



1 **MARIANNE WOLOSCHUK**
 2 Legal Counsel
 3 Guam Power Authority
 4 Gloria B. Nelson Public Building
 5 688 Route 15, Mangilao, Guam 96913
 6 Telephone: (671) 648-3203
 7 Fax No. (671) 648-3290
 8 Email: mwołoschuk@gpagwa.com

9 *Counsel for Guam Power Authority*

10 **BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

11 **IN THE MATTER OF:**) **GPA DOCKET NO. 26-11**
 12)
 13 **EXTENSION OF TERM OF TRISTAR) PETITION OF THE GUAM POWER**
 14 **LEASE AGREEMENT FOR ULSD) AUTHORITY TO EXTEND THE TERM**
 15 **STORAGE) OF ULSD STORAGE LEASE**
 16) **AGREEMENT WITH TRISTAR**
 17) **TERMINAL GUAM, INC.**
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24 The Guam Power Authority (GPA) hereby files its Petition for the Public Utilities
 25 Commission of Guam (PUC) to review and approve GPA’s request to extends its ultra-low sulfur
 26 diesel (ULSD) storage lease agreement with Tristar Terminals Guam, Inc. (TTGI) for five years.
 27 The petition is supported by the attached Resolution of the Consolidated Commission on
 28 Utilities, approving GPA’s request for a five-year extension. *See* Ex. 1, GPA Resolution No.
 29 FY2026-16 (Apr. 17, 2026). This project is funded through the Levelized Energy Adjustment
 30 Clause.

31 **I. Background**

32 GPA has been leasing fuel storage tanks from TTGI to store ULSD. Through an
 amendment to the existing lease agreement, GPA and TTGI extended the lease for Tank Nos.
 1906 and 1907 to June 30, 2026. At the end of 2024, GPA commissioned its own rehabilitated

1 the sole qualified provider available. Finally, the lease extension is prudent because it will
2 allow GPA to maintain operational preparedness in the face of global uncertainty.

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4 **III. Conclusion**

5 Based on the foregoing, GPA requests that the PUC approve GPA's request to enter
6 into an amended lease agreement with TTGI to extend the lease for Tank No. 1907 for five
7 years, beginning July 1, 2026, and ending June 30, 2031, at a total cost of \$7,575,277.80. The
8 lease extension is reasonable, necessary, and prudent.
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10 Respectfully submitted this 1st day of May, 2026.

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12 *Attorney for Guam Power Authority*

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14 By: _____

15 MARIANNE WOŁOSCHUK
16 GPA Legal Counsel
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CONSOLIDATED COMMISSION ON UTILITIES
Guam Power Authority | Guam Waterworks Authority
P.O. Box 2977 Hagåtña, Guam 96932 | (671) 648-3002 | guamccu.org

GPA Resolution No. FY2026-16

**AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO EXTEND THE TRISTAR
TERMINALS GUAM INC. TANK 1907 ULSD STORAGE LEASE AGREEMENT (TTGI-SA-2018-01)**

WHEREAS, GPA currently leases tanks for Ultra-Low Sulfur Diesel Fuel (hereinafter referred to as "ULSD") storage from Tristar Terminals Guam, Inc (hereinafter referred to as "TTGI") under reference agreement TTGI-SA-2018-01; and

WHEREAS, Amendment 4 to the existing ULSD Storage Agreement with TTGI extended the lease of Tank 1906 and Tank 1907 until June 30, 2026 at a monthly fee of \$98,000 and storage capacity of 190,000 barrels for each tank; and

WHEREAS, with the successful commissioning of GPA Tank 1935 for ULSD storage, the Tank 1906 lease was terminated earlier effective January 01, 2025 without penalty, generating a savings of \$98,000.00 per month or \$1,176,000.00 per year in lease fees; and

WHEREAS, GPA requires continued ULSD storage capacity to ensure fuel supply security, operational reliability, and procurement flexibility for power generation; and

WHEREAS, TTGI is the only provider on Guam with a fuel storage facility that meets GPA's requirements for capacity, location, and system integration; and

WHEREAS, geopolitical events affecting national security, including fuel oil supply and delivery, necessitate increasing storage capacity to ensure uninterrupted energy flow to the entire island, including the military, which is critical to protecting the island from man-made threats. It is therefore critical, over the next few years, to lease Tank 1907 until GPA can add additional tanks to its inventory; and

WHEREAS, increased fuel oil storage capacity provides leverage to purchase lower-cost fuel oil during bearish fuel market conditions. This would allow the island to alleviate the negative impact that a bullish market may have on the ratepayer; and

WHEREAS, Tank 1907 is located on high ground and protected from natural events, including tsunamis, and leasing the tank adds a high-security fuel inventory; and

WHEREAS, the continued availability of Tank 1907 would provide a total storage capacity of 5.2 months of fuel inventory (865,000 barrels) by January 2027. This would be reduced to 4.1 months without this leased tank; and

WHEREAS, GPA is seeking the approval of the CCU for Amendment No. 5 to the Storage Agreement, which extends the lease of Tank 1907 for an additional five (5) years, from July 01, 2026 through June 30, 2031. The amendment establishes a lease fee of \$8.00 per barrel and a storage capacity of 189,381.95 barrels, resulting in a fee of \$126,254.63 per month or \$1,515,055.56 per annum. The total lease fee for the five-year term will be \$7,575,277.80, with no price escalation throughout the

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extension period (see Exhibit A). The agreement also includes an option to extend for up to an additional two (2) years, subject to the mutual agreement of both parties.

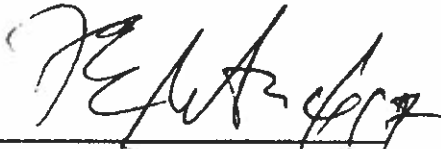
NOW THEREFORE, BE IT RESOLVED, by the Consolidated Commission on Utilities, subject to the review and approval of the Guam Public Utilities Commission, as follows:

1. The General Manager of the Guam Power Authority is hereby authorized to seek approval from the PUC for the execution of Amendment No. 5 to Storage Agreement No. TTGI-SA-2018-01 with Tristar Terminals Guam Inc., and all documents necessary to effectuate the agreement, for the continued lease of ULSD Tank 1907 for a term of five (5) years with the total amount of \$7,575,277.80.

DULY AND REGULARLY ADOPTED at Mangilao, Guam, this 17th day of April 2026.

Certified by:

Attested by:



Francis E. Santos
CHAIRPERSON

Melvin F. Duenas
SECRETARY

SECRETARY'S CERTIFICATE

I, Melvin F. Duenas, Secretary for the Consolidated Commission on Utilities, as evidenced by my signature above, do hereby certify:

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

- 5 AYES
- 0 NAYS
- 0 ABSTENTIONS
- 0 ABSENT



Exhibit A

Estimated Expenses for the Extension Years

Term	Extension Period	No. of Months	Monthly Fee	Total Cost
1st Year	01July2026-30June2027	12	\$126,254.63	\$1,515,055.56
2nd Year	01July2027-30June2028	12	\$126,254.63	\$1,515,055.56
3rd Year	01July2028-30June2029	12	\$126,254.63	\$1,515,055.56
4th Year	01July2029-30June2030	12	\$126,254.63	\$1,515,055.56
5th Year	01July2030-30June2031	12	\$126,254.63	\$1,515,055.56
Total thru June 30, 2031				\$7,575,277.80

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