



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority

P.O. Box 2977 Hagåtña, Guam 96932 | (671) 648-3002 | guamccu.org

RESOLUTION NO. FY2024-05

AUTHORIZING MANAGEMENT TO PETITION THE PUBLIC UTILITIES COMMISSION FOR APPROVAL TO INCREASE THE CONTRACT EXPENDITURES FOR THE SUPPLY OF DIESEL FUEL OIL NO.2 TO THE GPA WATER SYSTEM DIESEL (WSD) GENERATORS

WHEREAS, the contract for the supply and delivery of Diesel Fuel Oil No.2 to the GPA Water System Diesel (WSD) Generators at the Guam Waterworks Authority (GWA) sites under the Multi-Step Re-Bid No. GPA-012-22 was awarded to **Morrigo Equipment, LLC**; and

WHEREAS, the Diesel Fuel Oil No.2 Supply Contract shall be for an initial period of three (3) years and commenced on October 01, 2022 and shall expire in September 30, 2025 with two one-year extension options renewable annually upon mutual agreement of both parties; and

WHEREAS, the contract with **Morrigo Equipment, LLC** based an estimated contract value of approximately \$383,400 per year, or an estimated total of **\$1,150,200** for the three-year contract base period has been approved under Resolution 2022-25; and

WHEREAS, Post-Super Typhoon Mawar restoration efforts from May to July 2023 and a series of forced outages to the baseload units along with the rising fuel commodity prices significantly increased the fuel expenditures for the first year contract to \$982,359. For comparison, typical fuel expenditure is tabulated in Exhibit A; and

WHEREAS, the revised projection for the 3-year contract yielded an estimated cost of \$2,139,318 and the projected cost for the 2-year extension option is estimated at \$1,156,959 for an aggregate total of **\$3,296,277** for the 5-year contract period (Exhibit B); and

WHEREAS, the increase in the estimated total contract cost will require the PUC approval; and

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2 **WHEREAS**, GPA is seeking the approval of the CCU to petition the PUC for the
3 increase in the contract value to **\$3,296,277** for the 5-year contract period.
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5 **NOW THEREFORE, BE IT RESOLVED**, by the CONSOLIDATED COMMISSION
6 ON UTILITIES as the governing body of GPA, and subject to the review and approval of the
7 Public Utilities Commission as follows:
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- 9 1. The approved fuel expenditures shall be increased to a total of **\$3,296,277** for the 5-year
10 contract period.
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- 12 2. The General Manager of the Guam Power Authority is hereby authorized an increase in
13 obligating authority to the annual value of the contract with **Morrigo Equipment, LLC**
14 for the Supply of Diesel Fuel Oil No.2 to the GPA WSD generators at GWA sites.
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17 **RESOLVED**, that the Chairman certified and the Board Secretary attests to the adoption
18 of this Resolution.
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20 **DULY AND REGULARLY ADOPTED**, this 28th day of November 2023.
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22 Certified by:

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25 **JOSEPH T. DUENAS**
26 Chairperson

22 Attested by:

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25 **PEDRO ROY MARTINEZ**
26 Secretary

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

The foregoing is a full, true and accurate copy of the resolution duly adopted at a regular meeting by the members of the 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:	<u>5</u>
NAYS:	<u>0</u>
ABSTENTIONS:	<u>0</u>
ABSENT:	<u>0</u>



Exhibit A: Historical Expenses

GPA-012-22: Diesel Supply to WSD & GWA Generator Sites

Historical Expenses	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Oct	\$0	\$2,875	\$0	\$8,940	\$15,348	\$27,840
Nov	\$12,804	\$0	\$4,319	\$0	\$33,835	\$0
Dec	\$0	\$0	\$4,047	\$0	\$0	\$0
Jan	\$4,061	\$567	\$0	\$14,266	\$1,405	\$6,135
Feb	\$52,902	\$1,063	\$0	\$0	\$33,002	\$10,829
Mar	\$9,154	\$9,132	\$12,020	\$223	\$52,830	\$16,884
Apr	\$0	\$0	\$415	\$0	\$5,482	\$0
May	\$137,839	\$11,310	\$446	\$0	\$14,127	\$6,778
Jun	\$518,052	\$32,275	\$2,145	\$0	\$0	\$0
Jul	\$39,809	\$6,008	\$0	\$0	\$7,650	\$48,651
Aug	\$90,506	\$112,829	\$7,531	\$8,195	\$0	\$76,172
Sep	\$117,232	\$3,754	\$7,143	\$0	\$3,960	\$135,148
Summary	\$982,359	\$179,813	\$38,066	\$31,624	\$167,639	\$328,437
Total Gals	254,894	39,463	14,055	11,290	54,700	119,237
\$/gal	\$3.854	\$4.556	\$2.708	\$2.801	\$3.065	\$2.754
Remarks	(Actual) Temporary off-grid operation	(Actual) Typical Expenditure	(Actual) Typical Expenditure	(Actual) Typical Expenditure	(Actual) Typical Expenditure	(Actual) Typical Expenditure
	Super Typhoon Mawar	Typhoon Tokage			Typhoon Wutip	Typhoon Mangkhut

<i>Estimated Typhoon Costs:</i>	\$655,891	\$112,829			\$52,830	\$135,148
<i>Estimated Typhoon Gallons:</i>	176,434	24,528			17,505	57,049

Exhibit B: Contract Expenditure - Revised Projection

GPA-012-22: Diesel Supply to WSD & GWA Generator Sites

Contract Expenses	3-Year Base Period			2-Year Extension Option		SUMMARY (5-Years)
	1 st year FY 2023	2 nd year FY2024	3 rd year FY 2025	1 st year FY 2026	2 nd year FY 2027	
MOPS (Avg), \$/gal	\$2.305	\$2.986	\$2.986	\$2.986	\$2.986	\$2.759
Fixed Premium, \$/gal	\$1.549	\$1.549	\$1.549	\$1.549	\$1.549	\$1.549
Unit Cost (Avg), \$/gal	\$3.854	\$4.535	\$4.535	\$4.535	\$4.535	\$4.308
Quantity (gal)	254,894	127,559	127,559	127,559	127,559	765,130
Annual Cost (\$)	\$982,359	\$578,480	\$578,480	\$578,480	\$578,480	\$3,296,277
Cumulative Cost (\$)	\$982,359	\$1,560,839	\$2,139,318	\$2,717,798	\$3,296,277	
Remarks	(Actual) Temporary off-grid operation Typhoon Mawar	(Projected) Temporary off-grid operation	(Projected) Temporary off-grid operation	(Projected) Temporary off-grid operation	(Projected) Temporary off-grid operation	(Projected)

Gallons	3-Year Base Period			2-Year Extension Option		SUMMARY (5-Years)
	1 st year FY 2023	2 nd year FY2024*	3 rd year FY 2025*	1 st year FY 2026*	2 nd year FY 2027*	
Oct	0	10,630	10,630	10,630	10,630	42,520
Nov	2,905	10,630	10,630	10,630	10,630	45,424
Dec	0	10,630	10,630	10,630	10,630	42,520
Jan	953	10,630	10,630	10,630	10,630	43,472
Feb	12,263	10,630	10,630	10,630	10,630	54,782
Mar	2,226	10,630	10,630	10,630	10,630	44,745
Apr	0	10,630	10,630	10,630	10,630	42,520
May	35,352	10,630	10,630	10,630	10,630	77,872
Jun	141,082	10,630	10,630	10,630	10,630	183,601
Jul	10,630	10,630	10,630	10,630	10,630	53,150
Aug	22,786	10,630	10,630	10,630	10,630	65,306
Sep	26,698	10,630	10,630	10,630	10,630	69,218
Total (gals)	254,894	127,559	127,559	127,559	127,559	765,130
Remarks	(Actual)	(Projected)	(Projected)	(Projected)	(Projected)	(Projected)

*Assumed avg monthly consumption at the Jul 2023 values for off-grid operation