RESOLUTION NO. 2017-41

AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO PETITION THE PUBLIC UTILITIES
COMMISSION FOR THE EXTENSION OF THE ULTRA LOW SULFUR DIESEL (ULSD) FUEL OIL CONTRACT
FOR SIX (6) MONTHS WITH ISLA PETROLEUM AND ENERGY, LLC (IP&E)

WHEREAS, the three (3) year base period for the Diesel Fuel Oil No. 2 Supply Contract (GPA-029-14)
between the Guam Power Authority (herein after referred to as “GPA”) Mobil Oil Guam (herein after
referred to as “Mobil”) and Isla Petroleum and Energy, LLC (herein after referred to as “IP&E”) will expire
on December 31, 2017; and

WHEREAS, GPA canceled the solicitation for a new Diesel Fuel Oil No. 2 supply contract to restructure
the specifications to reflect the changes to GPA’s needs and requirements; and

WHEREAS, GPA anticipates that the award and commencement of the new Diesel Fuel Oil No. 2 supply
contract on or about July 01, 2018; and

WHEREAS, GPA requires a contract extension for six (6) months from January 01, 2018 to June 30,
2018; and

WHEREAS, Mobil & IPE submitted its fixed premium fee proposal for a six-month extension period for
the following site locations: Cabras 1&2, MEC 8&9, Aggreko, Yigo CT, Dededo CT, Macheche CT, TEMES CT,
Menenggon, and Talofofo; and

WHEREAS, GPA has evaluated the premium fee proposals as summarized in Schedule A; and

WHEREAS, Mobil’s fixed premium fee proposal for the 6-month extension period will significantly
increase by about $0.3580/gallon (from $0.1920/gallon to $0.5500/gallon); and

WHEREAS, IP&E’s fixed premium fee for the 6-months extension will increase by about $0.0800/gallon
(from $0.2700/gallon to $0.3500/gallon); and

WHEREAS, GPA has determined the Mobil premium fee proposal to be about $0.2000/gallon more
than the IP&E premium fee proposal; and

WHEREAS, GPA has determined the IP&E premium fee proposal to be reasonable and will provide the
best benefit to GPA customers. The premium fee increase is attributed to the price escalation and cost to
recover the investment for additional tanker trucks and drivers needed to meet GPA’s requirement for the
six-month extension period.
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 Guam Power Authority is hereby authorized to enter into a 6-month contract extension with IP&E for the supply of Diesel Fuel Oil No.2 for an estimated quantity of 16 million gallons of ULSD at a premium fee cost of $0.3500/gallon, for a total cost of approximately $5.6 million.

2. The General Manager of the Guam Power Authority is hereby authorized an increase in obligating authority over $750,000.00 and execute such agreements and documents necessary for a contract extension with IP&E.

RESOLVED, that the Chairman of the Commission certifies and the Secretary of the Commission attests the adoption of this Resolution. DULY and REGULARLY ADOPTED this 26th day of September 2017.

Certified by:

[Signature]
JOSEPH T. DUEÑAS
CHAIRMAN

Attested by:

[Signature]
J. GEORGE BAMBA
SECRETARY
FRANCIS E. SANTO
VICE CHAIR
I, J. George Bamba, Board Secretary of the Consolidated Commission on Utilities (CCU) as evidenced by my signature above do hereby certify 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 Consolidated Commission on Utilities, duly and legally held at a place properly noticed and advertised at which meeting a quorum was present and the members who were present voted as follow:

Ayes: 4

Nays: 0

Absent: 0

Abstain: 1