RESOLUTION NO. 2018 - 30

AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO PETITION THE PUBLIC UTILITIES
COMMISSION FOR THE EXTENSION OF THE EXISTING DIESEL FUEL OIL NO.2 SUPPLY CONTRACT
WITH MOBIL OIL GUAM, INC. AND ISLA PETROLEUM & ENERGY, LLC.

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

WHEREAS, the first (1st) year of the 2-year contract extension option for Mobil and IP&E commenced
on January 1, 2018 and will expire on December 31, 2018; and

WHEREAS, the Authority released a solicitation for the procurement of a new contractor for
the Supply of Diesel Fuel Oil No.2 under a Multi-Step IFB GPA-008-18. The term of the new
contract is for a base period of two (2) years to commence on January 1, 2019, with three (3)
additional 1-year extension options; and

WHEREAS, the Authority anticipates a delay in awarding a new contract by January 01, 2019
due to a bid protest1; and

WHEREAS, GPA negotiated for the second (2nd) year extension of the existing contract with
Mobil and IP&E for a term of one (1) year commencing in January 1, 2019; and

WHEREAS, the total requirement for the second (2nd) year contract extension with Mobil and IP&E at
the designated sites is estimated at about 700,000 barrels at a total cost of about $76M (Exhibit A), and is
funded under the FY2019 approved budget (Exhibit B); and

WHEREAS, GPA is requesting for the approval of the second (2nd) year extension of the contract,
subject to the mutual agreement with Mobil an IP&E.

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 contract extension for the supply
of Diesel Fuel Oil No.2 with Mobil and IP&E for a period of 1 year commencing January 01, 2019.

1 Tristar protest dated October 8, 2018
2. The Guam Power Authority is hereby authorized to execute an agreement for the extension of the contracts.

3. The General Manager of the Guam Power Authority is hereby authorized an increase in obligating authority to the annual value of the contract over $750,000.00 and execute such agreements and documents necessary for a contract extension with Mobil and 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 27th day of November 2018.

Certified by:

JOSEPH T. DUENAS
CHAIRMAN

Attested by:

J. GEORGE BAMBA
SECRETARY

SECRETARY’S CERTIFICATE

I, J. GEORGE BAMBA, Secretary for the Consolidated Commission on Utilities (CCU), as evidenced by my signature above do certify as follows:

The foregoing is a full, true, and accurate copy of the 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 follows:

Ayes: 4
Nays: 0
Absent: 0
Abstain: 1
**EXHIBIT A - ESTIMATED DIESEL EXPENSES**

*MOPS Based on MS Forecast dated 06Mar2018: $98.218 /bbl $2.339 /gal*

<table>
<thead>
<tr>
<th>MOBIL CONTRACT</th>
<th>ANNUAL QUANTITY (Estimated)</th>
<th>UNIT COST $/gal (Estimated)</th>
<th>ANNUAL AMOUNT ($) (Estimated)</th>
<th>Contract Premium Fee $/gal</th>
<th>*AVG. MOPS CIF Cost $/gal</th>
<th>UNIT COST $/bbl</th>
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</thead>
<tbody>
<tr>
<td>Baseload Power Plants</td>
<td>260,000 gals</td>
<td>$2.601</td>
<td>$728,148</td>
<td>$0.262</td>
<td>$2.339</td>
<td>$2.601 $109.22</td>
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<td>Fast Track Units</td>
<td>1,274,033 gals</td>
<td>$2.581</td>
<td>$3,287,680</td>
<td>$0.242</td>
<td>$2.339</td>
<td>$2.581 $108.38</td>
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<td>P7</td>
<td>1,221,452 gals</td>
<td>$2.601</td>
<td>$3,176,422</td>
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<td>$2.601 $109.22</td>
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<td>Northern Plants</td>
<td>23,214,988 gals</td>
<td>$2.581</td>
<td>$59,906,967</td>
<td>$0.242</td>
<td>$2.339</td>
<td>$2.581 $108.38</td>
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<td>TOTAL MOBIL CONTRACT EXPENSES</td>
<td>25,990,473 gals</td>
<td>$2.582</td>
<td>$67,099,218</td>
<td>$0.243</td>
<td>(Avg)</td>
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<tr>
<td></td>
<td>618,821 bbls</td>
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<td></td>
<td></td>
<td>(Avg)</td>
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<table>
<thead>
<tr>
<th>IP&amp;E CONTRACT</th>
<th>ANNUAL QUANTITY (Estimated)</th>
<th>UNIT COST $/gal (Estimated)</th>
<th>ANNUAL AMOUNT ($) (Estimated)</th>
<th>Contract Premium Fee $/gal</th>
<th>*AVG. MOPS CIF Cost $/gal</th>
<th>UNIT COST $/bbl</th>
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<tr>
<td>Tenjo Vista</td>
<td>3,360,000 gals</td>
<td>$2.601</td>
<td>$8,737,780</td>
<td>$0.262</td>
<td>$2.339</td>
<td>$2.601 $109.22</td>
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<tr>
<td>TOTAL IP&amp;E CONTRACT EXPENSES</td>
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<td>80,000 bbls</td>
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<td>(Avg)</td>
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| GRAND-TOTAL                     | 29,350,473 gals             | $2.584                      | $75,836,998                   | $0.245 ($/gal)             | $10.303 ($/bbl)            | (Avg)           |
|                                  | 698,821 bbls                |                            |                               |                            |                            |                 |