hereby approved. The parties shall carry out their duties as outlined in the Joint Stipulation, and comply with all obligations thereunder.
2. With the INITIAL FILING of each Five-Year Plan in a rate proceeding, GWA will provide its petition, together with testimony and exhibits, as well as the required Minimum Filing Requirements and the rate model that has been developed by GWA and used by the parties in the current Five-Year plan.

3. With the initial filing in a rate proceeding, GWA's petition shall propose a rate path for the full five years of the plan with a full narrative, support, and work papers for all five years. The decision of the PUC in a rate proceeding shall set rates for the full five years.
4. The Five-Year rate plan shall include a true-up Schedule M (in the form attached to the Joint Stipulation as Exhibit "A"), which compares requested true-up year projections for revenue and expenses against the prior projections for the same fiscal year.
5. GWA and PUC staff have agreed to certain scheduling deadlines for the True-Up process. The proposed schedule will result in completion of the true-up process in approximately 120-days of the process. For various reasons, the parties request that the PUC action on true-up petitions occur in August rather than in September, as is the case at present. The true-up proceeding timelines are attached to the Joint Stipulation as Exhibit "B." The PUC will attempt to schedule true-up proceedings in August, but cannot guarantee an August date. The scheduling of PUC hearing on true-up proceedings will depend upon the availability of a quorum and other factors such as the required load for docket matters in a month.
6. At present, no adjustments will be made to the types of adjustments that may be considered in a true-up proceeding; a broad range of adjustments, such as those which have been permitted in past true-up proceedings, and those which were agreed to by the parties in this proceeding, may be made in a true-up proceeding. GWA may seek adjustments in the true-up year rates for any item regarding revenues, expenses, or other matters in the test year. The PUC consultant GCG is fully authorized to explore the validity of, or the impact of, any adjustments which GWA seeks for the true-up year such as differences in

revenues, expenses, or other costs previously anticipated, including administrative and general expenses.

7. For the reasons stated by the ALJ in his Report and in the ORDER REGARDING DISCOVERY in this docket, discovery in true-up proceedings should be limited to the test year, the year for which the PUC is determining the applicable rates. The rates for the “outlying” years of the rate plan will be fully addressed in the true-up proceedings for those years. In its discretion, in a true-up proceeding, the PUC will not consider the rates for years other than the specific year for which rates are being set.
8. GWA shall bring all quarterly reporting requirements that are delinquent for 2025 current by the end of March, 2026.
9. In each Annual True-Up filing, GWA shall continue to include a RAM Model for all remaining years of the Five-Year plan. It is understood that GWA will not be required in true-up proceedings to make additional projections or update the RAM for the outlying years. For each annual True-Up filing, GWA shall utilize the same core RAM model structure, worksheet architecture, level of detail, line-item granularity, and calculation logic as the RAM model approved and relied upon in the most recent PUC-approved Five-Year Financial Plan, except as otherwise expressly agreed by the Parties or directed by the Commission.
10. New filing requirements for the initial five-year rate plan, such as information required for construction amounts and reconciliation of the master plan, and schedules on water losses, will not be addressed at the present time. GCG is free to request changes to the filing requirements in the next five-year rate case.
11. GWA is ordered to pay the Commission’s regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses of conducting the hearing proceedings. Assessment of PUC’s regulatory fees and expenses are authorized pursuant to 12 GCA §§12103(b) and

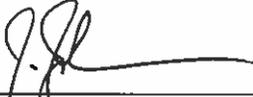
Order  
Ordering Provision No. 8  
Proceedings  
February 26, 2026

12125(b), and Rule 40 of the Rules of Practice and Procedure before the Public  
Utilities Commission.

**[SIGNATURES FOLLOW ON THE NEXT PAGE]**

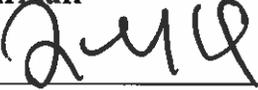
Order  
Ordering Provision No. 8  
Proceedings  
February 26, 2026

**SO ORDERED** this 26th day of February, 2026.



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Jeffrey C. Johnson  
**Chairman**



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Peter Montinola  
**Commissioner**



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Doris Flores Brooks  
**Commissioner**



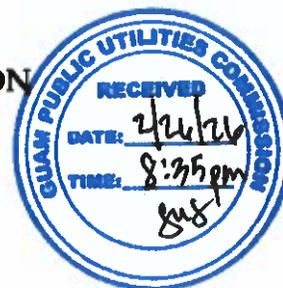
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Joseph M. McDonald  
**Commissioner**

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Michael A. Pangelinan  
**Commissioner**

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF: )  
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)  
)  
)  
)  
GUAM WATERWORKS AUTHORITY'S  
PETITION TO RATIFY AND APPROVE  
IDIQ CONTRACT FOR THE SUPPLY  
OF ULTRASONIC WATER METERS )

GWA DOCKET 26-03

ORDER

**INTRODUCTION**

1. This matter comes before the Public Utilities Commission ["PUC"] pursuant to the Guam Waterworks Authority's ["GWA"] Petition to Ratify and Approve Fund Increase and Scope to Landis+Gyr, Inc. ["LG"] Indefinite Delivery, Indefinite Quantity ["IDIQ"] Contract for the Supply of Ultrasonic Water Meters.<sup>1</sup>
2. GWA is requesting that the PUC authorize GWA to enter into a contract combining GWA-LG Purchase Orders 800245 for \$404,360, and 801095 for \$991,854.46 for a combined total of \$1,396,214.46, and to approve an additional \$254,034.37 purchase of large ultrasonic meters that would increase the total contract cost to \$1,650,248.83.<sup>2</sup>

**BACKGROUND**

3. GWA relies on ultrasonic water meters to accurately measure water consumption to bill its customers for water service delivered, and to replace aging meters in GWA's drinking water distribution system.<sup>3</sup>
4. On February 29, 2024, GWA issued GWA-IFB-2024-13 for the procurement of small ultrasonic meters for residential customer service connections. Although fourteen parties picked up bid packets, only LG submitted a bid in response to the

<sup>1</sup>GWA Petition to Ratify and Approve Fund Increase and Scope to LG IDIQ Contract for the Supply of Ultrasonic Water Meters, GWA Docket 26-03, dated February 6, 2026 [GWA Petition] at 1.

<sup>2</sup> GWA Petition at 2. NOTE: The page numbers in GWA's Petition and its exhibits are not continuous, and the page numbers cited herein refer to the page number of the PDF version of the Petition which is continuous.

<sup>3</sup> Id., at 1.

solicitation, and GWA awarded LG the contract and issued GWA-LG Purchase Order No. 800245 for \$404,360.<sup>4</sup>

5. On May 23, 2025, GWA issued GWA-IFB-2025-31 for the procurement of large ultrasonic meters for commercial and government service connections. Although nine parties picked up bid packets, only LG submitted a bid in response to the solicitation, and GWA awarded LG the contract and issued GWA-LG Purchase Order No. 801095 for \$991,854.46.<sup>5</sup>
6. LG has requested that the two purchase orders be combined into one contract and this would result in an aggregate contract cost of \$1,396,214.46 ( $\$404,360 + \$991,854.46 = \$1,396,214.46$ ).<sup>6</sup>
7. GWA has stated that there is a pending requisition of large ultrasonic water meters in GWA Purchase Order No. 801095 for the amount of \$254,034.37 and which would increase the cost of a contract combining the two purchase orders to \$1,650,248.83 ( $\$1,396,214.46 + \$254,034.37 = \$1,650,248.83$ ).<sup>7</sup>
8. On January 27, 2026, the Guam Consolidated Commission on Utilities ["CCU"] issued GWA Resolution No. 07-FY2026 authorizing GWA's management to enter into a contract with LG combining the two purchase orders for the amount of \$1,396,214.46, to purchase additional large ultrasonic meters for the amount of \$254,034.37 under the new contract, and to use grant, bond, or Internally Funded Capital Improvement Program funds subject to the PUC's approval.<sup>8</sup>
9. On February 26, 2026, PUC Legal Counsel issued his report recommending that the PUC approve GWA's Petition to Ratify and Approve Fund Increase and Scope to LG's IDIQ Contract for the Supply of Ultrasonic Water Meters.

### DETERMINATIONS

10. GWA must obtain the PUC's authorization to enter into the contract combining the two purchase orders, for the purchase of additional large ultrasonic meters under

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<sup>4</sup> Id., at 1 and 134.

<sup>5</sup> Id., at 1 and 136.

<sup>6</sup> Id., at 2.

<sup>7</sup> Id.

<sup>8</sup> Id., at 6-7.

that contract, and for the possible use of Bond funds by GWA to fund the new contract. The PUC's Contract Review Protocol mandates that GWA obtain PUC approval for multi-year contracts that exceed the amount of \$1,000,000.<sup>9</sup>

Additionally, any financial obligation that involves the use of bond funds must also be reviewed by the PUC.<sup>10</sup> Here, the new contract combining the two purchase orders will have a \$1,396,214.46 cost which exceeds the \$1,000,000 review threshold. Additionally, GWA's purchase of additional large ultrasonic meters under the new contract for \$254,034.37 would increase the contract's cost to \$1,650,248.83. Thus, GWA is required to obtain the PUC's approval of the contract combining the two purchase orders, the purchase of additional large ultrasonic meters under that contract, and for the possible use of Bond funds by GWA to fund the new contract.

11. GWA's estimated \$1,650,248.83 cost of a new contract combining the purchase orders and the purchase of additional large ultrasonic water meters is reasonable. Here, under GWA-LG Purchase Order 800245 GWA ordered 2,000 small ultrasonic meters for \$202.18 each, for the total amount of \$404,360 (\$202.18 per meter x 2,000 meters = \$404,360).<sup>11</sup> Under GWA-LG Purchase Order No. 801095, GWA ordered: (1) One-hundred-seventy-nine 1-1/2 inch ultrasonic meters at \$1,896.49 each for a total of \$339,471.71 (\$1,896.49 per meter x 179 meters = \$339,471.71); (2) Sixty-one 4 inch ultrasonic meters at \$3,697.29 each for a total of \$225,534.69 (\$3,697.29 x 61 meters = \$225,534.69); (3) Eighteen 6 inch ultrasonic meters at \$5,975.65 each for a total of \$107,561.70 (\$5,975.65 per meter x 18 meters = \$107,561.70); (4) Five 8 inch ultrasonic meters at \$7,096.31 each for a total of \$35,481.55 (\$7,096.31 per meter x 5 meters = \$35,481.55); (5) Three 8 inch ultrasonic meters at \$13,388.27 each for a total of \$40,164.81 (\$13,388.27 per meter x 3 = \$40,164.81); (6) Twenty-five three inch ultrasonic meter at \$2,732.50 each for a total of \$68,312.50 (\$2,732.50 per meter x 25 meters = \$68,312.50); and (7) Ninety-seven 2 inch ultrasonic meters at \$1,807.50 each for a total of \$175,327.50 (\$1,807.50 per meter x 97 meters = \$175,327.50).<sup>12</sup> The total amount of GWA-LG Purchase Order No. 801095 was \$991,854.46 (\$339,471.71 + \$225,534.69 + \$107,561.70 + \$35,481.55 + \$40,164.81 + \$68,312.50 + \$175,327.50 = \$991,854.46. GWA will be ordering an additional thirty-eight 4 inch ultrasonic meters at \$3,697.29 each for a total of \$140,497.02 (\$3,697.29 per meter x 38 = \$140,497.02) and nineteen 6 inch ultrasonic meters at \$5,975.65 each for a total of \$113,537.35 (\$5,975.65 per meter x 19 meters = \$113,537.35) for a grand total of

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<sup>9</sup> Contract Review Protocol for GWA, Administrative Docket 00-04 dated October 27, 2005 at Par.1(c).

<sup>10</sup> Id., at Par.1(d).

<sup>11</sup> Petition at 126.

<sup>12</sup> Id., at 131.

\$254,034.37.<sup>13</sup> Hence, the contract combining the two purchase orders and its \$1,396,214.46 cost, and the \$254,034.37 cost of purchasing fifty-seven additional large ultrasonic meters is reasonable because it provides GWA with 2,000 small ultrasonic meters, and 445 large ultrasonic meters for a total of 2,445 ultrasonic meters.

12. GWA's estimated \$1,650,248.83 cost of a new contract combining the purchase orders and the purchase of additional large ultrasonic water meters is prudent. The GWA-LG Contract arising from GWA-IFB-2024-13 for the procurement of small ultrasonic meters for residential customer service connections and the GWA-LG Contract arising from GWA-IFB-2025-31 for the procurement of large ultrasonic meters for commercial and government service connections both state that no other agreement, statement, or promise not contained in this Agreement and addenda will be effective only if it is in writing signed by the party to be charged.<sup>14</sup> Hence, this allows GWA and LG to amend the contract by combining both purchase orders under the same contract.
13. GWA's estimated \$1,650,248.83 cost of a new contract combining the purchase orders and the purchase of additional large ultrasonic water meters is necessary. As shown above, GWA is dependent on ultrasonic water meters to accurately measure water consumption to bill its customers for water service delivered, and to replace aging meters in GWA's drinking water distribution system. Hence, the new ultrasonic water meter contract combining the purchase orders and the purchase of additional large ultrasonic meters is necessary.
14. Based on the foregoing, the \$1,650,248.83 cost of a new contract combining the purchase orders and the purchase of additional large ultrasonic water meters is reasonable, prudent, and necessary.

### **ORDERING PROVISIONS**

After reviewing the record herein, GWA's Petition to GWA's to Ratify and Approve Fund Increase and Scope to LG's IDIQ Contract for the Supply of Ultrasonic Water Meters, and the PUC Counsel Report, and for good cause shown, on motion duly

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<sup>13</sup> Id., at 3.

<sup>14</sup> Id., at 119 and 88. NOTE: The signed contract for GWA-IFB-2025-31 was not included in Petition and it is assumed here that the draft contract in the aforementioned solicitation contains the same language as the final executed contract.

made, seconded and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

1. GWA's Petition to Petition to GWA's Petition to Ratify and Approve Fund Increase and Scope to LG's IDIQ Contract for the Supply of Ultrasonic Water Meters is hereby approved.
2. GWA seek the PUC's prior approval for any purchases of additional ultrasonic meters that would increase the contract's total cost beyond \$1,815,273.71. Said total cost includes the \$1,650,248.83 cost of a new contract combining the purchase orders and the purchase of additional large ultrasonic water meters, and the amount of \$165,024.88 which is the 10% contingency cost authorized by the CCU and falls within the 20% contingency amount authorized by Paragraph 9 of GWA's Contract Review Protocol.
3. GWA 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 the PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

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Order  
GWA Petition to Ratify and  
Approve IDIQ Contract for  
Ultrasonic Water Meters  
GWA Docket 26-03  
February 26, 2026

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Dated this 26th day of February, 2026.



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Jeffrey C. Johnson  
Chairman

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Rowena E. Perez-Camacho  
Commissioner

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Michael A. Pangelinan  
Commissioner



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Joseph M. McDonald  
Commissioner



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Doris Flores Brooks  
Commissioner



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Peter Montinola  
Commissioner

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF: ) GPA Docket 26-05  
)  
Guam Power Authority's Repair and )  
Overhaul of the Navy-Owned Orote ) **ORDER**  
Power Plant )  
)  
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After review of GPA's Notice to the Public Utilities Commission Relative to the Approval to Increase the Limit to the Repair and Overhaul of the Navy-Owned Orote Power Plant, the draft Memorandum for Record, the GPA Orote Power Plant Proposal, the ALJ Report, and the record herein, the Guam Public Utilities Commission **HEREBY ORDERS** that:

1. In accordance with Paragraph 2 of the Contract Review Protocol, GPA is authorized to contract with Navy and Wartsila to increase the limit for the cost of Repair and Overhaul of the Navy-Owned Orote Power Plant.
2. PUC approval is conditioned upon GPA finalizing and executing its Intergovernmental Support Agreement and the MEMORANDUM FOR RECORD with Navy, and further clarifying and explaining the total cost of these contracts.
3. GPA shall file the IGSA and the MEMORANDUM OF RECORD, and its clarification of the total cost for the Orote Power Plant contracts, with the PUC.
4. 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

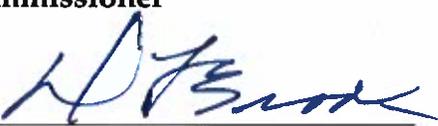
Order  
Increase of the Limit for  
Repair and Overhaul of the  
Orote Power Plant  
GPA Docket 26-05  
February 26, 2026

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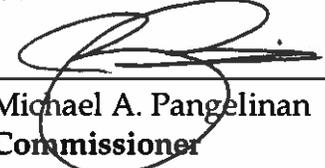
**SO ORDERED this 26<sup>th</sup> day of February, 2026.**

  
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Jeffrey C. Johnson  
**Chairman**

  
\_\_\_\_\_  
Peter Montinola  
**Commissioner**

  
\_\_\_\_\_  
Doris Flores Brooks  
**Commissioner**

  
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Joseph M. McDonald  
**Commissioner**

  
\_\_\_\_\_  
Michael A. Pangelinan  
**Commissioner**

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

  
\_\_\_\_\_  
Jeffrey C. Johnson  
Chairman

  
\_\_\_\_\_  
Peter Montinola  
Commissioner

  
\_\_\_\_\_  
Joseph M. McDonald  
Commissioner

  
\_\_\_\_\_  
Michael A. Pangelinan  
Commissioner

  
\_\_\_\_\_  
Doris Flores Brooks  
Commissioner



# GUAM PUBLIC UTILITIES COMMISSION

Jeffrey C. Johnson  
Chairman

Peter B. Montinola  
Vice Chairman

Commissioners

Joseph M. McDonald  
Michael A. Pangelinan  
Doris Flores-Brooks

Suite 807, DNA Building  
Post Office Box 862  
Hagåtña, Guam 96932  
Telephone: (671) 472-1907  
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Email: info@guampuc.com

Lourdes R. Palomo  
Administrator

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Marie M. Leon Guerrero  
Administrator-in-Training  
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Sheila M. Salas  
Administrative Assistant

Frederick J. Horecky  
Chief Administrative Law Judge

Joephet R. Alcantara  
Administrative Law Judge

Kristina L. Baird  
Administrative Law Judge

Anthony R. Camacho  
Legal Counsel

## RESOLUTION NO. 26-04

### RELATIVE TO EXTENSION OF ADMINISTRATIVE LAW JUDGE SERVICES AGREEMENT WITH THE GUAM PUBLIC UTILITIES COMMISSION

WHEREAS, the Guam Public Utilities Commission (“PUC”) is an autonomous instrumentality independent of the Executive and Legislative Branches of the Government of Guam;

WHEREAS, the PUC has the authority to retain consultants pursuant to 12 GCA Section 12103 (a), which provides that “[T]he Commission shall retain on an as needed basis those professional services required by the Commission in the performance of its duties”.

WHEREAS, Frederick J. Horecky (“Horecky”) has served as PUC Counsel, Administrative Law Judge, and Chief Administrative Law Judge for the Commission during the last eighteen-year period; and

WHEREAS, the Administrative Law Judge Service Agreement with Horecky will terminate on March 31, 2026; and

WHEREAS, the PUC wishes to continue to retain Horecky’s services as ALJ during a “transition period”, to complete certain matters that he has already undertaken, including the GSWA True-Up Protocol and True-Up dockets, GPA Docket 23-17 involving Liquefied Natural Gas, GPA Docket 24-03 involving Net Metering, Levelized Energy Adjustment Clause, Telecom USF proceedings, and possible Teleguam rate case,

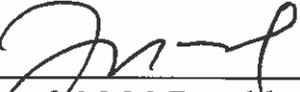
and other matters, and to assure the PUC has adequate ALJ services to handle its workload;

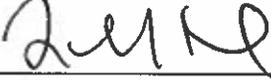
**NOW THEREFORE**, in due consideration of the above recitals and for good cause shown, the PUC hereby resolves that:

1. The services of current Administrative Law Judge Frederick J. Horecky are extended for a one-year period, commencing on April 1, 2026, and ending on March 31, 2027. Such services may be further extended, subject to mutual agreement of the parties.
2. Horecky' s services after March 31, 2026, shall be governed by the same terms and conditions set forth in his existing Administrative Law Judge Services Agreement.
3. The Commission, though its Commissioners and Staff, may consult Horecky on any matter and may assign him substantive work on rate cases, regulatory dockets, or other regulatory matters.

**SO ORDERED this 26th day of February, 2026.**

  
\_\_\_\_\_  
Jeffrey C. Johnson  
**Chairman**

  
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Joseph M. McDonald  
**Commissioner**

  
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Peter Montinola  
**Commissioner**

  
\_\_\_\_\_  
Michael A. Pangelinan  
**Commissioner**

  
\_\_\_\_\_  
Doris Flores Brooks  
**Commissioner**

**GUAM PUBLIC UTILITIES COMMISSION**  
**REGULAR MEETING**

February 26, 2026 @ 6:30 p.m.  
 Suite 807, DNA Building  
 238 Archbishop F.C. Flores  
 Hagatna, Guam 96910

**ATTENDANCE SHEET**

No.	NAME	INITIAL	COMPANY/ AGENCY
1.	Conie Santos	CS	Depo Resources
2.	Talung Tartawo	TT	GWA
3.	Chris B. Dasi	CB	SWA
4.	Frank S.N.	FS	Guam Post
5.	Marianne Woloschuk	MW	GPA
6.	John Kim	JK	GPA
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