



CONSOLIDATED COMMISSION ON UTILITIES

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

RESOLUTION NO. 2017-07

AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO EXTEND THE PERFORMANCE MANAGEMENT CONTRACT FOR THE CABRAS 3 POWER PLANT

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6 **WHEREAS**, through resolution 2016-71 the Consolidated Commission on Utilities (CCU)
7 approved a 3 month Performance Management Contract (PMC) extension between the Guam Power
8 Authority (GPA) and Korea East West Power, Ltd. (KEWP) for the preservation of Cabras Unit #3; and
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10 **WHEREAS**, the Public Utilities Commission approved a 2 month PMC contract extension
11 pending further justification through GPA Docket 17-16; and
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13 **WHEREAS**, this PMC extension is scheduled to expire on February 28, 2017; and
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15 **WHEREAS**, extending the existing PMC contract with KEWP for 12-months will provide
16 GPA with necessary support during the Cabras Unit 4 Insurance Claim; and
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18 **WHEREAS**, preservation efforts are ongoing and there is an urgent need to continue
19 these works to prevent degradation of Cabras Unit #3; and
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21 **WHEREAS**, KEWP has continued to support GPA through this critical period by providing
22 valuable expertise and support in areas such as program management, technical services, engineering
23 assessment, and augmenting the Authorities procurement capabilities; and
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25 **WHEREAS**, GPA has negotiated with KEWP on a reduced fixed management fee of \$65,820 per
26 month, which amounts to \$789,840 for the 12-month extension; and
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28 **WHEREAS**, consistent with prior PMC contracts, a reimbursable O&M budget is required and
29 GPA intends to provide KEWP a monthly budget for Preservation Management Services, in addition to
30 the fixed management fee, of \$25,000 per month or \$300,000 for the 12-month extension; and
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32 **WHEREAS**, Insurance funds will be the source for both the fixed management fees and the
33 preservation management services; and
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35 **WHEREAS**, the Consolidated Commission on Utilities supports GPA's efforts in the preservation
36 of Cabras Unit 3.
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38 **NOW, THEREFORE, BE IT RESOLVED**, by the Consolidated Commission on Utilities as
39 follows:
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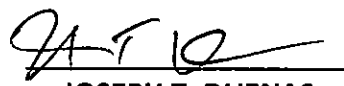
1. After careful review the Consolidated Commission on Utilities finds extending the current PMC Contract for Cabras 3 to be reasonable, prudent, and necessary for preservation of Cabras Unit 3.

2. The General Manager is authorized to extend the contract with KEWP from March 1, 2017 to February 28, 2018. The contract extension is approved for fixed management fee of \$789,840 and a reimbursable O&M budget of \$300,000 for the 12-month extension.

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

DULY and REGULARLY ADOPTED AND APPROVED THIS 21st DAY OF FEBRUARY, 2017.

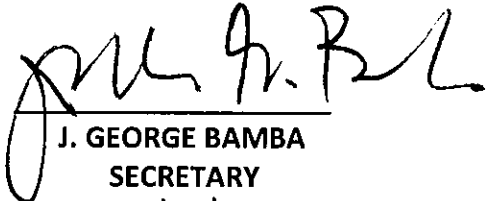
Certified by:



JOSEPH T. DUENAS
CHAIRMAN

Date: 2/21/17

Attested By:



J. GEORGE BAMBA
SECRETARY

Date: 2/21/17

SECRETARY'S CERTIFICATE

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

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the members of Guam's Consolidated Commission on Utilities, duly and legally held at the meeting place thereof on February 21, 2017, at which meeting all of said members had due notice and at which at least a majority thereof were present;

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

Ayes: 5
Nays: 0
Absent: 0
Abstained: 0

Said original resolution has not been amended, modified, or rescinded since the date of its adoption, and the same is now in full force and effect.

SO CERTIFIED this 21st day of February, 2017.



J. George Bamba
Secretary, Consolidated Commission on Utilities