



CONSOLIDATED COMMISSION ON UTILITIES
Guam Power Authority | Guam Waterworks Authority
P.O. Box 2977 Hagatna, Guam 96932 | (671) 648-3002 | guamccu.org

GPA RESOLUTION NO. FY2023-04

**AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO
EXTEND THE ULSD STORAGE LEASE AGREEMENT WITH TRISTAR
TERMINALS GUAM, INC.**

WHEREAS, GPA currently lease tanks for Ultra-Low Sulfur Diesel Fuel (hereinafter referred to as “ULSD”) storage from Tristar Terminals Guam, Inc (hereinafter referred to as “TTGI”) under reference agreement TTGI-SA-2018-01; and

WHEREAS, the ULSD Storage Agreement for the lease of Tank 1906 will expire in December 31, 2022 and the lease of Tank 1907 will expire in June 30, 2023, respectively; and

WHEREAS, GPA and TTGI has negotiated for the extension of the lease of Tank 1906 and Tank 1907 to expire at the same time in June 30, 2024; and

WHEREAS, the lease fee for each tank is approximately \$98,000.00 per month (excluding handling and throughput fees). Tank 1906 lease cost for the extension period from

1 January 1, 2023 thru June 30, 2024 is approximately \$1,666,000.00. Tank 1907 lease cost for
2 the extension period from July 1, 2023 thru June 30, 2024 is approximately \$1,176,000.00. The
3 aggregate total lease cost for both tanks is approximately \$2,842,000.00 (Exhibit A); and
4

5 **WHEREAS**, GPA is seeking the approval of the CCU for the extension of the lease of
6 the ULSD storage tanks to expire in June 30, 2024.
7

8 **NOW, BE IT THEREFORE RESOLVED**, the Consolidated Commission on Utilities,
9 subject to the review and approval of the Guam Public Utilities Commission, as follows:
10

- 11 1. GPA's request to extend the lease of the ULSD storage tanks to ensure adequacy
12 of supply to the power plants is reasonable and prudent.
13
- 14 2. GPA is authorized to enter into an agreement with Tristar Terminals Guam, Inc.
15 for the extension of the lease of the ULSD storage tanks thru June 30, 2024.
16
- 17 3. The General Manager of the Guam Power Authority is hereby authorized an
18 increase in obligating authority to the annual value of the contract and execute
19 such agreements and documents necessary for a contract with **TRISTAR**
20 **TERMINALS GUAM, INC.**
21

22 **RESOLVED**, that the Chairman certifies and the Board Secretary attests to the adoption
23 of this Resolution.

1
2 **DULY AND REGULARLY ADOPTED**, this 29th day of November 2022.

3 Certified by:

Attested by:

4
5 



6 **JOSEPH T. DUENAS**

PEDRO ROY MARTINEZ

7 Chairperson

Secretary

8
9 I, Pedro Roy Martinez, Board Secretary of the Consolidated Commission on Utilities
10 (CCU), as evidenced by my signature above, do hereby certify as follows:

11 The foregoing is a full, true and correct copy of the resolution duly adopted at a regular
12 meeting by the members of the Guam Consolidated Commission on Utilities, duly and legally
13 held at a place properly noticed and advertised at which meeting a quorum was present and the
14 members who were present voted as follows:

15
16 Ayes: _____

4

17 Nays: _____

0

18 Abstain: _____

0

19 Absent: _____

0



EXHIBIT A: ULSD Storage Agreement (TTGI-SA-2018-01)

TRISTAR AGREEMENTS - Fee Comparison

ULSD Tanks	Storage capacity (bbls)	Storage Fees				Variance	Remarks
		Base year		Extension year			
		Monthly Fee	Annual Fee	Monthly Fee	Annual Fee		
Tk1906	196,000	\$98,000	\$1,176,000	\$98,000	\$1,176,000	\$0	Fee for the base year based on a consecutive 3-year contract. No fee changes for the extension years
Tk1907	196,000	\$147,000	\$1,764,000	\$98,000	\$1,176,000	(\$588,000)	Fee for the base year based on a short contract period of 1-year to recover the tank refurbishment cost (lower fees is equally distributed thru a minimum of 3-year contract). Fee reduced for the extension years.

Estimated Expenses for the Extension years

Storage Fees	Extension Period	No. of months	Monthly Fee	Total Cost
Tk1906	01/01/2023-06/30/2024	17	\$98,000	\$1,666,000
Tk1907	07/01/2023-06/30/2024	12	\$98,000	\$1,176,000
Total thru June 30, 2024				\$2,842,000