



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority • Guam Waterworks Authority
P.O.BOX 2977 • Agana, Guam 96932

RESOLUTION NO. 2016-22

AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO EXECUTE AMENDMENT NO.3 TO THE RESIDUAL FUEL OIL NO.6 SUPPLY CONTRACT

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6 **WHEREAS**, the three (3) year extension period for the Residual Fuel Oil No.6 Supply Contract
7 (GPA-068-12) between the Guam Power Authority (GPA) and Hyundai Corporation will expire on August
8 31, 2018; and

9
10 **WHEREAS**, Hyundai requested for changes in certain provisions of the contract including the
11 number of allowed shipment delays, limits on the delivery date range confirmation, minimum cargo
12 quantity, ship lay time, and an adjustment of the performance Bond as listed in Exhibit A; and

13
14 **WHEREAS**, Hyundai and GPA agreed to an increase in the number of allowed shipment delays
15 from five (5) delayed deliveries (for the 2-year base period) to a maximum of ten (10) delayed deliveries
16 (to include the 3-year extension period) beyond the last day of the stipulated date range; and

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18 **WHEREAS**, Hyundai and GPA agreed that GPA shall provide notification to Hyundai as to the
19 estimated 5-day delivery date range approximately twenty-three (23) days prior to the first (1st) day of
20 the 5-day delivery date range, with the final split cargo quantity to be confirmed twenty one (21) days
21 prior to the first (1st) day of the 5-day delivery date range, but Hyundai shall do its best to accommodate
22 GPA's split cargo quantity change past such timeline; and

23
24 **WHEREAS**, Hyundai and GPA agreed to change the estimated single delivery requirements from
25 a range of 230,000 to 280,000 barrels to a new range of 240,000 to 280,000 barrels; and

26
27 **WHEREAS**, Hyundai and GPA agreed to allowable lay time of thirty-six (36) hours for total cargo
28 B/L quantities up to 240,000 barrels, and shall extend by one (1) hour for every 10,000 barrels in excess
29 of 250,000 barrels; and

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2 **WHEREAS**, Hyundai and GPA have agreed to adjust the Performance Bond to fifteen million
3 dollars (\$15,000,000) if total cargo value is below fifteen million dollars; twenty million dollars
4 (\$20,000,000) if total cargo value is between fifteen and twenty million dollars; and twenty-five million
5 dollars (\$25,000,000) if total cargo value is above twenty million dollars (Exhibit B); and

6
7 **WHEREAS**, both parties have negotiated and agreed with the proposed changes and the
8 changes are reasonable and have no impact on the contract price; and

9
10 **WHEREAS**, GPA and the ratepayers will continue to benefit from the savings generated from the
11 reduction of the premium fees for the 3-year contract extension period; and

12
13 **WHEREAS**, Section 40 (Amendment and Waiver) of the contract allows for amendments to the
14 provisions of the contract and Exhibit B is a draft copy of the proposed amendment; and

15
16 **WHEREAS**, GPA is hereby requesting for CCU approval of Amendment No.3 to the Residual Fuel
17 Oil Supply Contract.

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19 **NOW THEREFORE, BE IT RESOLVED**, by the Consolidated Commission on Utilities as follows:

- 20
21 1. The CCU has determined the proposed Amendment 3 to the Contract to be reasonable.
22
23 2. The General Manager of the Guam Power Authority is hereby authorized to execute
24 Amendment No.3 to the Residual Fuel Oil Supply Contract with Hyundai Corporation.

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26 **RESOLVED**, that the Chairman of the Commission certifies and the Secretary of the Commission
27 attests the adoption of this Resolution.

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29 **DULY and REGULARY ADOPTED** this 26th day of April 2016.



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Certified by:

JOSEPH T. DUENAS
CHAIRMAN

Attested by:

J. GEORGE BAMBA
SECRETARY

SECRETARY'S CERTIFICATE

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6 I, **J. George Bamba**, Secretary for the Consolidated Commission on Utilities do hereby certify
7 that the foregoing is a full, true, and correct copy of the resolution duly adopted at a regular meeting of
8 the members of Guam's Consolidated Commission on Utilities, duly and legally held at the meeting place
9 thereof on April 26, 2016, at which meeting of all said members had due notice and at which at least s
10 majority thereof were present, and

11
12 At said meeting said resolution was adopted by the following vote:

13 Ayes: 5

14 Nays: 0

15 Absent: 0

16 Abstain: 0

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22 As of the date of this certification, said original resolution has not been amended, modified, or
23 rescinded since the date of its adoption, and the same is now in full force and effect.

24
SO CERTIFIED this 26th day of April, 2016.



J. GEORGE BAMBA
Secretary
Consolidated Commission on Utilities