



CONSOLIDATED COMMISSION ON UTILITIES

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

Resolution No. 2016-64

Relative to Authorizing Additional Expenditures for the Dededo CT Return to Service Project

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7 **WHEREAS**, the Dededo Combustion Turbine (DCT) Units 1 and 2 have not been operational since
8 the generators failed in 2010 and 2004 respectively; and

9 **WHEREAS**, the IWPS is at a vulnerable state, lacking adequate generation reserve capacity to
10 support the outage of a large generation unit; and

11 **WHEREAS**, the Dededo CT plant upon its rehabilitation will be used to support peak loads and
12 base load unit outages; and

13 **WHEREAS**, the United States Air Force funded and constructed an underground transmission
14 line to directly tie in the Dededo CT plant to the Andersen Air Force base substation to provide improved
15 reliability; and

16 **WHEREAS**, GPA has issued a Performance Management Contract with TEMES for the
17 rehabilitation and improved operations of GPA's combustion turbines; and

18 **WHEREAS**, TEMES has conducted an assessment of the Dededo CT Units 1 and 2 and identified
19 the projects necessary to return the units to service for an estimated total cost of \$9.7M; and

20 **WHEREAS**, rehabilitation work includes the overhaul of the generators, rotor and stator repair,
21 water system upgrade, air cooling tower replacement, control system upgrade, switchgear replacement,
22 black start generator repair, new DC batteries, and repair of the fire protection system; and

23 **WHEREAS**, GPA received approval from the CCU and PUC to utilize \$6.36M from 1999 and 2010
24 bond funds and \$736,000 from the 2014 bond funds for the Dededo CT Return to Service project; and

25 **WHEREAS**, an additional \$2.607M has been budgeted in FY 2017 revenue CIP funds for the
26 balance of the work necessary to restore Dededo CT units 1 and 2; and

27 **WHEREAS**, the restoration of the Dededo CT units 1 and 2 results in an average expenditure of
28 approximately \$243/kW for standby capacity which is reasonable and prudent; and

29 **WHEREAS**, the return to service is expected to be completed by March 2017 in adequate time to
30 support the next major baseload overhaul in July 2017; and

1 **WHEREAS**, the Consolidated Commission on Utilities fully supports GPA's efforts in the recovery
2 of the Dededo CT plant; and

3 **WHEREAS**, approval is requested to allow the General Manager to petition the PUC to approve
4 the additional work needed for the Dededo CT return to service project at an estimated cost of \$2.607
5 million.

6 **NOW, THEREFORE, BE IT RESOLVED**, by the CONSOLIDATED COMMISSION ON UTILITIES, subject
7 to the review and approval of the Public Utilities Commission as FOLLOWS:

- 8 1. After careful review of the attached documents, the Consolidated Commission on
9 Utilities finds the Dededo CT Return to Service project to be reasonable, prudent and
10 necessary.
- 11 2. The General Manager is authorized an increase in obligating authority in the amount of
12 \$2.607 million as additional CIP revenue funds allotted to Dededo CT for FY 2017 to
13 return the units to service. The total authority for this project increase now is \$9.7M.

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

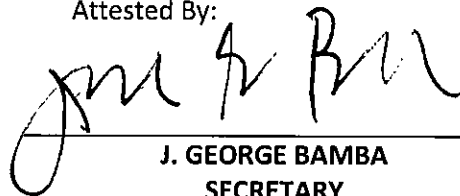
16 **DULY and REGULARLY ADOPTED AND APPROVED THIS 25th DAY OF OCTOBER, 2016.**

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18 Certified by:

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JOSEPH T. DUENAS
CHAIRMAN

Attested By:



J. GEORGE BAMBA
SECRETARY

Date: _____

Date: _____

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3 **SECRETARY'S CERTIFICATE**

4 I, **J. George Bamba** Secretary, Consolidated Commission on Utilities hereby certifies as follows:

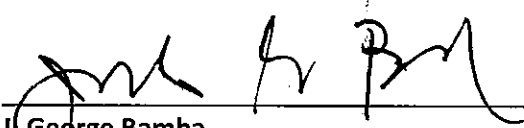
5 The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of
6 the members of Guam's Consolidated Commission on Utilities, duly and legally held at the meeting place
7 thereof on October 25, 2016, at which meeting all of said members had due notice and at which at least
8 a majority thereof were present;

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10 At said meeting said resolution was adopted by the following vote:

11 Ayes: 4
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13 Nays: 0
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15 Absent: 1
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17 Abstain: 0
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20 Said original resolution has not been amended, modified, or rescinded since the date of its
21 adoption, and the same is now in full force and effect.

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23 **SO CERTIFIED** this 25th day of October, 2016.

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29 **J. George Bamba**
Secretary, Consolidated Commission on Utilities