



RESOLUTION NO. 2017-43

**AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY (GPA)
TO ENTER INTO AN AGREEMENT EXTENSION TERM WITH TRISTAR TERMINALS GUAM, INC. FOR THE
DOCK FACILITY, PIPELINE FACILITIES AND RFO STORAGE**

WHEREAS, the Guam Power Authority (“GPA” or “Authority”) utilizes the services of Tristar Terminals Guam, Inc. (“Tristar” or “TTGI”) pier facility for the docking of ocean freight vessels delivering fuel to GPA facilities through a **Dock Facility User Agreement**; and

WHEREAS, GPA utilizes the Tristar fuel pipeline facilities for the delivery and transport of Fuel Oil to and from GPA’s fuel storage facilities through a **Pipeline Agreement**; and

WHEREAS, GPA utilizes the Tristar fuel storage facilities for GPA’s additional RFO storage requirements through a **RFO Storage Lease Agreement**; and

WHEREAS, TTGI is the sole service provider for the **Dock Facility User Agreement, Pipeline Agreement, and RFO Storage Lease Agreement** (or “3 Agreements”); and

WHEREAS, the current contracts for the 3 Agreements will expire on August 31, 2018; and

WHEREAS, GPA and TTGI have negotiated for an extension of the 3 Agreements for up to 4 years, renewable annually; and

WHEREAS, the **Dock Agreement** fee schedule shall remain the same until March 31, 2019. Extension of the Agreement and the fee schedule thereof is subject to change and is incumbent upon Tristar’s contract renewal with the Port Authority of Guam (PAG) beyond March 31, 2019; and

WHEREAS, the fee schedules for the **Pipeline Agreement and RFO Storage Lease Agreement** for the 4 year extension period will be at the same annual incremental rate of 4% based on standard Consumer Price Index changes and increased operational cost; and

WHEREAS, the estimated total expenses for the 3 Agreements for the 4-year extension period as shown in Exhibit A are as follows: **\$6,324,864** for the Dock Agreement; **\$2,138,024** for the Pipeline Agreement; and **\$6,674,891** for the RFO Storage Agreement; and

WHEREAS, TTGI is the sole service provider for the 3 Agreements; and

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WHEREAS, GPA has determined that the contract extension period for the 3 Agreements will serve the best interest of the Authority and its ratepayers by ensuring uninterrupted supply of fuel to GPA through the use of Tristar’s fuel handling facilities; and

WHEREAS, GPA is requesting the approval of the CCU for the **Dock Facility User Agreement, Pipeline Agreement, and RFO Storage Lease Agreement** for up to four (4) years to commence on September, 2018; and

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

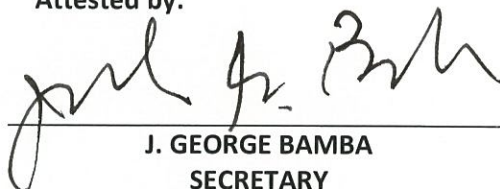
The General Manager of GPA is authorized to petition the Guam Public Utilities Commission for the review and approval of the extension of the **Dock Facility User Agreement, Pipeline Agreement, and Storage Lease Agreement** with Tristar Terminal Guam, Inc.

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 22nd day of November 2017

Certified by:

Attested by:



JOSEPH T. DUENAS
CHAIRMAN

J. GEORGE BAMBA
SECRETARY

I, J. GEORGE BAMBA, Secretary for the Consolidated Commission on Utilities do hereby certify that the foregoing is a full, true, and correct copy of the resolution duly adopted at a regular meeting of the members of Guam’s 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: 5
Nays: 0
Absent: 0
Abstain: 0

