



RESOLUTION NO. 2017-48

AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO PETITION THE PUBLIC UTILITIES COMMISSION FOR THE EXTENSION OF THE DIESEL FUEL OIL NO. 2 SUPPLY CONTRACTS WITH MOBIL OIL GUAM, INC (MOGI) AND IP&E

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

WHEREAS, GPA intends to extend the contracts for Mobil and IP&E for a period of one (1) year to commence on January 01, 2018 and expire on December 31, 2018; and

WHEREAS, in the aftermath of the Cabras 3&4 incident, the total annual GPA plant diesel consumption (Exhibit A) has significantly increased from approximately 3 million gallons (80,000 barrels) to close to 34 million gallons (800,000 barrels) after FY2015; and

WHEREAS, the total annual projected requirement of diesel supply for the power plants is 895,066 barrels and the daily consumption ranges from approximately 1,000 barrels to up to 6,000 barrels a day; and

WHEREAS, the estimated premium fees for Mobil and IP&E for the one year contract extension is \$10,922,124; and

WHEREAS, the estimated cost of fuel less premium fees, consistent with the LEAC average ULSD cost is approximately \$66,503,374 for the one year contract extension; and

WHEREAS, the projected costs for ULSD to include premium fees is \$77,425,498; and

WHEREAS, GPA is requesting approval of contract extensions with Mobile and IP&E for one year to commence on January 01,2018 and expire on December 31, 2018.

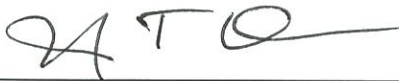
NOW THEREFORE, BE IT RESOLVED, by the Consolidated Commission on Utilities, subject to the review and approval of the Guam Public Utilities Commission, as follows:

- 30 1. The Guam Power Authority is hereby authorized to enter into a 1-year contract extension with
 31 **Mobil** for the supply and delivery of Diesel Fuel Oil No.2.
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 33 2. The Guam Power Authority is hereby authorized to enter into a 1-year contract extension with
 34 **IP&E** for the supply and delivery of Diesel Fuel Oil No 2.
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 36 3. The General Manager of the Guam Power Authority is hereby authorized an increase in obligating
 37 authority to \$77,425,498 for a one year extension of the contracts for ULSD over \$750,000.00 and
 38 to execute such agreements and documents necessary with **Mobil and IP&E**.
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40 **RESOLVED**, that the Chairman of the Commission certifies and the Secretary of the
 41 Commission attests the adoption of this Resolution.
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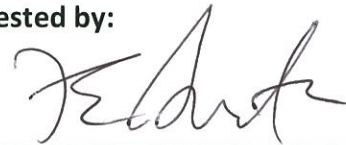
43 **DULY and REGULARLY ADOPTED this 7th day of December 2017.**
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Certified by:



**JOSEPH T. DUENAS
 CHAIRMAN**

Attested by:



**J. GEORGE BAMBA
 SECRETARY**

F.R. Santos
 Vice-Chairman

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 48 **I, J. GEORGE BAMBA**, Secretary for the Consolidated Commission on Utilities do hereby certify that the
 49 foregoing is a full, true, and correct copy of the resolution duly adopted at a regular meeting of the members
 50 of Guam's Consolidated Commission on Utilities, duly and legally held at a place properly noticed and
 51 advertised at which meeting a quorum was present and the members who were present voted as follows:

52
 53 Ayes: 4
 54 Nays: 0
 55 Absent: 0
 56 Abstain: 1
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 58
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