RESOLUTION NO. 2017–15

AUTHORIZING MANAGEMENT OF THE GUAM POWER AUTHORITY TO PROCEED WITH THE
PROCUREMENT OF ADDITIONAL ULTRA LOW SULFUR DIESEL (ULSD) PRODUCT
TO BE SUPPLIED AND DELIVERED BY IP&E GUAM, INC.

WHEREAS, the Guam Power Authority, through Resolution 2014-37 has awarded the supply of
ULSD for Northern CT Plants, TEMES CT Plant, Cabras Plant, MDI Plant and Talofofo Plant to Mobil Oil
Guam, Inc; and

WHEREAS, the contracted quantities of about 3.3M gallons for FY-2017 have been exceeded;
and

WHEREAS, Mobil continue to supply ULSD to GPA, but with a limited allocation of about 42,000
bbl per month, or higher, if excess volume is available; and

WHEREAS, GPA currently stores about 40,000 bbls of ULSD at the leased tank at the Tristar
facility as contingency inventory in the event of sudden spikes in demand due to unforeseen forced
outages; and

WHEREAS, on a worse-case scenario, the estimated ULSD consumption can increase up to 4,700
barrels per day; and

WHEREAS, the current contingency inventory will only be good for about 8 days; and

WHEREAS, during the month of April 2017, in addition to the scheduled overhaul of MEC Unit8,
forced outages to the Cabras 1&2 power plants for a combined outage of about 15 days increased the
ULSD consumption to about 4,700 per day; and

WHEREAS, Mobil allocation of 42,000 barrels for the month of April 2017 to GPA have been
consumed and does not have excess supply for GPA; and

WHEREAS, GPA was forced to utilize the contingency inventory at the leased tank at Tristar
facility; and

WHEREAS, the remaining contingency inventory in the leased storage at the Tristar Terminals
will not be sufficient for the period from May up to the arrival of Mobil’s ULSD shipment in June 08,
2017; and
WHEREAS, GPA intend to increase the contingency inventory to 15 days to ensure the reliability of ULSD supply to the power plants in the event of sudden spikes in demand due to unforeseen and prolonged forced outages; and

WHEREAS, the 15-day contingency inventory will require about 80,000 to 90,000 bbls of additional ULSD product; and

WHEREAS, GPA would need about 80,000 to 90,000 bbls of additional ULSD product to cover the contingency requirements for May 2017; and

WHEREAS, the remaining inventory from Mobil will only supply GPA until May 19, 2017; and

WHEREAS, about 45,000 bbls of additional ULSD product is readily available for immediate supply and delivery by IP&E Guam to other GPA sites in addition to the Tenjo Vista plant. However, it is anticipated that it will be consumed by May 29, 2017; and

Whereas IP&E have also agreed to supply an additional 60,000 bbls of ULSD to for shipment to GPA before May 29, 2017 to cover the immediate need for additional ULSD supply for the period from May 29 thru June 8, 2017; and

WHEREAS, the service fee offer for the supply and delivery of the additional ULSD product from IP&E shall be $0.17 gallon; and

WHEREAS, GPA has determined the IP&E offer to be fair and reasonable; and

WHEREAS, the total estimated cost for about 105,000 bbls of ULSD that will be supplied by IP&E is about $8,000,000; and

WHEREAS, additional ULSD product is necessary to help ensure that GPA ULSD Fuel supply is continuous and uninterrupted in the event of sudden spikes in demand due to extended forced outages to the baseload plants; and

WHEREAS, GPA is seeking the approval of the CCU to procure the additional ULSD product to be supplied and delivered by IP&E Guam until the expiration of the current contract in December 31, 2017.

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

1. The General Manager is authorized to proceed with the procurement of additional ULSD product to be supplied and delivered by IP&E Guam in an amount up to and including $8,000,000.00.
RESOLVED, that the Chairman of the Commission certifies and the Secretary of the Commission attests the adoption of this Resolution.

SECRETARY’S CERTIFICATE

I, J. GEORGE BAMBA, Secretary, Consolidated Commission on Utilities hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted via POLL VOTE of the members of Guam’s Consolidated Commission on Utilities, initiated on 5/18/17 for which all members were attempted to be contacted.

Via said poll vote, said resolution was adopted by the following vote:

Ayes: 4

Nays: 0

Abstained: 1

No response: 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 23 day of May, 2017.

JOSEPH DUENAS
Chairman, CCU

J. GEORGE BAMBA
Secretary, Consolidated Commission on Utilities
May 19, 2017

MEMORANDUM

TO: Members, Consolidated Commission on Utilities  
FROM: Recording Secretary  
SUBJECT: REPORT OF POLL VOTES FOR RESOLUTION 2017-15 
AUTHORIZING MANAGEMENT OF THE GUAM POWER AUTHORITY TO PROCEED WITH THE PROCUREMENT OF ADDITIONAL ULTRA LOW SULFUR DIESEL (ULSD) PRODUCT TO BE SUPPLIED AND DELIVERED BY IP&E GUAM, INC.

This is to certify that a POLL VOTE was conducted via email on MAY 18, 2017 relative to above subject matter. I attest that the vote below is true and correct and submit email/s dated May 18 & 19, 2017 as support document for this poll vote.

<table>
<thead>
<tr>
<th>Commissioner</th>
<th>Y/N</th>
<th>Initials</th>
<th>Time/Date</th>
<th>Vote Rec’d Via</th>
</tr>
</thead>
<tbody>
<tr>
<td>Francis Santos</td>
<td>Yes</td>
<td></td>
<td>5/18/17 1:07 p.m.</td>
<td>Email</td>
</tr>
<tr>
<td>Judi Guthertz</td>
<td>Yes</td>
<td></td>
<td>5/18/17 1:06 p.m.</td>
<td>Email</td>
</tr>
<tr>
<td>Joey Duenas</td>
<td>Yes</td>
<td></td>
<td>5/18/17 3:39 p.m.</td>
<td>Email</td>
</tr>
<tr>
<td>George Bamba</td>
<td>Abstained</td>
<td></td>
<td>5/18/17 3:41</td>
<td>Email</td>
</tr>
<tr>
<td>Simon Sanchez</td>
<td>Yes</td>
<td></td>
<td>5/19/17 2:05 p.m.</td>
<td>Email</td>
</tr>
</tbody>
</table>

Attested by:  
B. Lou Sablan, CCU Recording Secretary

Concurred by:  
John Benavente, GPA GM
Ms Lou - see emails below...

Cecilia (CHILANG) Fejeran-Unpingco
Administrative Officer
General Manager’s Executive Office
GUAM POWER AUTHORITY
Tel: (671) 648-3228
Fax: (671) 648-3290

-----Original Message-----
From: Kelly Clark [mailto:koclark@guamwaterworks.org]
Sent: Thursday, May 18, 2017 1:29 PM
To: Joyce N Sayama; Chilang F Unpingco
Subject: FW: POLL VOTE MATTER / RECORDATION OF VOTES ON RESOLUTION FOR ULSD CONTRACT AND RESOLUTION

Put respectu,
Kelly O. Clark
General Counsel
Guam Waterworks Authority
Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam 96913
Telephone No.: (671) 300-6853 cell: 671-480-4224 E-mail address: koclark@guamwaterworks.org

-----Original Message-----
From: Francis Santos (CCU Member) [mailto:Francis.Santos@gpagwa.com]
Sent: Thursday, May 18, 2017 1:07 PM
To: Kelly Clark <koclark@guamwaterworks.org>
Subject: Re: POLL VOTE MATTER / RECORDATION OF VOTES ON RESOLUTION FOR ULSD CONTRACT AND RESOLUTION

As requested, this email will serve as my approval.

Sent from my iPad

> On May 18, 2017, at 11:13 AM, Kelly Clark <koclark@guamwaterworks.org>
wrote:
> 
> Hafa Adai, Commissioners
sent free of any virus or other defect that might affect any computer system into which it is received and opened. It is, however, the recipient's responsibility to ensure that the e-mail transmission and any attachments are virus free, and the sender accepts no responsibility for any damage that may in any way arise from their use.

From: Judith Guthertz [mailto:judithguthertz@gmail.com]
Sent: Thursday, May 18, 2017 1:06 PM
To: Kelly Clark <koclark@guamwaterworks.org>
Subject: Re: POLL VOTE MATTER / RECORDATION OF VOTES ON RESOLUTION FOR ULSD CONTRACT AND RESOLUTION

Yes I am in favor. Judith Guthertz

***PLEASE UPDATE YOUR ADDRESS BOOK AS I HAVE CHANGED MY EMAIL ADDRESS TO: judithguthertz@gmail.com
****

On May 18, 2017, at 11:13 AM, Kelly Clark <koclark@guamwaterworks.org> wrote:

Hafa Adai, Commissioners

As acting GC for GPA this week, I am sending this matter out for a poll vote on a resolution to deal with an emergency situation that has arisen regarding diesel fuel inventories. As you will see from reading the justification and resolution, the primary supplier of Ultra Low Sulfur Diesel to GPA is unable to supply critical inventories under their contract. In fact, that vendor may run out of inventory as soon as tomorrow. GPA has arranged with another vendor to supplement that inventory through an existing contract we have with them. Should the poll voting result in the authorization requested, that vote can be ratified at the next CCU meeting scheduled for next week.

Thank you for your attention to this matter. As always, should you have any questions, please feel free to contact me at any time.

Respectfully,

Kelly

<image001.jpg>

Put respectu,

Kelly O. Clark
General Counsel
Guam Waterworks Authority
Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam 96913
Telephone No.: (671) 300-6853 cell: 671-480-4224
E-mail address: koclark@guamwaterworks.org

The information contained in this message and any accompanying attachments may contain privileged, private and/or confidential information protected by local, state and federal law. This message and any attachments are intended for the designated recipient only. If you have received this information in error, please notify the sender immediately and return or destroy the information. You may contact sender at (671) 300-6853. This e-mail transmission and any attachments are believed to have been sent free of any virus or other defect that might affect any computer system into which it is received and opened. It is, however, the recipient's responsibility to ensure that the e-mail transmission and any attachments are virus free, and the sender accepts no responsibility for any damage that may in any way arise from their use.
From: J. George Bamba <georgebamba@hotmail.com>
Sent: Thursday, May 18, 2017 3:41 PM
To: Kelly Clark; Joseph Duenas
Cc: John J.E. Kim; Melinda R Camacho; CCU Board Members; Francis Santos;
judiguthertz@pticom.com; George Bamba; John M Benavente; Joyce N Sayama; Judith Guthertz; gdcmgr@ite.net; Joseph T. Duenas; John J. Cruz, Jr.; Bernadette Lou Sablan
Subject: Re: POLL VOTE MATTER / RECORDATION OF VOTES ON RESOLUTION FOR ULSD CONTRACT AND RESOLUTION

I abstain. Thanks for your understanding.

Blessings,
George

Get Outlook for iOS

From: Joseph Duenas <jtduenas@hotmail.com>
Sent: Thursday, May 18, 2017 3:39:15 PM
To: Kelly Clark
Cc: jtduenas@gpagwa.com; Francis Santos; George Bamba; Judith Guthertz; judiguthertz@pticom.com; gdcmgr@ite.net; CCU@gpagwa.com; Joyce N Sayama; John M Benavente; Bernadette Lou Sablan; John J.E. Kim; Melinda R Camacho; John J Cruz, Jr.
Subject: Re: POLL VOTE MATTER / RECORDATION OF VOTES ON RESOLUTION FOR ULSD CONTRACT AND RESOLUTION

Kelly,

I vote yes. Thank you.

Joey

Sent from my iPad

> On May 18, 2017, at 11:13 AM, Kelly Clark <koclark@guamwaterworks.org> wrote:
> Hafa Adai, Commissioners
> As acting GC for GPA this week, I am sending this matter out for a poll vote on a resolution to deal with an emergency situation that has arisen regarding diesel fuel inventories. As you will see from reading the justification and resolution, the primary supplier of Ultra Low Sulfur Diesel to GPA is unable to supply critical inventories under their contract. In fact, that vendor may run out of inventory as soon as tomorrow. GPA has arranged with another vendor to supplement that inventory through an existing contract we have with them. Should the poll voting result in the authorization requested, that vote can be ratified at the next CCU meeting scheduled for next week.
> Thank you for your attention to this matter. As always, should you have any questions, please feel free to contact me at any time.
> Respectfully,
> Kelly
> [cid:image003.jpg@01CE10DC_DBC01050]
> Put respetu,
> Kelly O. Clark
> General Counsel
I also vote yes

Simon says

> On May 18, 2017, at 10:24 PM, Bernadette Lou Sablan <l.sablan@gpagwa.com> wrote:
> 
> Hi Tricee,
>
> Attached is the POLL VOTE report to date for Resolution 2017-15 that was sent to the CCU, JohnB and Kelly Clark, John Kim, Melinda & John Cruz yesterday at 4:12 p.m. We have enough votes to move forward. I will have the report signed as concurred by JohnB and initiated by the CCU who voted at our meeting next Tuesday when the resolution is ratified.
>
> Best,
> Lou
>
> -----Original Message-----
> From: Joyce N Sayama
> Sent: Friday, May 19, 2017 7:12 AM
> To: Bernadette Lou Sablan
> Subject: Re: POLL VOTE MATTER / RECORDATION OF VOTES ON RESOLUTION FOR ULSD CONTRACT AND RESOLUTION
>
> Auntie lou,
>
> Tricee is requesting for results of the poll vote for procurement and their files. What is given for them to proceed?
>
> Sent from Joyce iPhone
>
>> On May 18, 2017, at 4:12 PM, Bernadette Lou Sablan <l.sablan@gpagwa.com> wrote:
>>
>> Hi Kelly,
>>
>> Confirming that Poll Vote results are 3 yes / 1 abstained thus far. Attached is official vote tally to date which will be included as support to the resolution upon ratification on May 23.
>>
>> Best,
>> Lou
>>
>>
Bernadette Lou Sablan

From: Kelly Clark <koclark@guamwaterworks.org>
Sent: Thursday, May 18, 2017 11:14 AM
To: Joseph T. Duenas; Francis Santos; George Bamba; Judith Guthertz; judiguthertz@pticom.com; gdcmgr@ite.net; CCU Board Members
Cc: Joyce N Sayama; John M Benavente; Bernadette Lou Sablan; John J.E. Kim; Melinda R Camacho; John J Cruz, Jr.
Subject: FW: POLL VOTE MATTER / RECORDATION OF VOTES ON RESOLUTION FOR ULSD CONTRACT AND RESOLUTION
Attachments: image001.jpg; GPA_ip&e amendment.docx; GPA-029-14 (IPE Holdings) - SIGNED CONTRACT.PDF; Resolution_Addl ULSD from IPE (w Poll Vote Certification).docx; jb ULSD Inventort Increase 5-18-17.pdf
Importance: High

Hafa Adai, Commissioners

As acting GC for GPA this week, I am sending this matter out for a poll vote on a resolution to deal with an emergency situation that has arisen regarding diesel fuel inventories. As you will see from reading the justification and resolution, the primary supplier of Ultra Low Sulfur Diesel to GPA is unable to supply critical inventories under their contract. In fact, that vendor may run out of inventory as soon as tomorrow. GPA has arranged with another vendor to supplement that inventory through an existing contract we have with them. Should the poll voting result in the authorization requested, that vote can be ratified at the next CCU meeting scheduled for next week.

Thank you for your attention to this matter. As always, should you have any questions, please feel free to contact me at any time.

Respectfully,

Kelly

GUAM WATERWORKS AUTHORITY

Put respectu,

Kelly O. Clark
General Counsel
Guam Waterworks Authority
Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam 96913
Telephone No.: (671) 300-6853  cell: 671-480-4224
E-mail address: koclark@guamwaterworks.org

The information contained in this message and any accompanying attachments may contain privileged, private and/or confidential information protected by local, state and federal law. This message and any attachments are intended for the designated recipient only. If you have received this information in error, please notify the sender immediately and return or destroy the information. You may contact sender at (671) 300-6853. This e-mail transmission and any attachments are believed to have been sent free of any virus or other defect that might affect any computer system into which it is received and opened. It is, however, the recipient's responsibility to ensure that the e-mail transmission and any attachments are virus free, and the sender accepts no responsibility for any damage that may in any way arise from their use.
Disclaimer Notice: The information contained in this communication is intended solely for the use of the individual or entity to whom it is addressed and others authorized to receive it. It may contain confidential or legally privileged information. If you are not the intended recipient you are hereby notified that any disclosure, copying, distribution or taking any action in reliance on the contents of this information is strictly prohibited and may be unlawful. If you have received this communication in error, please notify us immediately by responding to this email and then delete it from your system. Guam Power Authority is neither liable for the proper and complete transmission of the information contained in this communication nor for any delay in its receipt.