



CONSOLIDATED COMMISSION ON UTILITIES
Guam Power Authority | Guam Waterworks Authority
P.O. Box 2977 Hagatna, Guam 96932 | (671)649-3002 | guamccu.org

REGULAR BOARD MEETING
CCU Conference Room, Gloria B. Nelson Public Service Building
5:30 p.m., Tuesday, January 23, 2024

AGENDA

- 1. CALL TO ORDER**
- 2. APPROVAL OF MINUTES**
[Minutes – Regular Board Meeting, April 25, 2023 and October 31, 2023](#)
[Minutes – Special Meeting, November 1, 2023](#)
- 3. PUBLIC COMMENTS** (Limit to 2 Minutes)
- 4. GPA**
 - 4.1. [GM Report](#)
 - 4.2. [Financial](#)
 - 4.3. [GPA Resolution No. FY2024-10 – Request to Authorize Expenditure for the Procurement of 45-Foot Class B Concrete Power Poles](#)
 - 4.4. [GPA Resolution No. FY2024-11 – Relative to Approval for Relocation of Yigo Diesels](#)
 - 4.5. [GPA Resolution No. FY2024-12 – Relative to Approval of Two-Year Extension of RFO No. 6 Supply Contract for Hyundai](#)
 - 4.6. [GPA Resolution No. FY2024-13 – Relative to Approval of Two-Year Extension of Diesel Fuel Storage Agreement with TriStar](#)
 - 4.7. [GPA Resolution No. FY2024-14 – Relative to Approval to Procure a New Contract for the Supply of Diesel Fuel Oil No. 2 to Various GPA Plant Site Locations](#)
 - 4.8. [GPA Resolution No. FY2024-15 – Relative to Authorize the Management of the Guam Power Authority to Enter into a Month-To-Month Extension for its Professional Printing, Mailing, Processing and Other Services, Due to Ongoing Litigation](#)
 - 4.9. [GPA Resolution No. FY2024-16 – Relative to Approval of Temporary Power](#)
 - 4.10. [GPA Resolution No. FY2024-17 – Relative to the Approval of the Energy Conversion Agreement \(ECA\) Amendment for Ukudu Power Plant](#)
- 5. GWA**
 - 5.1. [GM Report](#)
 - 5.2. [Financial](#)
 - 5.3. [GWA Resolution No. 08-FY2024 – Relative to Approval of Construction Contract for the Aplacho Drainage and Roadway Improvements](#)
 - 5.4. [GWA Resolution No. 09-FY2024 – Relative to Further Amending the Guam Waterworks Authority's Sewer Hookup Revolving Fund Rules and Regulations](#)
- 6. OTHER DISCUSSION**
 - 6.1. GWA Self-Insurance Fund

7. ANNOUNCEMENT

- 7.1. Next CCU Meetings: February 20, 2024 – GWA WS, 8:30 AM
February 22, 2024 – GPA WS, 8:30 AM
February 27, 2024 – CCU Regular Board Meeting, 5:30 PM

8. ADJOURNMENT



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CCU Regular Board Meeting
CCU Conference Room, Gloria B. Nelson Public Service Building
5:30 p.m., Tuesday, April 25, 2023
MINUTES

1. CALL TO ORDER

The Chairman called the regular board meeting to order at 5.36p.m. All Commissioners are present, with the exception of Vice-Chairman Francis Santos, who is excused. He further stated that the meeting will start with Guam Power Authority, since they only had three items for consideration tonight, with one being a joint resolution with Guam Waterworks.

Commissioners Present:

Joseph T. Duenas, Chairman
Michael Limtiaco, Commissioner
Peter Roy Martinez, Chairman
Simon A. Sanchez, Commissioner

Excused:

Francis Santos, Vice Chairman

Executive Management:

GPA:
John Benavente, GM
Tricee Limtiaco, AGMA
John Cruz, AGMETS (Online)
John Kim, CFO

GWA:

Miguel Bordallo, GM
Theresa Rojas, Legal Counsel
Christopher Budasi, AGMAS
Tom Cruz, AGMO
Mauryn McDonald, Senior Engineer (Online)
Taling Taitano, CFO

Management and Staff:

GPA:
Joyce Sayama, Communications Manager
Candice Ananich, MA IV
Reginald Diaz, MA III
Selma Blas, Executive Office AO

GWA:

Evangeline Lujan, Compliance and Safety
Ann Borja-Gallardes, MA IV
John Dixon, IT
Allen McDonald, IT
Michael Schneip, HR
Zina Pangelinan Charfauros, HR

2. APPROVAL OF MINUTES

3. PUBLIC COMMENTS

No public comments were presented at this meeting.

GPA

4.1 GM Report

4.2 Financial

4.3 Resolution FY2023-16 Levelized Energy Adjustment Clause (LEAC) for the Period Starting June 01, 2023 to January 31, 2024

GPA proposes to reduce the LEAC factor to \$0.248145/kWh for the periods of June 1, 2023 through January 31, 2024. The most recent Morgan Stanley market projects the average fuel price is expected to be \$113.16/bbl for the period ending January 31, 2024. Projected over-recovery for the same period at the proposed reduced LEAC rate of

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\$0.248145/kWh is about \$10 thousand. The LEAC is billed and collected thru the monthly electric billings of our customers. The objective is to meet the June 15, 2023, PUC deadline for LEAC filing.

Motion to amend line ten of page 2 to add dollars after the word thousand **Resolution No. FY-2023-19 – Levelized Energy Adjustment Clause (LEAC) for the Period Starting June 01, 2023 to January 31, 2024**, was made by Comm. Simon Sanchez -no opposition. [Aye= 4, Nay= 0, Absent = 1]

Motion to approve **Resolution No. FY-2023-19 – Levelized Energy Adjustment Clause (LEAC) for the Period Starting June 01, 2023 to January 31, 2024**, was made by Commissioner Sanchez and seconded by Comm. Pedro Roy Martinez – no opposition. [Aye = 4, Nay = 0, Absent = 1]

4.4 Resolution FY2023-17 Pre-Development Study for Liquefied Natural Gas Under the EPCM Contract

Since 2008 Liquefied Natural Gas (LNG) has been recommended as an alternative fuel that would address fuel diversification and reduce costs. The Ukudu Power Plant is a dual-fuel capable power plant that is designed to operate on ultra-low sulfur diesel (ULSD) or natural gas. It is estimated that the period from the pre-development study to commissioning of an LNG terminal will take over 5 years. A pre-development study will update prior studies to firm up the site selection options, viable technical LNG terminal options and estimated project costs. It will also update supply costs estimates, initiate supplier outreach and develop potential vendor listings. The location for this project is Apra Harbor. The Pre-Development Study is estimated at \$1,809,000 for Phase I of a multi-phase LNG scope: Phase I: Pre Development \$1,809,000; Phase II: LNG Infrastructure Procurement 1,731,000; Phase III: LNG Infrastructure Implementation 391,000; Subtotal: \$3,931,000; Phase IV: Option LNG/CNG Transshipment 253,000; Total: 4,184,000. The study is expected to take 12 months and funding source is CIP. The ECPM contract was awarded in December 2022 to Stanley Consultants from re-solicited RFP-21-010. LNG tasks were excluded in the initial contract award to allow more time to review the LNG scope.

Motion to approve **Resolution FY2023-17 Pre-Development Study for Liquefied Natural Gas Under the EPCM Contract**, was made by Comm. Michael Limtiaco, seconded by Comm. Sanchez. [Aye = 4, Nay = 0, Absent = 1]

4.5 Resolution FY2023-18 (GPA) / Resolution No. 25-FY2023 (GWA) Authorizing the Management of the Guam Power Authority and Guam Waterworks Authority to Procure Merchant Banking Services

Request to issue an Invitation for Bid (IFB) to provide merchant services to GPA and GWA, and GSWA as a means for collecting customer payments through debit and credit cards at the various utility cashier sites, thru the Pay-by-Phone, and online options. In April 2022, GPWA awarded its current Merchant Services contract to First Hawaiian Bank (FHB) for an initial period of one year with an option to extend the contract for four additional one-year periods. GPWA and FHB mutually agreed not to elect the option to extend the merchant banking services contract. The current contract will expire in April 2023 and FHB has agreed to extend

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their services through June 30, 2023 to allow for the procurement of merchant banking services.

How long will it take? The procurement of service should be completed before July 1, 2023 and the term of the agreement is for one (1) year from the time of implementation with options to renew for four additional one-year periods.

Motion to approve **Resolution FY2023-18 (GPA) / Resolution No. 25-FY2023 (GWA) Authorizing the Management of the Guam Power Authority and Guam Waterworks Authority to Procure Merchant Banking**, was made by Comm. Michael Limtiaco, seconded by Comm. Sanchez. [Aye = 4, Nay = 0, Absent = 1]

5. GWA

5.1 GM Report

5.2 Financial

5.3 Resolution No. 10-FY2023 - Relative to Approval of the Tamuning and Manenggon Reservoirs Construction Contract – Verify

5.4 Resolution No. 18-FY2023 - Relative to Approval of the ID/IQ Undersized Waterline Replacement Design/CM Contract - Verify

5.5 Resolution No. 20-FY2023 - Relative to Approval of the Indefinite Delivery/Indefinite Quantity Implementation of District Metered Areas Design and CM Contract

The Water Loss Control Program Development and District Metered Area Implementation Plan was prepared to reduce non-revenue water and to provide a long-term sustainable system to monitor and manage water losses throughout GWA's water supply and distribution network. District Metered Areas (DMA) are discrete area of a water supply and distribution network in which the water flow entering or leaving a specific area (DMA) is measured by flow metering devices. The Water Loss Control Program Development and District Metered Area Implementation Plan proposed 36 DMAs for implementation throughout the island. A list of DMAs can be found in Appendix A, Table 2-01: Proposed DMAs – Basic Infrastructure Data of the Plan. This is necessary in order for GWA to reduce water losses in the system. DMAs will enable GWA to determine non-revenue volume and quantify water losses in each DMA, which will allow GWA to focus leak detection, repair, and construction resources to specific areas. The selected Architect-Engineer firm will provide Design and Construction Management services for the project. Task orders shall be issued to design the DMA infrastructure and to perform construction management services during construction island wide. The fee proposal is for \$3,119,377.00; however, GWA intends to only award \$1,500,000.00 using USEPA Grant funding. GWA anticipates additional funding from USEPA yearly. Design and construction management services are for 5 years. The funding shall be from USEPA Grants. RFP-07-ENG-2022, of the 17 firms who registered, only 6 firms submitted proposals of these, Duenas, Camacho, and Associates, Inc. recommended for award.

Motion to **Resolution No. 20-FY2023 - Relative to Approval of the Indefinite Delivery/Indefinite Quantity Implementation of District Metered Areas Design and CM Contract** was made by Comm. Michael Limtiaco second by Commissioner Peter Roy Martinez – motion carried. [Aye = 4, Nay = 0, Absent - 1]

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5.6 Resolution No. 22-FY2023 - Relative to Approval of Additional Funding for the Tank Repair and Bypass Project

To perform major repairs to the Pigua Merizo tank to achieve sanitary, structural, and safety compliance. The tank is part of the Order for Preliminary Relief Re: Deadlines for Outstanding Projects Under the Amended Stipulated Order. Repairs will include the following: tank floor replacement, roof purlin/rafter replacement, interior and exterior ladders replacement, anchor bolt replacement, new interior coating, new exterior coating, and other miscellaneous metal repairs and site upgrades. Located at Pigua-Merizo Reservoir. Requesting additional \$1,308,687 to fund major repairs. Cost includes a 15% contingency. The anticipated performance period is 240 calendar days. Funds will come from: CIP PW 09-09: Water Reservoir Internal/External Corrosion Assessment Program, and CIP PW 09-11: Water System Reservoirs 2005 Improvements.

Motion to **Resolution No. 22-FY2023 - Relative to Approval of Additional Funding for the Tank Repair and Bypass Project** was made by Comm. Michael Limtiaco second by Commissioner Peter Roy Martinez – motion carried. [Aye = 4, Nay = 0, Absent - 1]

5.7 Resolution No. 23-FY2023 - Relative to Approval of Amendment for the Indefinite Delivery/Indefinite Quantity Professional Utility Management and Financial Consulting Services Agreement

GWA awarded the Gallardi-Rothstein Group an indefinite delivery, indefinite quantity utility management and financial consulting services contract in response to RFP 2020-01. An amendment to provide additional funding authorization in order to comply with requirements of the PUC ordering provisions for the FY20-FY24 Rate Case, to complete necessary work for the update of GWA's Water Resource Master Plan, and to prepare for the resulting next 5-year Financial Plan and Capital Improvement Program. This work is necessary and urgent to meet existing regulatory requirements and plan for upcoming priorities. GWA would therefore like to issue additional task orders for support of the following: GWA-Navy Utility Service Agreement contract development and negotiations; Update of Financial Planning Section of Water Resources Master Plan; Rate Model Integration with 20 Year Strategic Financial Planning; Five Year Financial Plan for FY2025-FY2029; Comprehensive Review and Update Initiatives including Customer Assistance Program, Commercial Paper Program, Bond Authorization, Management Audit; Revenue Bond Refunding. The consulting work performed will impact GWA operations as a whole. Resolution 24-FY2021 approved an additional \$500,000 to the existing authorized contract amount of \$979,689, bringing the total authorized amount to \$1,479,689. Additional work to be performed on a time and material basis for the task orders listed above is estimated to be \$514,986 bringing the total authorized funding to \$1,994,675. Anticipated completion: GWA-Navy Utility Services Agreement June 2024; Update of Financial Planning Section of Water Resources Master Plan June 2023; Rate Model Integration with 20 Year Strategic Financial Planning Dec 2024

Motion to **Resolution No. 23-FY2023 - Relative to Approval of Amendment for the Indefinite Delivery/Indefinite Quantity Professional Utility Management and Financial Consulting Services**

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Agreement was made by Comm. Michael Limtiaco, second by Commissioner Pedro Roy Martinez – motion carries. [Aye = 4, Nay = 0, Absent = 1]

5.8 Resolution No. 24-FY2023 - Relative to Approval of FY2023 Budget Amendments and Rate Stabilization Fund Transfers

The GWA FY2023 O and M Budget was approved by the Consolidated Commission on Utilities (CCU) through Resolution 32-2022 on September 27, 2022. The approval included a 5.5% rate increase effective October 1, 2022, across all rate classes, excluding Lifeline Rates. Operating Revenue was projected at \$108.5 million. Additionally, management was authorized to supplement revenues as needed for operations with an additional \$12.4 million in American Rescue Plan Act funds and \$2.9 million from GWA's RSF, for a total source of budgetary monies of \$123.8 million.

The CCU previously authorized management to transfer up \$11.4 million into the RSF to meet operational and debt service coverage requirements impacted by reductions in revenues due to the COVID-19 pandemic and further exacerbated by delayed approval, and reduction of, rate relief requested from the Public Utilities Commission (PUC). Management transferred \$7 million of RSF money for FY22 operations; \$1.3 million to date for FY23. The remaining balance of RSF is \$3.1 million.

The FY23 approved operating expenses are \$100.2 million to include \$28.2 million in utilities, \$24.7 million in salaries and benefits (net of capitalized labor), \$27.7 million in depreciation, \$11.4 million in administrative and general expenses, \$4.9 million in contractual costs and \$3.3 million for retiree expenses. Debt service payments are \$39 million.

Management anticipates the need to supplement FY23 revenue with the remaining RSF balance of \$3.1 million plus an additional \$3.7 million to pay for a projected increase of \$6.8 million in FY23 operational expenses.

Management now seeks to adjust its FY23 budget with the following amendments:

- Increase authorized expenses by \$7.3 million from \$100.2 million to \$107.5 million;
- Authorize additional transfers from GWA's Capital Improvement Fund (prior period balances) to the RSF in the amount of \$3.8 million; and
- Increase authorized use of Rate Stabilization Fund (RSF) for FY23 from \$2.9 million to \$8.1 million as needed.

The historical and requested RSF activity is summarized in the table below:

The Capital Improvement Fund (CIF) is the account to which any excess revenues are deposited after meeting requirements of the bond indenture. Funds in the CIF can be used for any lawful purpose upon request by GWA. The objective of this request is to amend the FY23 Operations and Maintenance Budget to cover an estimated budget shortfall of \$7.3 million, without compromising other expense categories. The shortfall stems primarily from underestimated power costs. The \$21.6 million power budget was based on an average monthly consumption of 4.9 million kilowatt hours (kwh) at an aggregate cost of \$0.36 per kwh. Actual average consumption is 5.1 million kwh at an aggregated cost of \$0.44 per kwh.

The existing budget is insufficient given the unexpected \$5.76 million increase in power expense and inflationary increases to critical inventory, materials and supplies. GWA continues to exercise cost containment measures; however, fuel and inflationary increases are beyond GWA's control. Additionally, transfers from the RSF continue to be necessary to meet

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the required debt service coverage of 1.30x. The Rate Stabilization Fund is set up as a separate account under control of the trustee. Cost breakdown:

1) \$7.3 million in additional budget authorization for Operations & Maintenance expenses is requested.

2) Authorization to transfer \$3.8 million from prior period balances in GWA's Capital Improvement Fund to the Rate Stabilization Fund is requested.

3) Authority to use up to \$8.1 million in RSF monies for the FY2023 budget.

Completion will be at the end of the Fiscal Year, September 30, 2023. Transfers out of the RSF into the GWA general fund will only be made if it appears the DSC may fall below the required 1.30x coverage. The increase in the budget will be funded by transfers from the Rate Stabilization Fund (to include \$3.8 million from Capital Improvement Fund). Funds would be transferred from the GWA Rate Stabilization Fund into the GWA General Fund.

Motion to **Resolution No. 24-FY2023 - Relative to Approval of FY2023 Budget Amendments and Rate Stabilization Fund Transfers** was made by Comm. Simon Sanchez, second by Commissioner Limtiaco – motion carried. [Aye = 4, Nay = 0, Absent = 1]

5.9 Resolution No. 25-FY2023 (GWA) / Resolution No. FY2023-18 (GPA) – Relative to Authorizing the Management of the Guam Power Authority and Guam Waterworks Authority to Procure Merchant Banking Services - Noted above on Item 4.5

Motion to approve **Resolution No. 21-FY2023 (GWA) / Resolution No. FY2023-16 (GPA) - Relative to Authorization to Establish a Bank Account with the Bank of Guam (BOG) to Deposit Collections from Customers in the Cannabis Industry** was made by Vice Chairman Francis Santos, second by Commissioner Limtiaco – motion carried without further discussion. [Aye = 5, Nay = 0]
Approval above presented by GPA

6. OTHER DISCUSSION

7. ANNOUNCEMENTS

- 7.1 Next CCU Meetings:
Tuesday, May 16, 2023 at 8:30 a.m. - GWA Work Session
Thursday, May 18, 2023 at 8:30 a.m. - GPA Work Session
Tuesday, May 23, 2023 at 5:30 p.m. - CCU Meeting

8. ADJOURNMENT

Commissioner Michael Limtiaco made the motion to adjourn – meeting adjourned at 6:15pm with no opposition.

//s/ Candice B. Ananich

Attested:

FRANCIS E. SANTOS, Vice-Chairman

PEDRO ROY MARTINEZ, Secretary



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REGULAR BOARD MEETING
CCU Board Room, Gloria B. Nelson Public Service Building
4:00 p.m., Tuesday, October 31, 2023

MINUTES

1. CALL TO ORDER

Chairman Duenas opens CCU Regular Board Meeting, October 31, 2023 at 4:08 p.m. Present in the meeting, Chairman Duenas, Commissioners Limtiaco, Santos, and Martinez. Excused is Commissioner Sanchez, he is not yet here, but we will see if he will join later.

Commissioners:

Joseph T. Duenas CCU Chairman
Francis E. Santos CCU Vice-Chairman
Pedro Roy Martinez CCU Secretary
Michael T. Limtiaco Commissioner
Simon Sanchez Commissioner - Excused

Executives, Management, & Staff:

GPA

John Benavente, GM
Jennifer Sablan, AGMO
John Cruz, AGMET
John Kim, CFO
Tricee Limtiaco, AGMA
Marianne Woloschuk, Legal Counsel
Joyce Sayama, Communications
Joleen Cruz, Communications
Lourissa Gilman, Utility Board Secretary

GWA

Miguel Bordallo, GM
Chris Budasi, AGMA
Thomas Cruz, AGMO
Taling Taitano, CFO
Evangaline Lujan, Compliance/Safety
Therese Rojas, Legal Counsel
Michael Schniep, HR
John Dixon, IT
Chris Portin, IT

Guests:

Andrew Syverson, Sr. Director EPC, 174 Power Global
Lawrence Greene, Sr. VP, 174 Power Global
David Castro, Guam Daily Post
George Castro, Depo Resources

2. APPROVAL OF MINUTES

Chairman Duenas begin with the approval of minutes. Comm. Santos motions to approve the minutes from July 25th regular meeting, September 1st special board meeting and September 27th regular meeting. Comm. Martinez second the motion.

With no further discussion, Chairman Duenas calls for a vote; motion passes with four Ayes. [Aye = 4, Nay = 0, Absent = 1]

3. EXECUTIVE SESSION

GWA Legal Counsel Rojas asks the Board to move into Executive Session. The request is on file and should be in Board Books and the Executive Session is to discuss litigation matters. Chairman Duenas request a motion to rise up... Comm. Santos motions to rise up and move to Executive Session; Comm. Limtiaco second.

Chairman Duenas calls for a vote; motion passes with four Ayes. [Aye = 4, Nay = 0, Absent = 1]

Chairman Duenas announces motion carries and a five-minute break to prepare for Executive Session.

Chairman announces Commissioners, we're back in open session. For the record, Commissioner Sanchez is now present. He also mentions that the screen has gone blank during Executive Session and usually it shows, "Executive Session in Progress", but he was informed the connection dropped. Chairman apologizes for the disconnect.

4. PUBLIC ANNOUNCEMENT

No public comments at this time.

5. GPA

5.1 GM Report

At this time there is no GM Report. Chairman Duenas asks if anyone has questions for GM Benavente and the GM Report with no questions, Chairman asks if there are questions for finance.

5.2 Finance

There is no update for September, but CFO Kim will have the update on the November meeting. Comm. Santos asks CFO Kim to report about his approval... CFO Kim states, yes, we just came from the PUC meeting and they approved the property insurance for \$7.1M.

5.3 GPA Resolution No. FY 2024-04 – This is relative to approving the award of the new ultra-low sulfur diesel supply contract. The contract is to provide the power plants the being the Temes, Piti 8, and 9 and Tenjo. There were three bidders that came in, Hyundai Corporation, Mobil Oil Guam, and IP & E Holdings. The bid is really about the procurement because there is a benchmark that is used to evaluate. So, Hyundai came in with \$8.08 a barrel and Mobil came in at \$10.30 a barrel and IP&E came in at \$14.70 per barrel. This resolution is asking the Board to approve and award to Hyundai for a three-year base period and, I believe, a two-year contract extension period. This again is an option that will be decided on one which is \$2.00 a barrel. Comm. Santos asks GM Benavente to go through the increase every single year is based on what? Consuming more oil? Because it goes 235, then 294, then 317. GM Benavente responds, I think if you look at the base contract of Hyundai only, the first contract of three year is \$8.08, the second year \$8.08, then the third year is \$8. So, it's for the three-year period actually. Comm. Sanchez asks, what page are you reading from, John? Chairman Duenas states, this is 134. Comm. Santos asks, you're reading where? Comm. Sanchez states, it the fixed premium, it says, B, row B...fixed premium fee cost is \$8.08 for Hyundai. GM Benavente replies, then if you look at the first of two years contract extension, the fixed premium fee is \$7.88 which is a decrease and \$7.88 on the second. Comm. Santos replies, and how much do we consume in terms of barrels? GM Benavente replies, we, with these three plans, I think we consume about 2.3 million barrels a year. AGMO Jennifer Sablan adds, it says 2 million for the first year and 2.5 million for the second year, then 2.7 for the third year. Comm. Sanchez adds, because Ukudu is still not open, right? Because when Ukudu opens,

it's going to drop. The number of barrels will drop, correct? GM Benavente replies, correct. Comm. Sanchez continues, drop significantly. Mobil, of course, we had a contract which was about \$4 lower than this, but they didn't want to extend the contract with any of the options because they were losing money the premium. That's why they went from four to 10. Comm. Sanchez states, they were probably losing money. And, that's why Hyundai went to eight. AGMO Sablan would like to clarify, the bulk supply will go up because we're adding Ukudu, but the trucked fuel that's going to the peaking units will go down. So, we are going to be increasing fuel because we are not supplying Ukudu right now and we will supply on the bulk side. Comm. Sanchez asks, but aren't you supplying Piti now? Doesn't Piti close when you open Ukudu? AGMO Sablan replies, Piti doesn't... Chairman Duenas interjects, Cabras 1 and 2 don't burn ultra-low sulfur diesel. AGMO Sablan states, 8 and 9 are the only ones that burn bulk supplies, so we will still have to bring in more fuel to operate Ukudu. Chairman Duenas adds, but what happens is 1 and 2 drop off and the 2% RFO that they're currently burning goes away. So that's a savings. Comm. Sanchez asks, aren't we burning .02 or something... Chairman Duenas replies, yeah, but it's not diesel. It's a blend of our... GM Benavente states, low sulfur...we burn close to 700,000 barrels a year right now which is Cabras 1 and 2 so that goes away. Comm. Sanchez states, that 700 goes away and then Ukudu uses... Chairman adds, it's more efficient. GM Benavente states, when Ukudu goes online... AGMO Sablan, it's more efficient and then the truck fuel will go down. GM Benavente adds, but then the truck fuel will go down and also the fuel from Piti 8 and 9 will go down because it has a capacity factor of about 80%. It's going to go down to about 15% and Ukudu is going to come up to about 80%. Comm. Sanchez adds, so Ukudu takes more of the load. Basically, it replaces all of Cabras, one through four and then it reduces eight. Everybody's making up for three and four being gone, right. Chairman agrees, yeah. Comm. Sanchez adds, that's why Piti will drop in consumption when Ukudu turns on in the terms for the total barrels that they burn. Since it's the most efficient, we want as much power coming out of Ukudu as possible. AGMO Sablan states, so the quantity is showing an increase just because we're bringing Ukudu online. Comm. Sanchez adds, but in the aggregate, but shutting off one and two and reducing the amount of load that Piti 8 and 9 carry for us and everyone else, that's right. Comm. Limtiaco asks, but you're going to have a gantry at Ukudu, though too, right. So, you're going to load your tankers out of there to distribute to your Northern tankers? AGMO Sablan states, the current Ukudu project does have a gantry for loading tanker trucks and that's when we need too. But, if Ukudu is running, we probably won't be doing that. Comm. Limtiaco asks, you're still going to exercise those units from time to time, right? GM Benavente responds, it makes a difference, but right now, we're using 5000 gallons an hour... It's a significant decrease in refueling trucks. To get an idea, right now, we're producing 300 or 400 million kilowatt hours from the truck power plants, that's the CTs and diesels... that projection is from 300 to 400 million to about 10 million, that's a huge savings. Again, it goes from Piti generating 80% of the time to 15%. Everything will go to Ukudu and the renewables that come on the line. Comm. Sanchez asks, we're doing a battery for shifting as well? GM Benavente states, we're doing battery for shifting in Phase IV and then for the Hanwa project. We're trying to get grant funding from the federal government for a centralized area for energy storage. Or, we may have to come back to the Commission and say, let's go ahead and buy one depending on the economy. It is about one cent a kilowatt hour for that battery and then it can catch the daytime load and we don't have to back off Ukudu and we save money.

Comm. Sanchez adds, and all future renewables will have battery feature? GM Benavente replies, yes, we're going from 100% shifting to 50% shifting. We're trying to manage the cost. Hopefully, the cost of batteries gets lower cost in the future. It makes a lot of sense to have a centralized battery so we can catch the other 50%. It can be charged by the solar farms and shifting to the evening time. Comm. Sanchez asks, we have a renewable plan for the next phase? Phase IV is

shifting 50% of the energy they produce. Chairman Duenas states, he welcomes a motion; Comm. Santos motions to accept and Comm. Limtiaco seconds the motion. Chairman Duenas asks for questions.

With no further questions, Chairman Duenas calls for a vote; motion passes with four Ayes. [Aye = 5, Nay = 0]

5.4 GPA Resolution No. FY2024-03 – Relative to Approving Amendment 2 to Phase II Renewable Energy Acquisition Power Purchase Agreement for Hanwha Energy Corporation. This is related to approving an amendment to Phase II renewable energy which is an agreement with Hanwa Energy Corporation. The Hanwa project will go from a 60 megawatt to a 60/30-megawatt project to a 41-megawatt project. The blended rate of the cost is now in energy shifting battery of about 60 megawatt hours of shifting will go to about 14.385 cents per kilowatt. We did not change the original 6.2 cents per price for the renewables. It really is the smart grip of the portion of the contract. Before there was a little bit of shifting, now we can decrease that substantially and therefore the blended rate to do that is 14. Comm. Santos asks, so, six cents for renewables and eight cents for battery? Comm. Sanchez replies, for battery storage, for the NBSS. GM Benavente process, the original project was 115KV line system which actually requires from time to get to. First of all, we get to work and have in extended the contract one year for a period of time when we had to buy property in Apera substation to be able to have that power going all the way to Piti, but also to serve energy within the Apera Heights area. Unfortunately, over the period of time that going through the process, you have to go design, start getting quotes for everything and prices have gone up substantially. Couple that with another period of time when COVID hit. That impacted not only the work that needed to be done, but also impacted the supply chain issues throughout the world. Based on where we are today, we are still pushing Hanwa to try and get their project going. During that period of time, the team started to look at some alternative to try and, with the same contract, be able to make it work with a 34-5 system. The team did determine there's a way to utilize the 34-5, Hanwa will have to upgrade the system. Before the final utilization of the contract, there will be a system stability study. Pre-engineering confirmed everything that needs to be done is included in the contract. At that point, if there's additional work, Hanwa will agree to that, then begin to sign the project and start moving towards the procurement of materials and construction. There is a process they have to go through between the time they sign a contract to how do we get to two years from now. So, here's the 6.4 cents, 4.2 cents and then we add smart rate portion which is the battery system that's about 5.9. Put it all together...75 minimum KWH. A minimum of 30% of all that energy coming form will be shifted through the 34.5 system. Completion is December 31, 2025 for the solar PB and then no later than April 30 for the battery component of the system. The Solar PB is what I'm interested in because that's what means the consent decree. The consent decree, of course, one of the reasons we look at this more carefully, is the fact that we have to find an alternative Let's go back as to see what happened. When we signed up with the consent decree, we had three projects in hand. We had the KMS for 60 megawatts, we have the Hanwa with the 60 megawatt and then we have the NG project with military base for about 40-50 megawatts. Unfortunately, the NG project would have to make the 60 plus 40 will make 100 megawatt is what the consent decree is asking for. Unfortunately, that went through two years of protest and at the end the rate payers lost a lot of money because the proposal no longer could do it, not at the prices for the materials at that point. So hence, we lost that project so we're still stuck with how do we get 100 megawatts? So, our hope was Hanwa will come in with the 60 megawatts. Therefore, we'll have the 120-megawatt meeting the 100 megawatts. Unfortunately, ran into a kink, now we negotiated 41 megawatts. That will allow us now to meet the 100 megawatts for the consent decree.

Comm. Santos: The micro grid which is the battery, am I understanding this right, we're going to pay \$6M for the life this contract. Don't the batteries deteriorate over time or...

GM Benavente: That's for the life of the contract. The battery that they have is 15-20 years that's all included.

Comm. Santos: That's fixed at 5.9?

GM Benavente: Fixed.

Comm. Santos: Is this a lease to own, John, or they're going to... they're own at the end of the term... So, what is the life of the battery?

GM Benavente: Close to about 20 years. It depends on how you use it, how you run it, about 20 years. So, then whatever it takes to bring it into the service to provide the 25 years of the contract.

Comm. Santos: The contract is 20 or 25 years? John, so, I ask this question earlier because I went to RevTax, by the way, the way this was worded, if you look at the contract or the proposed language. We're dealing with three different companies here. It says, Hanwa, ATC Guam A and ATC Guam B. What is the company, today, called?

Atty. Theresa Rojas: Confirms, HEC Guam A.

Comm. Santos: That's the company we're going to contract with?

Atty. Rojas: Yes, that is the company we're going to contract with.

Comm. Santos: No, ATC Guam B? It's all in here, sir. All these companies are mentioned here. And then, on HEC Guam A, who is 174?

AGMET John Cruz, Jr.: 74 is a holding owned subsidiary of Hanwa. In the United States, it's Hanwa doing business as 174.

Comm. Santos: So, what are they registered on Guam, John (Cruz)?

AGMET Cruz: So, HEC is registered on Guam.

Comm. Santos: Which is 174 another dba.

AGMET Cruz: Yes.

Comm. Santos: Are they registered today?

Atty. Rojas: So, our amendment is to enter a contract... GPA is going to contract with HEC Guam A, LLC. HEC Guam A is owned by Hanwa Energy Corporate. The manager for Hanwa Energy Corporate is Hanwa Energy USA Holdings and they do business as 174 Global. The DBA for Hanwa Energy USA Holding DBA 174 Global is in the Articles filed with Rev and Tax. So, GPA is only contracting with HEC Guam A, LLC. I think, Commissioner, your next questions was do they have a license and business license, we confirmed with Rev and Tax and HEC Guam A's business license is expired of August of 2023. I've brought that up with the representatives with 174 Global and they are aware that there will be a requirement to have an active business license before GPA executes any contract.

Comm. Santos: And they've been in compliance since they started this company?

Atty. Rojas: Did not check the history of the business license, but it just expired in August of 2023.

Comm. Santos: What about the prior years?

Atty. Rojas: I did not confirm that.

Comm. Santos: Okay.

GM Benavente: This is the annual total for each year of the contract. Going from 14.23 up to 17 cents in 2025 This is 1% escalated. This is what we require of all out contracts. If you take that against the LEAC today, you're actually saving \$24M during the first life of this contract. If you take it again of what the LEAC will be once that Ukudu Power Plant you save about \$2-3M per year. So, that's again take it for another 5-years about 10-15 months. So, when Ukudu comes on line we're passing savings to the rate payers. The concerns of the commission of course, rightfully so, this contract has come where we haven't seen the production of energy so therefore, the questions have become what are we trying to do to make sure this contract moves forward and gets done. Most especially, one because we're depending on it to be the consent decree and then secondly, we don't want to go through another three years without getting this project done. So, we did work out milestones for the project. There's three particular ones that they've not met will have liquidated damages associated with it. Furthermore, they have to go through a

stability study, then the design, then the listing, then ordering the materials and all of that. We have to order the materials and get the construction going and have a plan for us no later than December 2024 that shows that they will meet this December 2025 deadline. In the contract there's that option that if they're not going to meet that, then I can terminate the contract and garner their performance plan. Therefore, it's in their best to keep going. Of course, this project is something that we watch very carefully most especially since there is the added need to comply with US EPA which we have to regularly report to.

What will allow us to go from the 13% to about 18% in renewables? Phase VI will be opening on November 6 and hopefully, we can award those contracts. This potentially could get up to as much as 49% renewables by 2027. Again, we do have a cap on the phase IV renewables opening on November 6th to 17.9 cents a kilowatt/hour. Because before that 50% we have to shift everything. The prices would have been substantially higher. Anyone coming higher than a 17.9, then we will look at the rest and see how do we award it from there. Again, working out where even the hedging around that close to that number has a huge benefit for us. Our goal is to bring the rates down to an affordable rate and on a sustainable basis. To get sustainability, we have to have a hedge...the hedge is our renewables with the 1% escalator. That's what we've been planning since the beginning. The project is in Dandan. They have cleared the area to prepare the area. The next part is making sure all the transmission systems is working. In order to operate the transmission from here, they have to take it up the telephone pole all the way down to Apera. Those conductors have to be changed and made larger so that we carry more energy across so that we can get the 30-megawatt renewable basis out of Dandan all the way down to Apera distributed there at Naval Station.

AGME Cruz: They have roads...they put in the roads and their ponding basin.

GM Benavente: they're actually working on an EPC. EPC is an engineering procuring a construction group. They have timelines to meet and the work...it's been a hard negotiation. I think we worked up to the last hour, two hours ago.

Comm. Santos: Go back to page before, John. Two pages back, let's look at that again. So, they're going to hire the EPC, right?

GM Benavente: So, few adding the December 2024 here. Part of the new agreement. GPA has the option to terminate this contract if it's not proceeding in the new plan.

Comm. Santos: So, that's a drop-dead date?

GM Benavente: So, the new plan they had was ordering the material and projecting the amount of work. If that doesn't come out that they're going to complete the December 2025, GPA has the option to terminate them.

Comm. Santos: So, the performance bond that we currently have on file, that's going to be the same bond carrying us?

GM Benavente: That is correct.

Comm. Santos: And, including the liquidated damages based on the signed contract then?

GM Benavente: Yes, any additional liquidated damages...

Comm. Santos: In addition, if we have to call the note. Does the termination of the contract based on your decision qualify us to take the performance down, or...

GM Benavente: Yes. The drop-deadline December 2024 I thought that was reasonable. I was pushing for the summer, but you have to do the system impact study then complete the design, then complete the order, start ordering the material... we're going to have to, before the end of the year, to meet our December date.

Chairman Duenas: Commissioner Limtiaco, you had a question.

Comm. Limtiaco: Yeah, can you go back a couple of slides? So, John, walk me through this again, so, the first-year guaranteed discharge energy megawatt per hour is at 22?

GM Benavente: At 75M...

Comm. Limtiaco: Um, no, further down.

GM Benavente: 75 million is for the whole solar PPA...

Comm. Limtiaco: Further down...line item 15 is what I'm asking about.

GM Benavente: Yeah, and when you go down here, 22 minimum goes by the battery

Comm. Limtiaco: Oh, by the battery, that's the shifting minimum.

GM Benavente: The more that they can shift it, the better it works.

Comm. Limtiaco: Okay, what is the target for shifting is what percentage?

GM Benavente: Well, 29.5% ...

Comm. Limtiaco: But, that's the first year...is that the cap or is that a conservative percentage?

GM Benavente: That's the minimum.

Comm. Limtiaco: That's the minimum, okay. First year minimum. So, they can potentially shift more, okay. And then, you mention Phase IV renewables, that is being opened on November 6th. And, the performance bond expires on when?

GM Benavente: Which performance bond?

Comm. Limtiaco: The Hanwa performance bond.

GM Benavente: I'd say it's next year, 2024. They did renew it...

Comm. Limtiaco: No, no, if we don't execute this resolution, if we did not vote on the resolution today, when...does it expire at the end of the year? December?

GM Benavente: December

Comm. Limtiaco: December 31st, okay.

GM Benavente: ...December 31st is the COB of the contract is when we can just go...

Comm. Limtiaco: Okay, and then the current blended cost per kilowatt hour, we're looking at 14.38, right?

GM Benavente: Right.

Comm. Limtiaco: Is there any rush to vote on this assuming that phase IV renewables are going to be... you're going to know what the bidders come in at on November 6, right?

GM Benavente: Yeah, the whole think about November 6 now, it's going to take several months more before we can even come to an award.

Comm. Limtiaco: An award! Before you come to an award, but you'll know on November 6...

GM Benavente: I'm wanting to work out with USEPA that this is the contract. I think 14.3 is going to be cheaper than what I'm going to see coming in. So, maybe as far as delaying it, I don't see a major advantage to doing it.

Comm. Limtiaco: No, but what would you know roughly what those bidders come in on, on November 6?

GM Benavente: ...they're having a hard time making 17.9.

Comm. Limtiaco: My question is will you know on November 6 what the offers are that come in with their bid per kilowatt hour.

GM Benavente: Another way to do this is you figure out the megawatt hours being transferred. It costs about, today, \$5 to \$600K a megawatt hour. Then you figure out the battery cost, right. Then you figure out the interest rates and how much it costs per year. The one we have here is very recent. So, I've calculated that to see because that same calculation is what these others are doing out there is the phase IV. That's coming up to almost a billion dollars that's why they having a hard time coming in at the 17.9. I don't see in no certain terms that this course is much better than what we're going to see in phase IV, but I hope I'm wrong, but I don't think so.

Comm. Limtiaco: Just to clarify, on November 6, you'll know what those actual numbers are?

GM Benavente: I'm sorry, let me take it back, November 6, they'll submit the technical and proposals.

Comm. Limtiaco: Okay, so, they submit their proposals and everybody's got to go...Technical and price proposals?

GM Benavente: We can't open the price...

Comm. Limtiaco: Oh, until you evaluate the technical one.

GM Benavente: It's going to take two or three months to evaluate the technical and then we give them another month to get...for the evaluation. And then, we start looking in the approval process.

Comm. Limtiaco: Go back to the saving exhibits. I thought during the working session, you balanced that against the current LEAC, is that still up there because it's kind of small? 28 million over the course of...

GM Benavente: the first five years

Comm. Limtiaco: But Ukudu comes online in?

GM Benavente: In year three

Comm. Limtiaco: In year three, so, that that savings number would come down

GM Benavente: So, we can make down... close to the LEAC.

Comm. Santos: John, the other question I have is on the exhibit, the interconnection is going to be owned by Hanwa?

GM Benavente: No, interconnection will be constructed by Hanwa and turned over to GPA.

Comm. Santos: Okay so, that we get yeah.

GM Benavente: So, part of the price any of this Renewables that you're paying is for the infrastructure that's outside or right outside the solar plan.

Comm. Santos: The phase IV for bid is for how much megawatt we need to produce?

GM Benavente: 180 to 325 megawatts.

Comm. Santos: And, can be broken out in different vendors or is that the plan; these guys bidding on the proposal?

GM Benavente: The phase IV bid they will be they will determine first we have to agree with the technical proposals and then which is still subject to a stability study which they have to do if they intend on an award.

Comm. Sanchez: Was there a minimum size on any bid?

GM Benavente: Minimum size is 4.9 million.

Chairman Duenas: I have two questions...

GM Benavente: ...If they want to take advantage of tax and everything, we're trying to work with everyone so that they can try and get this pricing done.

Chairman Duenas: Okay, refresh my memory John, your requirements per the consent decree is to have 100 megawatts by when?

GM Benavente: I think by December 2024.

Chairman Duenas: I remember John saying, that part of his requirement from the consent decree is to have 100 megawatts of renewable energy by a date I don't remember the date that's what I'm asking.

GM Benavente: I think I don't remember exactly but my mind is telling me December 2023.

Chairman Duenas: So, we missed that date already?

GM Benavente: No.

Chairman Duenas: Oh! December 2023.

GM Benavente: Which means they we not going to meet it. I need to go back to USEPA and provide some solution.

Comm. Santos: Showing that we're doing something.

GM Benavente: The requirement is for 100 additional megawatts from the time we did the consent decree. We have the 60 from KMS. Plus, this 41 to make it 101.

Chairman Duenas: But you're supposed to have the whole 100 by December of 2023 you're not going to make that but you're going to argue and say we have it coming. When will the other 40 megawatts show up John?

GM Benavente: The target is December 2025.

Chairman Duenas: December 2025 two years later for this. What do you think EPA's response to this? Have you talked to EPA about this?

GM Benavente: They have somewhat of an idea but I've always been saying the Hanwa project is tenuous...tenuous where I can see whether we find some solution or something to make it so then I have something to go back and offer the USEPA. I think if I go back with loaded with 41 megawatt and a December 2025 and again if you if you look at the rest of the consent decree the Ukudu Power Plant

now is being moved to January 2026 so in December 2025 will fit in and the next steps is Ukudu completed January 2026 and no later than 6 months later retire Cabras 1 and 2 and we're done with The consent decrees.

Chairman Duenas: So Ukudu turns on in January of 2026.

GM Benavente: Right so this will be on the line before 2026.

Chairman Duenas: Okay, your bids that are opening in November 6 of 2023, phase IV, what is the projected time that they will come online?

GM Benavente: So, if you take what I was trying to figure out earlier... probably take four, five, six, seven, eight, nine, 10 probably 10 months of by then, that will bring us into 2024, October 2024 and then you add three years from year 25, 26, 27.

Chairman Duenas: So, this will get in there ahead of that time frame. I'm trying to put everything together so I can see you know with the next group that's coming in when do they have a chance of coming in? I know it's not something you can pinpoint because anything can happen; they can have Supply train.

GM Benavente: They are already having the land they have; we're that far along...I think we beaten it. My team is very strong.

Comm. Santos: John, they're committed to finish, right?

GM Benavente: Yeah.

Comm. Santos: Can this contract be sold to an interested party at any point in time?

GM Benavente: If the contract is to be sold, they have to get the approval from the CCU.

Atty Rojas: Well, there is a provision for assignment in the present contract which does not require the consent of GPA. So, we have made that request really or requirement that this be included in the contract but we have not um completed negotiations on that point. So, we we've reached out to 174 Global again the manager for HEC and we've made that important point that GPA wants to require or will require that our consent be... that they have our consent before transferring or assigning the contract. There may be some you know kind of agreement in terms of maybe agreeing that they are able to assign to their Affiliates, etcetera. But you know we're still negotiating that point so there hasn't been any agreement.

GM Benavente: We're moving to towards having that satisfy understanding that the major concern of the Commission.

Comm. Limtiaco: JB, I wanted to just follow up on a comment you made regarding preliminary studies that would still be required and be met in order for the project to continue. Can you go over that again? The number and the proposal that's being provided here, I'm assuming, all the due diligence was done that it is actually engineering wise possible to do what they're doing. What is the preliminary study?

GM Benavente: We have an independent Team and it does the systems study and it goes to... and of course, yes, we have a lot of confidence on our team going through with them knowing what could be done. So, it goes through that whole process to make sure that every little thing is included as the most necessary. If it's not, they put it in there.

Comm. Limtiaco: Okay. But that... but what we're voting on here doesn't relieve the bidder from their performance Bond whether or not uh they agree to... Let's say they do not agree to add what whatever the third-party engineering team comes up still...

GM Benavente: We'll make sure that that's still qualifies that's the effort has been put together and the effort actually is less complicated. Remember 34-5 versus the high voltage 115 it's the big line on top and our team has looked at this and I think we're quite confident that what we have identified basally the significant that's...

Chairman Duenas: John, if we were to approve the resolution, we can make it subject to that provision being part of it. And, subject to them updating their business license, subject to doing all those little things.

Comm. Sanchez: Just to make sure that legally, you know, because this was an initial bid right legally you are allowed to revisit their initial bid and restructure.

Chairman Duenas: Now you're asking my question. We're on the same page. So, the question to the to our legal people, is everything here proper? This is very serious... we want to make sure that we are able to do this that this is legally available to us and that there's no pitfalls here.

Comm. Sanchez: Can't be challenged.

Chairman Duenas: We want your legal opinion that based on the contract as it was written and as it was entered into and now has been modified and they're seeking to modify again these modifications are allowed by the contract. That is the question so if you're if you're ready to answer we'll take your answer. If you want a few minutes somebody else might have another question.

Comm. Santos: I have a couple questions are you... if you're ready... actually maybe you should wait and you can answer. So, go to page five of this agreement... the first one is number three approval delay reads the parties agree that a GPA fails to obtain the requisite approval of this amendment including the PPA approval and the IC approval by no later than December 1st it shall constitute the delay that is caused by us GPA. What exactly are we talking about here?

Atty Rojas: That's our agreement to earnestly move forward to try and seek the CCU and the PUC's approval.

Comm. Santos: Which one... PPA approval is?

Atty. Rojas: The Power Purchase Agreement.

Comm. Santos: Okay, and the IC approval is?

Atty Rojas: The Interconnect Agreement which, Rojas states, is both on us. Yes, and so we've agreed to that date you know of course nothing is executed initially that date was November 1st but of course you know more time was required to review negotiate and consider the agreement so we worked with 174 Global and they extended that out to December 1st so that that is the present date. In that provision, do not receive the approval of the CCU and the PUC then there will be a day for day delay added to the December 2024. But there's no damages but they're just saying that any delay will be excused by our inability to receive the approvals by that December 1st date.

Comm. Santos: So, then the number four is the financing arrangement do we have a copy of the financing arrangement?

Atty. Rojas: No, I have not seen the copy of the financial agreement

Comm. Santos: It provided GPA with an executed copy of the financing.

Atty. Rojas: I haven't reviewed the financing arrangement to date, no. But we'll get that copy.

Comm. Santos: We're not paying for this they are...

Comm. Sanchez: But is it executed because it says it says executed. So have they executed with their bank or their lender or... because that to me it's not for you to review it's just that they got the money. You're just verifying that they got it. I'm with Commission Santos.

Comm. Santos: Because if you look at the standby letter of credit right, it was extended by us to July 2024. Then the concern I have is that it's with bank which technically is not on Guan but when you read the document that it's written on, it's out of New York which is okay for that purpose but again what exactly is the financing arrangement? I'm sure they have the means or the funds to do this. Even if, it's an executed agreement where is it? Otherwise, you should not have put that in there.

Chairman Duenas: So again, if you wanted to approved this, you could say subject to the verification.

Comm. Santos: I'm just saying right you know you're going to go to the PUC this month, I mean November... in the multistep bib when you were going through this the two parts you technically qualified them and then the next question is are you financially able to do this and those questions were answered 5 years ago.

Comm. Sanchez: But it does say we do get self-financing or there's something in writing they provide you, GPA, this is our source of financing. I'm with Commissioner Santos, that's how I read that. Which is what we're approving.

GM Benavente: They already have financing. They have financing, they already spending a lot of money.

Comm. Martinez: Can we include all these questions that are coming up on this resolution because there's some issues on the permit, the business license... In consideration for all of these on this resolution that we come up with something stating that these has to be executed. In other words, let's not wait and then it's not here and then when we approve it, where did you put it?

Chairman Duenas: I mean subject to them updating their business license; subject to

Comm. Martinez: I understand I understand but I mean incorporated into today's resolution should this...

Chairman Duenas: Yeah, we'll put it in the part of the resolution, subject to financing agreement, subject to their business license.

Comm. Santos: And then if we can have legal counsels, you know, because when you read the resolution there's a lot of appendix C, exhibit one, exhibit up to exhibit five. Everything is clean because some of these are blank. Exhibit B is blank.

Atty. Rojas: it's a cover. Comm. Santos response, okay.

Chairman Duenas: Now, Teresa, you ready to answer my question or the question that Commissioner Sanchez started out that I agreed with?

Atty. Rojas: Mr. Chairman, I apologize, can you restate your question?

Chairman Duenas: The question basically is does this contract which we entered into sometime back, does it allow us to make these amendments? Are we allowed to do this? All the changes that we want to make, it's allowed by the contract, the bid, and everything? We're not running into any trouble

Atty. Rojas: As mentioned during the working session, yes, there is a provision within this contract that we have with HEC that permits us to modify the agreement pursuant to the request by seller which is GPA, us. Specific to buyer which is GPA, the buyer. And we can modify the agreement with seller, I apologize, which is HEC. Regarding the procurement these bids were put out and there were solicitations we solicited you know renewable energy development and you know from interested bidders. The interested bidders were awarded their specific contracts based on their exclusive and specific proposal. These proposals were reviewed it went through the procurement process. This contract with Hanwa and any other contract that was awarded to another bidder stand alone. They're not one tied to

another or one held in conjunction or subject to another; they're standalone independent contracts. Procurements have been awarded and we are able to modify based on the contract that we've entered into with Hanwa.

Chairman Duenas: Okay. Any other questions? I think we the only thing I would suggest is before we make a motion that we list down the things that we're approving the resolution subject to the HEC updating their business license, executed financing agreement, the language of that executed financing agreement, and assignment clause. And the Clause that says that if they were to assign this contract to somebody else, we want the right to approve that person or that that deal. If you make it subject to all of those things being in there, then we can approve the resolution. It then falls to the other party to make sure that you finish those negotiations to the satisfaction of what we said. Those are the three things. Is there anything else, Commissioners?

Comm. Santos: Just want to make it clear right that the so the purchase power agreement is the one that reads renewable energy purchase agreement?

Atty. Rojas: Yes.

Comm. Santos: Okay, that's what we're amending?

Atty. Rojas: Yes.

Comm. Santos: Then we're also going to get a copy of the ICA?

AGME Cruz: Part of the ICA on the system impact... the system impact.

Comm. Santos: That's another one you should add.

Chairman Duenas: Okay, so here's what I suggest we do, we have a resolution I'd like to give our attorneys a chance to put down some language and before we proceed to make a motion okay how does that sound to everybody? Let's recess for like 10 minutes, five minutes

Comm. Lintiaco asks if the board can handle GWA's stuff and if there are other GPA issues. Chairman Duenas states that are a good idea and there are no other GPA resolutions. He asks GM Miguel Bordallo to step up with his two resolutions because they are fairly straightforward. He also asks GM Benavente not to go too far.

6. GWA

6.1 GM Report

Chairman Duenas asks GWA GM Bordallo to get through the resolutions since nothing has changed since the work session the week prior.

6.2 GWA Resolution No. 01-FY2024 – Relative to Approval of an Increase in Funding Scope of Work for the Tai Road/S-13 and Canada-Toto Loop/Blas Street Waterline Replacement Project: GWA Project No. M19-001-BND. As mentioned during the work session there were two sections where when we made the attempt to do final connections. GWA found out these lines were not in the as built and they were connected to the line we were disconnecting. A little more work was needed to hook them up to the main that was installed and so additional funding being requested is \$61,000 which would increase the authorized funding from 2.96 million to 2.984 million. Work is expected to be completed by the end of December. Bond funds will be used for the remaining work that's required. Chairman Duenas asks for a motion. Comm. Sants moves to approve; Comm. Sanchez second.

With no further questions, Chairman Duenas calls for a vote; motion passes with five Ayes. [Aye = 5, Nay = 0]

6.3 GWA Resolution No. 02-FY2024 – Relative to Approving the Guam Waterworks Authority Fiscal Yar 2-24 Operations and Maintenance Budget. GM Bordallo asks CFO Taitano to present. If the CCU remembers the Board approved the True-Up and FY 24 budget based on a 27.5% increase under Resolution No. 33 FY2023. This packet was submitted on June 1st to the PUC; because of the delays and review by the PUC the CCU approved an interim budget under Resolution No. 43 FY2023 which was a basically a rollover of the FY23 revenues and expenditures for the first quarter of FY 2024. The PUC did meet on September 26, 2023 to review GWA's request. They approved a 16.7% rate increase which included a reduction of our projected power expenditures of about of about \$948K as well as a reduction in salaries and benefits of about \$28K. The largest reduction was based on replenishment of our reserves. So, the PUC did not fund any reserve replenishments. Chairman Duenas adds, the PUC did fund the extra additional payroll expenses for additional people. CFO Taitano replies, right, they did, the original ALJ's recommendation was 16.1% which included a deeper reduction in salaries but the PUC did add back another 6% to replenish some of the... GM Bordallo states, just to clarify there was an increase in the funding level only not any...they didn't specifically state any number of FTE that's for the CCU to approve. Comm. Santos motions to approve Resolution No. 02-FY2024; Comm. Lintiaco seconds.

With no further questions, Chairman Duenas calls for a vote; motion passes with five Ayes. [Aye = 5, Nay = 0]

GM Bordallo announces to the Board that next week GWA will be receiving visitors from OLDCC, Mr. Dan Glasson, who you might remember, will be on island. GWA plans to take him to Northern District and also to visit some of the other project sites that they funded. Also, Tom Connor will also be on island so if the board had an interest in meeting with Mr. Connor, please

let us know. We can arrange your schedule. Comm. Santos asks, what's the name of Gary's replacement? GM Bordallo states, that's Steve Chung. Comm. Limtiaco asks, is that going to coincide with the Ugam and the Maui Well visits that we have scheduled? GM Bordallo replies, no, Limtiaco's visit is on Monday and Friday. Tom Conor is here Monday through Wednesday he leaves Thursday morning. So, Wednesday is the schedule for Northern. Tom expressed an interest in seeing Ugam so if you wanted to move Ugam so that you could go with Tom Conor, we could try to arrange that if Wednesday's free for you. Comm. Limtiaco states he will check. Chairman asks GM Bordallo to send the Board the schedule. Comm. Santos request for five-minute recess.

Continuation of GPA Resolution No. FY2024-03

Chairman Duenas announces, we're back and our attorneys have given us the revised resolution and they walk us through how they change the language to address the issues.

Comm. Sanchez: Walk us through how you achieve the changes.

Chairman Duenas: Read the resolve portion everything else stays the same just so just a resolve.

Atty. Rojas: So, under resolve Clause One, Resolution Number FY2024-03, under resolve Clause One, we added four conditions. Resolve Clause One now reads, it read the CCU authorizes GPA to petition the PUC for approval to amend the renewable energy purchase agreement and interconnection agreement for HEC Guam ALLC subject to the following conditions. So, it read up through just the CCU authorizing GPA to petition the PUC for approval, and then we added the subject to the following conditions and the following conditions include A) HEC Guam a shall amend the current assignment provision at section 11.2 of the REAPPA (Renewable Energy Acquisition Power Purchase Agreement) to require GPA's written consent before any sale, transfer, pledge or encumbrance, or assignment of this agreement and its amendments. Second condition, letter B, is HEC Guam must be doing business in Guam with a valid business license and be in good standing with the Department of Revenue and Taxation prior to GPA's execution of the contract amendment and throughout the contract's term. The third condition, letter C, HEC Guam shall provide proof of its procured and approved financing to support the successful completion of the project. The final fourth condition, letter D, is HEC Guam shall agree to meet its milestone confirming the order of PV modules or be subject to termination at the discretion of GPA and to surrender its development security of \$4.6 million at the time of termination.

Comm. Limtiaco: Is there a timeline for a proof of financing? Is that part of the milestones?

Atty. Rojas: TI should be provided prior to us executing the agreement. It really was based on the financing agreement at page five of the Second Amendment. Prior to the execution of the agreement.

Comm. Sanchez: So, prior, add the sentence prior to the execution of the agreement of the amended agreement, right?

Atty. Rojas: Right, this is really an existing provision in the financing agreement where the parties acknowledged that um HC Guam a has procured a preliminary agreement customary for financing and that they would provide that financing arrangement to GPA with an executed copy of this agreement.

Comm. Sanchez: And so, do we need to add language to resolution 1-C... do we still need that phrase prior to the execution of the amended agreement? Is that language still needed because we're amending the agreement?

Atty. Rojas: Right, we should add in a time frame right. So, prior to the execution of this amended agreement, HEC Guam shall provide proof of its financing.

Comm. Sanchez: So okay, we can add it to the end or the beginning.

Comm. Limtiaco: Okay, and then the last thing is, John, can we just update the projected savings taking into consideration the revised LEAC Rate starting in year three. Can we just update the projected savings taking into consideration when Ukudu comes online.

GM Benavente: Oh yeah, that would be part of the presentation, right.

Comm. Limtiaco: Well, it'll be Exhibit D, right, because it's going to go in front...so, the final approved resolution will show that adjusted savings.

GM Benavente: Yes, we'll make the adjustment for this Exhibit D.

Comm. Limtiaco: Okay. So, motion to approve Resolution No. FY2024-03 subject to changes; Comm. Santos second.

Comm. Sanchez: Base on this document, right, we've added the prior the on 1-C. We've added the phrase, prior to the execution of the amended agreement, is that the right?

Atty. Rojas: You know, I'm reading, I apologize Commissioner, I'm reading the provision again and it says prior to the Financing Arrangement deadline. And it doesn't say, prior to the execution of the amended Agreement. I prefer that we align with the language and instead of put, prior to the execution of the agreement, we put prior to the Financing Arrangement deadline.

Comm. Santos: Which is?

Comm. Sanchez: Okay, which is?

AGME Cruz: Two years ago.

Comm. Santos: What? Okay, wait. Mr. Chairman. There is currently a financing arrangement in place, correct?

AGME Cruz: I think there is a financing agreement in place that was approved by GPA several years ago.

Comm. Santos: Okay. So, does that agreement today satisfy this particular arrangement that we're entering into?

AGME Cruz: I think so.

Comm. Santos: No, no, no. What you think's not going to suffice. We need to know that whatever the total cost to get this project completed. I believe they have the means to do it, okay. The proof is in the pudding when you present...

AGME Cruz: We will dig it out and then we will review it and I believe that come to the...

Comm. Limtiaco: Well, it couldn't, it couldn't, because if there's a battery with energy shifting now, two years ago it couldn't possibly have accounted for that.

Comm. Sanchez: So, I think counsel is giving us the right way to think about it, the buyer, we need a copy of whatever their financing deal is...

Comm. Santos: But the word deadline is?

Comm. Sanchez: Yeah, prior to, yeah...you were almost there.

Comm. Santos: Because we have a deadline already in here December 1st 2023. That's what we're seeing here.

Atty. Rojas: Financing Arrangement deadline is likely a definition within the power purchase agreement and if you can just give me a moment I'll get to my office and get that agreement.

Comm. Santos: Sure. So, the real issue there is we need to drop that deadline.

Comm. Limtiaco: Well, that's what I had asked earlier if it was in the exhibits because they had some milestones on the prior exhibits.

Comm. Santos: So, it's that page there, right, the milestone page?

Atty. Rojas: It's in the... should be in the...

Comm. Limtiaco: I don't think it's C.

Comm. Sanchez: Tomorrow start sound good so that Council can have the time to go get it.

Comm. Santos and Martinez: Yeah. I agree.

Comm. Martinez: Withdraw the motion. Withdraw the motion.

Chairman Duenas: We have a motion...

Comm. Limtiaco: We had a second and we're still in the discussion and we can recess.

Comm. Santos moves to recess until 8:30 tomorrow morning; Comm. Sanchez second.

With no further questions, Chairman Duenas calls for a vote to recess until November 1, 2023 at 8:30 am; motion passes with five Ayes. [Aye = 5, Nay = 0]

REGULAR BOARD MEETING
CCU Board Room, Gloria B. Nelson Public Service Building
4:00 p.m., Tuesday, October 31, 2023
Recessed to November 1, 2023 at 8:30 a.m.

1. CALL TO ORDER

Chairman Duenas opens CCU Regular Board Meeting recessed from October 31, 2023. Meeting is called to order at 8:39 a.m. Present in the meeting, Chairman Duenas, Commissioners Limtiaco, Sanchez, Santos, and Martinez.

Commissioners:

Joseph T. Duenas	CCU Chairman
Francis E. Santos	CCU Vice-Chairman
Pedro Roy Martinez	CCU Secretary
Michael T. Limtiaco	Commissioner
Simon Sanchez	Commissioner

Executives, Management, & Staff:

GPA

John Benavente, GM
Jennifer Sablan, AGMO
John Cruz, AGMET
John Kim, CFO
Tricee Limtiaco, AGMA
Marianne Woloschuk, Legal Counsel
Joyce Sayama, Communications
Joleen Cruz, Communications
Vladimir Navassca, IT
Lourissa Gilman, Utility Board Secretary

GWA

Therese Rojas, Legal Counsel
John Dixon, IT

Guests:

Andrew Syverson, Sr. Director EPC, 174 Power Global
Lawrence Greene, Sr. VP, 174 Power Global
Frank San Nicolas, Guam Daily Post

Continuation of GPA Resolution No. FY2024-03

Chairman Duenas announces the meeting was recessed from last night and to finish up just the one resolution that's still before the Board. Resolution FY2024-03. Before you the revised resolution so it's all cleaned up.

Comm. Sanchez: I'm on page two on 2 C on the resolve, at this point of the project when we want you to show us approved financing. What does that mean? The loan has to close? I mean the burden still is on them to perform...

Comm. Santos: What do we have now? What is the current arrangement that said that we can proceed with the project?

GM Benavente: Well, first of all, we have all the milestones and everything and they're committing to us that they can do the project.

Comm. Santos: No John. Where is the current financing for this project? It doesn't exist, right, because they never turn dirt.

GM Benavente: They may have the current financing because they started on the project. Remember, it's just that they couldn't complete the project because the huge prices of the transmission and everything. So that's why they have done the site preparation at this point. So, they won't be doing all this, no, I won't I won't assume that. But, without... I know that they have funding to do and then to make this commitment the EPC they have the funding. So, all we're going to do from them now is show us the that you do have the funding. That's what the solution is asking for.

Comm. Limtiaco: So, John, I just to confirm the material difference in this language is just because of the amendment to the contract, right, with the adding of the battery the shifting capability with the battery right. So, the prior contract had the same basic language, what we're trying to say is, we want to see the renewed and approved funding for the amended contract, right?

GM Benavente: That's right. To give us more confidence that in fact you are going to make this happen and in addition to all the milestones and all the things that we put together to make sure that we throughout, at least for the first year, of every step of the process that they are on track to make it happen. This is an addition to that again just to again give assurance to all of us that the project will continue.

Comm. Santos: Can you go to the Milestone page, then, so we can take a look at that and because I think they said EPC was first quarter right?

Comm. Sanchez: So, technically they started yesterday on number one, right? Or that's a milestone?

GM Benavente: That's what we're hearing. Again, we don't know where the contract is yet but again, they could move on their own but unless they have an EPC, that would now give them the resources to look at the design, do all the engineering, and get subcontractors to do the work. It's not going to be very efficient.

Comm. Sanchez: When they sign the agreement, these are the milestones in the agreement right?

Comm. Santos: It's not attached. So going back, you're saying that you've heard because we haven't confirmed that they're grading the property.

GM Benavente: We have proof that there's roads, ponding basin...

Comm. Santos: Can you get us a permit from DPW that shows that they got a grading

AGMET Cruz: I can get it. It's on the map.

Comm. Santos: No, no. Why is it that when we ask a specific question you guys like to turn... no, is there a permit in place, John (Cruz), from DPW to grade. That's what's permitted by law.

AGMET Cruz: That's been completed.

Comm. Santos: So, get us a copy of the permit. You're asking us to make a substantial decision today, Okay. And, all I'm hearing is we have financing. I haven't seen a financing agreement but you're asking us to start at \$10 million for the next 25 years, John, where's the financing agreement?

AGMET Cruz: Well, they initially met that on the first part.

Comm. Santos: Then show us the financing agreement. Right now. Move to recess Mr. Chairman. I'm not going to sit here and be told there's a financing agreement in place to commit \$250 million. Get us a copy of the financing agreement for the current contract. Then you're asking us to amend a contract and what's going to be is it going to ride on the same financing agreement or is it going to be different?

Comm. Limtiaco: I think we talked about this yesterday, is that it couldn't possibly be the same financing agreement because there's new... there's an amended contract, right. So, you got the battery. I'm assuming that the battery... cost of the battery would need to need to be added.

Chairman Duenas: I would assume that if you have a financing agreement that the financing agreement could be amended. In other words, with their finances they go back and say here's an agreement, yeah,

Comm. Limtiaco: If I understand the project correctly, there's a reduction of 20 megawatts of solar panels for reduction so that cost goes into the batteries.

Chairman Duenas: Once you have a financing agreement, with the lender or your equity and lender, basically you're going to continue and we're going to make some amendments to this financing.

Comm. Limtiaco: Well, that's a material difference in their business model. Because the rate change, their revenue rate change, then there's more capitalization. I think Chairman, Comm. Santos was right that we need we need that language in there for the new financing.

Chairman Duenas: Then maybe it shouldn't be if it's procured approved financing of its updated approved financing.

Comm. Limtiaco: It says that. It says amended... as amended... project as amended. We talked about that last night.

Comm. Sanchez: I think in the spirit of what Commissioner Santos is saying, approved financing, I mean in this whole bid, he must have been talking to lenders saying I want to bid, do I have money, at least at a minimum, some commitment letter some... the fact that they may haven't close the loan or they're using some of their equity today... Again, it's prior to John's signing. We just need comfort that they have a lender behind them because, in fairness to the rate payer, this company's had struggled to get this project off the ground for whatever their internal right reasons were and I noticed their colleague, the folks that are visiting, I guess went to go find it. To me I was ready to ask that question to those folks do you have proof of approved financing prior to signing the contract. John B, I think you'd want to check all your boxes. You're going to go okay, where's the approved financing. I'm with Commissioner Santos that there's got to be a piece of paper that says they got something from a lender or themselves.

GM Benavente: The only thing that I am cautious about is signing the contract. I need to see the approve finances before signing the contract. This leads us back to the Ukudu Power Plant where the construction will be tied into when the financing agreement is completed. And, then to the satisfaction of Guam Power Authority, that they are getting the financing or have the financing and can show that they will complete...

Comm. Martinez: Just to follow up, this financing or this proof...is that going to come from the institution itself from a bank? So that document will be what we're looking at?

Comm. Sanchez: I think that's what commissioner said something to that... I appreciate what Chairman Duenas said, they may also be using their own money they may have their Equity but we need some sense of do you have the money? I think we're all on the same page.

Comm. Santos: You would think that in the multistep bid you technically qualify Hanwa so they passed that stage and then you said show us your finances. Okay, if that's the case, then where's the financials that supported this contract?

GM Benavente: Usually we look at their financial status and capability and make a determination that, yes, they have the means able do the financing agreement. Of course, early on in the project they have to go out get the financing before they have an approval. They have made preliminary preparations for that because again once you do get the financing what happens you have interest during construction. So, I would think that they would have the commitment already.

Comm. Limtiaco: I think the main concern is nothing relieves them of their performance bond and in order to get bonding you need to be able to provide the ability to finance a project.

Comm. Santos: So, maybe the question then is, the original project 60 megawatts were valued at, when it went out, \$100 million. So, the amendment to the contract now with 40 megawatts of solar and 20 megawatts of battery, estimated cost then is \$250 million based on \$10 million for the next 25 years?

GM Benavente: I can just give you a relative activity, I think the 60 megawatts there is about \$3 million Divided by 16,000 times 40,000 this is probably below 100.

Comm. Santos: Just for Piti?

GM Benavente: No, everything. Comm. Santos responds, okay.

Comm. Sanchez: How much was it?

GM Benavente: Probably about \$100 million.

Comm. Sanchez: For 60 megs?

GM Benavente: For the 40 megs. Again, the more batteries you have, that's a higher cost. That's the driver now is going to be the batteries.

Comm. Santos: If you look current financing that supported the first contract which exceeds 100 million...

Comm. Sanchez: That's why I like the logic of what we're proposing before John signs. We just want, I'm with Commissioner Santos, just some proof of financing. As the Chairman says, it could be a mix of equity and lender. Just put that together in a piece of paper or verify. Because as Commissioner Limtiaco says, if they fail on that, then you just pull them off.

Comm. Santos: Then \$4 million to go pull

Comm. Sanche: I was concerned about the phrase, procured and approved... I don't know what that means.

Chairman Duenas: John (Benavente), can I ask can I ask a question? On your Milestones up there? Where would they give you the approved financing? What Milestone can you tie in right now?

GM Benavente: It's like right now we're saying before I sign the contract, we're asking them go confirm all of this even before I go to the PUC.

Chairman Duenas: John, I like that. So, John, what we do is just add on, the successful completion of the project as amended and...

Comm. Sanchez: It says prior to the execution, Mr. Chair, prior to... line 58 before he signs it, he has to see what Commissioner Santos is asking. I don't think we're being over complicated. We're just doing the due diligence.

Comm. Limtiaco: This is what we amended last night. This is the language that we had.

Chairman Duenas: I'm just saying, doesn't that cover it prior to the execution contract?

Comm. Sanchez: He can't sign it until he sees the contact

Chairman Duenas: That's when he gets the proof of everything.

Comm. Sanchez: We're trusting him if we pass this, as written, we're just saying, okay management, John, you're signing this prior to execution and you got to show proof. I'm okay with that as part of our due diligence can we see whatever they have shown for proof.

Chairman Duenas: Well, you can still leave the procured and approved because it's prior to the execution of the contract they don't have to show it to him now but, prior to his execution of the contract, at that point, they have to show it to him. So therefore, just leave it alone the language works. I think we don't have to change any of the language because it says prior to the execution of the contract they shall submit. John will sign off when he sees that prior to you know as he's ready to execute the contract so I think the language is fine. We don't think we need to make any changes.

Comm. Sanchez: Counsel, what do you guys mean by its proof of it's procured? What does say to me, procured is I already bought it versus a commitment letter. You have a commitment letter from a lender. You're using your own money to start the project. I totally agree with the Chair, they could be using their own equity for now to build a road, to build the bonding basin. At the end of the day, their burden is to come up with a total dollar package. He, (Benavente) can't sign without proof from them that says here's my mix of equity and Loan. At the end of the day, to me that's all Commissioner Santos is seeking. My question is procured, what does procured mean?

Atty. Woloschuk: It means they've got it and approved means it something to be approved on.

Comm. Sanchez: Well, what's procured mean?

Atty. Woloschuk and Chairman Duenas: They've got it.

Comm. Sanchez: So, they must have the loan closed?

Chairman Duenas: That means they have the loan in place.

Comm. Sanchez: My question is, if there they may not have the loan in place before he signs in the next 45 days because they're using their own money. That's why my only objection was to the phrase procured. I'm okay with proof of approved financing because as the Chair says it could be a

mix of equity and debt. If they just show it to us now that this is how we're going to pay for it I'll get my loan in a year because I'm using my own money; I'll get it in 90 days whatever. That's why I was worried about the phrase.

Atty. Woloschuk: If it's your own and you've gotten it from yourself you've still gotten it. You've still procured it from yourself,

Comm. Sanchez: Okay. So, you're okay with this phrase?

Atty. Woloschuk: I think I think it covers that.

Comm. Martinez: So, is it okay to say, HEC Guam A shall submit approved financing?

Comm. Sanchez: Yeah, that's it. We shorten it completely take out the phrase It's procured.

Comm. Martinez: Financing means there it is there there's my document to proceed.

GM Benavente: My concern is if they don't have yet from the bank everything then it's going to delay the project. Because, again, similar to what is happening the Ukudu Power Plant, financial construction and completion, although they've been doing other work, the pool commissioning date was tied into to the financing. Although that's not necessarily in this case because we have put our foot down that this commissioning date is December 23 but again, I'm a little cautious because lenders can be very finicky if you will and they want all the dots and Ts crossed. I'm going to push them to move on this thing so I'm just be a little cautious that the word allows us that flexibility. Yes, they have showed us proof of the how they're going to fund this thing.

Comm. Sanchez: How about this, in the in the spirit of both commissioners Santos and Martinez, on line 58, I can make a motion to just delete the word of its procured and just have it proof of financing.

Because Commissioner Limtiaco hits the nail on the head whatever they give you is a piece of paper if they don't deliver after you sign because of whatever the hell happens you pull their bond. I guess to eliminate any uncertainty just proof of approved financing. Then it's John's call as to whether he's comfortable enough that this letter of credit, this letter from them saying I'm going to use 20% equity and 80% debt and my bank is ABC bank if you feel comfortable with that then you sign because if it blows up then we yell at you, right, and mostly we're going to yell at them, right?

Chairman Duenas: I see it a little differently, I think that they're ready to go. This is a big project for them so I like the way it says prior to the execution of the contract Amendment. Submit proof of its procured and approved financing at that point they can do that.

GM Benavente: Even as this thing is going forward to the PUC and get you more inform financing. Right now, it's on the stringent side of the equation there still time for me to come back to the commission next month and say this is what we have can we relax this because I don't want it to be a constraint.

Chairman Duenas: John, I think I have full confidence in you and I'm saying leave the language alone let's approve the resolution and they'll either put up or not put up. As the saying goes, I have confidence in them.

Comm. Limtiaco: In my experience, when you when you get a bond for a project, you know you need to present everything about the project look at everything you know there that underwriting is there's a lot of risk in it. It would be hard for me to imagine that they didn't already have it.

Chairman Duenas: I'm glad you pointed that out to me. Prior to the execution contract that's exactly when they have to submit it, they should put all the papers in.

Comm. Limtiaco: I'm still comfortable with the language as is.

Chairman Duenas: I like the language as is just leave it, I'm okay with that.

GM Benavente: Just one more thing Mr. Chair, if I may, Commissioner Limtiaco asked for an update on Exhibit D, the projective savings. The first part is the LEAC Rate, the second part I've given you two scenarios. One, is savings was Ukudu Power Plant comes on the line on 2026 of the first year. There's 2026 moving forward and two scenarios the second tier is at \$120 a barrel and I give you two additional scenarios because it's going to be a hybrid of the two that is going to be offset by the production of the renewable. It's either going to offset the Piti 8 and 9 which is the second most efficient machine or a combustion turbine in the mix. So in between \$120 a barrel the nominal 5-year savings will be between \$14 and \$63 million and \$150 a barrel will be will be between \$31 and \$ 93 million. Again,

this page also provides an overview as to why Renewables is a good hedge because otherwise, we will be paying this much more. So that's all, I'm submitting for the record.

Comm. Martinez: John, can you just let me know on the top part where it says the energy guarantee from the 1st to the 5th it dropped. What happened? They cannot guarantee anymore?

GM Benavente: The minimum guarantee on any contract of purchase, as time goes by, solar PV production goes down and so therefore it's reflected in all our purchase agreement contracts.

Chairman Duenas: So, Commissioner Martinez, when they bid and say they're going to provide 60 megawatts, when they're beginning, they're probably providing 70 megawatts. As the time goes down, they'll get down, but they're never going to go below the 60 so they go overkill in the beginning. Which helps them so that they can supply the whole contract without replacing batteries, okay? Commissioner Santos?

Comm. Santos: I'd like to go back to Item D and if you read the development security of \$4.6 Million, can we get the legal contract to read... that it should be because the document that's presented to us is a standby letter of credit. That's what is before us and it's good until July 8th of 2024. So, two things, is to attach this because that's the actual bond but the question I have is what happens at July 8 2024 when the contract is for December 31st of 2025? Should we ask now for an extended standby letter credit to coincide with the terms of the contract because originally, we started 2018, then it got merged, then it got changed.

Atty. Rojas: There is a provision that requires them to provide an update and the development security which is another standby letter of credit and the approximate amount of those standby letters...

Comm. Santos: And, where is that?

Atty. Rojas: It's in our agreement...\$4.6 million and they've already agreed to that so that will continue.

Comm. Santos: So, where's the financing agreement?

Chairman Duenas: I understand the concern but I believe the language in here satisfies that, okay? That's my call. That's my thought. I appreciate all the discussion but I think we need to bring this to a head and we're either in or out. I had a lot of concerns, but over time we've kind of massage this program and at the end of the day, if it falls apart, we get \$4.8 million and the rate payers have suffered because we couldn't quite... it didn't quite work out the way people envisioned it to work out but the deal is the deal. They're going to get so much money to deliver so much power and it's not quite perfect the way we want it to be. But I want to know then, can we get to the point where if this resolution has now with it just the way it is, if we're satisfied with it, can we end the discussion?

Comm. Sanchez: I was willing to make a motion to amend whatever we did yesterday and suggest that you pass resolution FY 20243 as revised on November 1st? I mean that's what I would think procedurally this replaces everything we did. Making a motion to substitute or just amend the prior motion to approve Resolution FY2024-03 and I amended to say, approved Resolution FY2024-03 as revised on November 1st on the document that's been provided to us this is the 11/1 version that they worked on last night for today. This would be the correct latest version. So, that's the motion I'm making and the second we can discuss and at least get it on the table.

Comm. Limtiaco: I'll second it. The only thing is, Commissioner Santos, does this satisfy the request you're looking for?

Comm. Santos: We need a line that says GPA. It's blank.

Comm. Limtiaco: As far as signing off? It says on the left here, I/A, what is that I/A? It's a grading permit so I don't know if GPA...

Comm. Santos: Then why are we on the approval list?

Comm. Limtiaco: This is a standard permit from public works for every agency.

Comm. Santos: The thing is, Commissioner Limtiaco, this is our project.

Comm. Limtiaco: No, I'm just saying that I don't think there's any GPA assets on the property that would require them to sign off? Is that correct?

GM Benavente: That's correct if we don't sign off on every building permit. There are some depending on what is relevant I believe has been by Public Works. That's probably the case here. Not 100% sure, but I think that's what happened here.

Comm. Limtiaco: It's just a cut and fill or grade and fill permit anyway, right? It's not an actual construction permit. They have to go through this entire permit again for the big project.

Comm. Santos: Guys, I'm just saying that's fine it's 3 years old, that's okay.

Comm. Martinez: There's no deadline to the permit? I mean once it's issued you have 20 years to complete?

Comm. Limtiaco: I think once you break ground, you're actively in construction.

GM Benavente: This is the permit for them to do all that because this is the solar PB site and so therefore they had begun this and again over time got help back for various reason. But, the same solar PB site will be utilized for the 41 megawatts.

Chairman Duenas: Well, you have any more discussion?

Comm. Santos: Call for the vote, Mr. Chairman.

Chairman Duenas calls for a vote; motion passes with four Ayes and one nay. [Aye = 4, Nay = 4]

7. ADJOURNMENT

Chairman Duenas announces, we're done. Comm. Santos motions to adjourn; Comm. Limtiaco second. Chairman Duenas asks all in favor; motion passes to adjourn the meeting with five ayes at 9:18 a.m.

//s/

Lourissa Gilman

Attested

FRANCIS E. SANTOS, Vice Chairman

PEDRO ROY MARTINEZ, Secretary

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CONSOLIDATED COMMISSION ON UTILITIES
Guam Power Authority | Guam Waterworks Authority
P.O. Box 2977 Hagatna, Guam 96932 | (671)649-3002 | guamccu.org

SPECIAL BOARD MEETING
CCU Board Room, Gloria B. Nelson Public Service Building
8:30 a.m., Wednesday, November 1, 2023

MINUTES

1. CALL TO ORDER

Chairman Duenas opens CCU Special Board Meeting, November 1, 2023 at 9:32 a.m. Present in the meeting, Chairman Duenas, Commissioners Limtiaco, Sanchez, Santos, and Martinez. This is a Consolidated Commission on Utilities special meeting.

Commissioners:

Joseph T. Duenas	CCU Chairman
Francis E. Santos	CCU Vice-Chairman
Pedro Roy Martinez	CCU Secretary
Michael T. Limtiaco	Commissioner
Simon Sanchez	Commissioner

Management, & Staff:

GPA

Jon-Rey Aguigui, HR
Vladimir Navasca, IT
Lourissa Gilman, UBS

GWA

Zina Pangilinan-Charfauros, HR
John Dixon, IT

2. NEW BUSINESS

This meeting will go on for several days because the Board will be evaluating the seven employees; two General Manager, two CFOs, two Legal Counsel and a Board Secretary. The Chairman Duenas will entertain a motion to go into Executive Session for the five employees excluding the General Managers. Comm. Santos motions to go into Executive Session; Comm. Sanchez second.

Chairman Duenas calls for a vote; motion passes with five Ayes. [Aye = 5, Nay = 0]

2.1. EXECUTIVE SESSION

2.1.1. Utility Board Secretary

2.1.2. GPA Legal Counsel

Back in open session, Chairman Duenas entertains a motion to recess. Comm. Limtiaco motions to recess to Friday, November 3rd at 8:30 a.m.; Comm. Santos second.

Chairman Duenas calls for a vote; motion passes with five Ayes. [Aye = 5, Nay = 0]

SPECIAL BOARD MEETING
CCU Board Room, Gloria B. Nelson Public Service Building
8:30 a.m., Friday, November 3, 2023
(Reconvened from Nov. 1, 2023)

MINUTES

1. CALL TO ORDER

Chairman Duenas states this is a reconvening of the Special Board Meeting from November 1st. The meeting has reconvened to today, November 3 at 8:44 a.m. Present in the meeting, Chairman Duenas, Commissioners Limtiaco, Sanchez, Santos, and Martinez. This is a continuation of CCU staff evaluations.

Commissioners:

Joseph T. Duenas	CCU Chairman
Francis E. Santos	CCU Vice-Chairman
Pedro Roy Martinez	CCU Secretary
Michael T. Limtiaco	Commissioner
Simon Sanchez	Commissioner

Executives, Management, & Staff:

GPA

John Kim, CFO
Jon-Rey Aguigui, HR
Vladimir Navasca, IT
Vien Wong, IT
Reginald Diaz, MA III
Lourissa Gilman, UBS

GWA

Ann Borja-Gallardes, MA IV
John Dixon, IT
Allen McDonald

2. NEW BUSINESS Continued

The Chairman Duenas will entertain a motion to go into Executive Session. Comm. Sanchez so moved; Comm. Limtiaco second.

Chairman Duenas calls for a vote; motion passes with five Ayes. [Aye = 5, Nay = 0]

2.1 EXECUTIVE SESSION

2.1.1 GPA Chief Financial Officer

Back in open session, Chairman Duenas entertains a motion to recess. Comm. Limtiaco motions to recess to Monday, November 6th at 4:00 p.m.; Comm. Santos second.

Chairman Duenas calls for a vote; motion passes with five Ayes. [Aye = 5, Nay = 0]

SPECIAL BOARD MEETING
CCU Board Room, Gloria B. Nelson Public Service Building
4:00 p.m., Monday, November 6, 2023
(Reconvened from Nov. 3, 2023)

MINUTES

1. CALL TO ORDER

Chairman Duenas states this is a reconvening of the Special Board Meeting from Friday, November 3rd. The meeting has reconvened to today, November 6 at 4:07 a.m. Present in the meeting, Chairman Duenas, Commissioners Limtiaco, Sanchez, Santos, and Martinez. This is a continuation of evaluations.

Commissioners:

Joseph T. Duenas	CCU Chairman
Francis E. Santos	CCU Vice-Chairman
Pedro Roy Martinez	CCU Secretary
Michael T. Limtiaco	Commissioner
Simon Sanchez	Commissioner

Executives, Management, & Staff:

GPA	GWA
Vien Wong, IT	Taling Taitano, CFO
Lourissa Gilman, UBS	Allen McDonald, IT

2. NEW BUSINESS Continued

The Chairman Duenas entertains a motion to go into Executive Session. Comm. Martinez so moved; Comm. Limtiaco second.

Chairman Duenas calls for a vote; motion passes with five Ayes. [Aye = 5, Nay = 0]

2.2 EXECUTIVE SESSION

2.2.1 GWA Chief Financial Officer

Back in open session, Chairman Duenas entertains a motion to recess. Comm. Limtiaco motions to recess to Tuesday, November 7th at 8:00 a.m.; Comm. Santos second.

Chairman Duenas calls for a vote; motion passes with five Ayes. [Aye = 5, Nay = 0]

SPECIAL BOARD MEETING
CCU Board Room, Gloria B. Nelson Public Service Building
8:00 a.m., Tuesday, November 7, 2023
(Reconvened from Nov. 6, 2023)

MINUTES

1. CALL TO ORDER

Chairman Duenas states this is a reconvening of the Special Board Meeting from Monday, November 6th. The meeting has reconvened to today, November 7 at 8:21 a.m. Present in the meeting, Chairman Duenas, Commissioners Limtiaco, Sanchez, Santos, and Martinez. This is a continuation of evaluations.

Commissioners:

Joseph T. Duenas	CCU Chairman
Francis E. Santos	CCU Vice-Chairman
Pedro Roy Martinez	CCU Secretary
Michael T. Limtiaco	Commissioner
Simon Sanchez	Commissioner

Executives, Management, & Staff:

GPA

Vien Wong, IT
Lourissa Gilman, UBS

GWA

Theresa Rojas, Legal Counsel
Allen McDonald, IT

2. NEW BUSINESS Continued

The Chairman Duenas entertains a motion to go into Executive Session. Comm. Limtiaco; Comm. Santos second.

Chairman Duenas calls for a vote; motion passes with five Ayes. [Aye = 5, Nay = 0]

2.3 EXECUTIVE SESSION

2.3.1 GWA Legal Counsel

Back in open session, Chairman Duenas motions to recess to Wednesday, November 8th at 9:00 a.m. Comm. Santos so moved; Comm. Limtiaco second.

Chairman Duenas calls for a vote; motion passes with five Ayes. [Aye = 5, Nay = 0]

SPECIAL BOARD MEETING
CCU Board Room, Gloria B. Nelson Public Service Building
8:00 a.m., Wednesday, November 8, 2023
(Reconvened from Nov. 7, 2023)

MINUTES

1. CALL TO ORDER

Chairman Duenas states this is a reconvening of the Special Board Meeting from Tuesday, November 7th. The meeting has reconvened to today, November 8 at 9:06 a.m. Present in the meeting, Chairman Duenas, Commissioners Limtiaco, Sanchez, Santos, and Martinez. This is a continuation of evaluations.

Commissioners:

Joseph T. Duenas	CCU Chairman
Francis E. Santos	CCU Vice-Chairman
Pedro Roy Martinez	CCU Secretary
Michael T. Limtiaco	Commissioner
Simon Sanchez	Commissioner

Executives, Management, & Staff:

GPA

Jon-Rey Aguigui, HR
Vladimir Navasca, IT
Lourissa Gilman, UBS

GWA

Zina Pangelinan-Charfauros, HR
Allen McDonald, IT

2. NEW BUSINESS Continued

2.1. Open Session: Potential Pay Adjustment

2.1.1. GPA Chief Financial Officer

The Chairman Duenas announces the completion of the evaluations of the GPA CFO, GWA CFO, and the GWA Legal Counsel. The scores have been tallied of their results. Starting with GPA CFO, John Kim. For a total score, he received a score of 3.7 out of four. Three is meets expectations and four exceeds. Comm. Sanchez states he clearly met cumulative competencies. Chairman Duenas states CFO Kim mentions where CFO Kim stands in regards to the 2017 Market Data Pay Scale. Comm. Sanchez states why not use the current 2002 Market Data even if it hasn't been adopted. Rather than formally adopt it and then have to go back and redo this. Comm. Santos notes that GPA and GWA has budgeted for the 20th percentile at the new wage determination. Whatever the Board decides, there's a budget set aside. We don't know if it's going to be enough. Because if you look at the Searle presentation, it was presented as to what can happen if the Board does certain scenarios. Comm. Limtiaco addresses HR Administrator, Jon-Rey Aguigui. The 4% increase slotted in the bottom table, for John Kim, will take him close to the 20th percentile in the 2022 survey. HR Admin Aguigui responds that is correct. Comm. Limtiaco asks, is that how this was formulated to try and see what percent increase would be needed to get them into 2022 20th percentile? HR Admin Aguigui states, no, we just wanted to provide your perspective, again, the green identifies the 2017 raw Market Data which is what we have in place currently. The 2022 is what's to be adopted. On the bottom, we wanted to come forward just like all the employees at a 2%, 3%, 4% of what they are currently making and then that would be the respective slotting. So, an example, Mr. Kim, he's currently making \$146,177. At 2%, that will bring him to \$149,159. That's a \$2,928 different. Comm. Sanchez asks what percentile would he be in on the 2017? HR Admin Aguigui replies, the \$149 will bring him closer to the 30th Market percentile of the 2017 Market Data. Comm. Limtiaco responds, that's what he has been saying is the 4% on the 20th

percentile for the 2022 survey, would \$152,987, is that correct. HR Administrator Aguigui states, that is correct.

Chairman Duenas points out that he had spoken with Jon-Rey, referencing the Alan Searle presentation, Aguigui came up with a number to get us to the 2022 Market Data wages. As a percentage of increase for the company, like what the rest of the government did at 22%, what would be his estimate? HR Administrator Aguigui replies, it should be anywhere between 5% to 10% differential. Chairman Duenas states, even if the Board adopts the 2022 Market Data, even if everybody moved, as a company, it would represent a 5 to 10% increase in the payroll cost. As opposed to what the rest of the government where they waited a long time and then move to 22% across the board. I think if we do the 4%, that solves that problem, but we haven't formally adopted the 2022 Market Data. We will schedule a meeting for that. In fact, should we have it in our meeting in November or have a special meeting? Comm. Limtiaco states, he thinks it should be added to the November meeting.

Comm. Sanchez states, it's important that we're doing this for the group we're working with, but the rest of the company needs to know what is the standard we're trying to get the employees to so we can retain contract and retain employees. We've lost a lot of employees to the federal government. It's also going on in the private sector, huge. Chairman Duenas is asking for guidance so it can be slot as an agenda item for the next meeting. Comm. Limtiaco thinks it's important to get it on the regular meeting and the Board should be ready to adopt it or not adopt it. Comm. Sanchez states the Board has used the profession consultants of Alan Searle and now other government agencies, almost all autonomous agencies as well. There is enough data to make a decision for the people that have been evaluated. Chairman Duenas states they can work to slot the employees that they've done and then deal with the whole company. Comm. Sanchez states for recognition, the Board the goal was to keep everyone in roughly the same percentile, but the board recognizes there are some unique positions difficult to recruit and Mr. Searle does a regression analysis, so some people are above the curve and some are below the curve. You try and push those below the curve up and if someone's above the curve maybe it's a small adjustment. It's also based on a wage survey done by a professional. Comm. Sanchez state he is comfortable to deal with those individuals now because they have the data and then do it formally for the whole company at the next CCU meeting. Comm. Sanchez is comfortable with the 25th percentile as they have crept up to the 25th percentile in 2008, but after inflation and everything else going on around the world, he was surprised how far they have fallen back with the Searle 2022 Market presentation. GPA's wages have not kept pace in our industry like similar positions. Anecdotally, we're seeing many engineers and people to the federal government in recent months because the pay is too low. Comm. Limtiaco adds it's not just the percentile, it's the adoption of the new wage survey.

Comm. Limtiaco points out the calculation for Atty. Rojas is incorrect...the calculation of percentage increases is incorrect. HR Administrator Aguigui responds, Atty. Rojas is a GWA employee. Chairman Duenas asks that they double check the calculations while they continue with CFP Kim's evaluation. CFO Kim's rating was 3.7 accumulative total. Comm. Sanchez states, Mr. Kim's aggregate score is 3.7 which meets or exceeds expectations. Comm. Limtiaco adds, closer to exceeds. Chairman Duenas states, in all of his areas, he exceeded; he went over 3.4, 3.7, 3.9. The aggregate is 3.7, but they did not fall below three in anything. Comm. Santos motions, Mr. Kim based on the schedule provided that they go with the 4% slotted, \$152,157 and it's a 4%. Comm. Sanchez seconds the motion for the sake of discussion.

Comm. Sanchez asks, what percentile would that put Mr. Kim in? Comm. Limtiaco states, on the 2022 market data, it would put Mr. Kim close to the 20th percentile. Chairman Duenas asks HR Admin

Aguigui, what is the recommendation to move GPA to what percent in the 2022 data? HR Admin Aguigui states, based of Alan’s recommendation, he had two. One would be to the 25th and the second would be to the 20th based on affordability. Comm. Limtiaco reiterates the performance of John Kim and he did rate above meets expectations closer to exceeds expectation. I think we all agree, he has done a good job. Comm. Santos asks, when does the wage increase become effective? Chairman Duenas states, usually make adjustments effective the first pay period of January. HR Admin Aguigui states, that is correct. The beginning of the first payroll would be December 31st. Comm. Santos restates the motion, we consider a 4% increase for Mr. Kim with an effective date of pay period beginning December 31, 2023. Chairman confirms, that’s \$152,157.

With no other questions, Chairman Duenas calls for a roll call vote. Chairman, Aye; Comm. Limtiaco, Aye; Comm. Sanchez, Aye; Comm. Santos, Aye; and Comm. Martinez, Aye. Motion passes with five Ayes. [Aye = 5, Nay = 0]

2.1.2. GWA Chief Financial Officer

Chairman Duenas begins discussion of CFO Taling Taitano. Her accumulative total is a four. Which means she exceeds expectations. Comm. Sanchez points out that this is a whole new industry for her and she has mastered it. She works well with management. Chairman agrees. CFO Taitano supports her employees. She has a very solid performance. Comm. Santos makes a motion based on the Board’s review and her performance; based on a 4% increase of her pay for a total of \$149,159; which places her in the 15th percentile on the 2022 Market study.

Comm. Santos asks Chairman what’s going to happen when they have the next meeting. The issue is affordability. Comm. Limtiaco agrees that is the issue. Making sure the utility can function...definitely it’s an affordability issue. Comm. Santos states, we come from a world where you don’t give payees if you can’t afford it. Comm. Martinez requests to entertain Santos’ motion since there was not second. Comm. Martinez seconds the motion. Chairman Duenas recognizes Comm. Martinez second and now it’s up for discussion. Chairman’s thoughts that on the executive side of the company that they hire, he would put them high than the rest of the company. Their wages have fallen back. He thinks the Board can give CFO Taitano a salary wherever they want to slot her and then the rest of the company will catch up. Chairman agrees with Comm. Sanchez, at least get her to the 20th percentile. Comm. Sanchez responds he is comfortable to get the whole company to the 20th percentile. The Searle presentation has showed what the impact would be financially if the Board were to adopt that standard for this review. For the small team, key people, that leads everyone, their performance merits a higher percentile.

Comm. Sanchez continues, payroll is a very small component to both GPA and GWA. For GPA, it’s tiny compared to the LEAC and Debt Service. They are the two biggest amounts that consume the power bill. The base rate pays salaries and we haven’t changed the base rate in over a decade and yet, we’ve managed to pay our people and move them up. What did we find from the latest survey? We’re back to the 15th, 20th percentile. Arguably, we haven’t move them up if 25 was out number. For management, he is comfortable to shoot for the 25th and or reward exceptional performance in order to retain Taling Taitano. Comm. Martinez personally feels that getting CFO Taitano to the 20th at 152. Just looking at her performance including the recovery of the typhoon, she is really working at it. She is also working on the bond market which requires a lot of work for the Guam Waterworks. He agrees to compensate her for performance. His recommendation is to move her to the 20th percentile. He would like to the manager what is deserving to them. Comm. Sanchez clarifies Comm. Martinez proposal to increase the pay to \$152,987 and Martinez agrees.

Comm. Limtiaco states just so the Board is on the same page, the 4% that was given to John Kim is at \$152,157 so maybe the compromise would be to match it. Because the CFOs are paid the same. The pay would be \$152,157 to match John Kim.

Comm. Santos informs Chairman Duenas that he withdraws his motion and Chairman accepts. Chairman Duenas asks HR Administrator Zina Pangelinan-Charfauros, what would the number be if the pay was closer to John Kim at \$152,157. Comm. Limtiaco states its 6.2%. So, it's like a 50% increase over John Kim. Comm. Limtiaco states it's not a percentile. Comm. Santos and Sanchez agree, we're giving her a number. Comm. Sanchez asks what is Taling's overall rating compared to John's? Wasn't it higher? Chairman Duenas states a little higher. Comm. Santos states yes, it was higher... 3.7 versus 4.0. Comm. Sanchez states he likes the 20th percentile of \$152,987 and he wouldn't worry about the \$800 difference. Since she was rated higher than John and they both did well. He is comfortable to the 20th percentile and it's \$152,987. Comm. Santos reiterates that he withdrew his motion. Comm. Sanchez makes a motion based on CFO Taitano's excellent rating that the Board move Taling to the 20th percentile in the 2022 Wage Survey of Alan Searle for the amount of \$152,987; Comm. Santos second.

HR Administrator Aguigui adds that's what the market is paying, but we still need to implement it based off the positions we do have and then adopt a pay scale. So, if you give Taling the \$152,987, we're going to adopt that, but not on our pay scale if that makes sense? Just that number. Chairman Duenas states just that number. That's what the Board is talking about. Chairman clarifies a second to the motion and Comm. Santos confirms that he second the motion. Comm. Limtiaco asks the Board that they don't want the salaries to be the same for the CFOs? It's a small differential. Chairman Duenas states he would support that. Comm. Sanchez replies, the fact that we asked Alan Searle to survey power wages and to survey water wages and the companies are slightly different, he is comfortable his wage scale. They are designed to be different. Comm. Limtiaco states it the same wage scale and therefore he is asking to either adjust John Kim's or the Board adjust Taling Taitano, they're the same. Chairman Duenas explains they are talking about CPAs. CPAs have to learn the business. He agrees with Comm. Limtiaco and put them in the same pay. They came very close in terms of their evaluation. Comm. Sanchez appreciates the discussion and the only reason he would agree to an \$800 difference is because Taling had a higher rating. That is the basis of his motion.

Comm. Santos adds that he sees moving forward with Taling is that she has a lot more on her plate in the year or two...the bond, the rate design, the financial modeling...I think she can do all these things. I look at Mr. Kim, we worked on reducing our overall GPA Property and Casualty premium by in my opinion, substantial amount and it wasn't and I kept on pushing him to get that number down and he did. That reflects the savings itself.

Comm. Sanches reiterates the motion is an \$800 difference between the two CFOs, it's at the 20th percentile. Comm. Limtiaco states he voiced his concerns and the Chairman acknowledges the discussion.

Chairman Duenas calls for a roll call vote. Chairman, Aye; Comm. Limtiaco, Aye; Comm. Sanchez, Aye; Comm. Santos, Aye; and Comm. Martinez, Aye. Motion passes with five Ayes. [Aye = 5, Nay = 0]

2.1.3. GWA Legal Counsel

Chairman Duenas announces, the one attorney is Theresa Rojas. Her total score was 4.1. Comm. Limtiaco comments on her review, Theresa took on the role dual counsel for GWA and GPA for the better part of eight months. I think she did a great job and her ratings show it with a total score of 4.1

which is above exceeds expectations. Comm. Sanchez states, her current pay is already below the 5th percentile based on the 2022 survey. Chairman Duenas asks HR Administrator Pangelinan-Charfauros is that correct. HR Admin Pangelinan-Charfauros responds that is correct. Chairman Duenas states if the Board gives her the 4%, she would be at \$132,953. Chairman restates, \$132,953 is just the 4% increase. The increases are 2, 3, or 4% increases. Comm. Santos adds that will take her to the 10th percentile. Comm. Sanchez agrees it will be \$132,598. If Rojas goes up to the 15th percentile it will be \$135 about a \$2,000 higher raise. For the record, the 25th is \$140 which would be \$13,000 range. It's evident to us, it's going to be a challenge to get everyone to the 25th, but we also want to reward our employees for good performance. She's actually the highest rated so far and she carried those two companies instead of one. Comm. Limtiaco adds during the recruitment process for GPA attorney, we didn't have people knocking on our doors while looking to fill that position. A lot of that had to do with our salary and benefits package associated with the job announcement. I make the motion to move Theresa to the 20th percentile which would be \$137,570; Comm. Santos second the motion. Comm. Sanchez agrees because it matches the Board's latest attorney hire which is \$138,353. Comm. Limtiaco wants to take Theresa to the 20th percentile which would be \$137,571. Comm. Santos adds which is the equivalent of almost 8%. Chairman Duenas asks if there are further discussion?

With no further discussion, Chairman Duenas calls for a roll call vote. Chairman, Aye; Comm. Limtiaco, Aye; Comm. Sanchez, Aye; Comm. Santos, Aye; and Comm. Martinez, Aye. Motion passes with five Ayes. [Aye = 5, Nay = 0]

Comm. Limtiaco states for the record and for clarification, the start date for all increases, all will apply on the beginning pay period December 31, 2023. Chairman clarifies with the HR Administrators for GPA and GWA, the first pay period will begin on December 31, 2023. Both HR Admins agree.

Comm. Limtiaco for the record requests the Commission to recuse himself from the next two evaluations of the General Managers. Mr. John Benavente, being the General Manager of his wife, Beatrice Limtiaco. As well as Mr. Miguel Bordallo being his first cousin. Chairman Duenas accepts his request and the Board has no objections.

Chairman Duenas asks the Commissioners to schedule the date for the General Managers' evaluations. Chairman asks if November 20, Monday, at 8:30 AM and all Commissioners agree. Comm. Santos motions to recess the meeting to November 20th at 8:30 AM; Comm. Martinez second.

Chairman Duenas calls for a vote. Chairman, Aye; Comm. Limtiaco, Aye; Comm. Sanchez, Aye; Comm. Santos, Aye; and Comm. Martinez, Aye. Motion passes with five Ayes. [Aye = 5, Nay = 0]

SPECIAL BOARD MEETING
CCU Board Room, Gloria B. Nelson Public Service Building
8:30 a.m., Monday, November 20, 2023
(Reconvened from Nov. 8, 2023)

MINUTES

1. CALL TO ORDER

Chairman Duenas states this is a reconvening of the Special Board Meeting from Wednesday, November 8th. The meeting has reconvened to today, November 20 at 8:46 a.m. Present in the meeting, Chairman Duenas, Commissioners Sanchez, Santos, and Martinez. This is a continuation of evaluations.

Commissioners:

Joseph T. Duenas	CCU Chairman
Francis E. Santos	CCU Vice-Chairman
Pedro Roy Martinez	CCU Secretary
Simon Sanchez	Commissioner
Michael Limtiaco	Excused Absence

Executives, Management, & Staff:

GPA

John Benavente, GM
Jon-Rey Aguigui, HR
Vladimir Navasca, IT
Lourissa Gilman, UBS

GWA

Miguel Bordallo, GM
Zina Pangelinan-Charfauros, HR
John Dixon, IT

Guest:

David Castro, Guam Daily Post

3. NEW BUSINESS Continued

Chairman Duenas addresses scheduling conflicts and asks the Board if there is a desire to recess the meeting. Comm. Santos moves to recess the meeting until December 13 at 8:30 am. There is some discussion of December 13 or 14. Comm. Santos withdraws his motion of December 13th and further motions to recess the meeting to December 14th at 8:30 am; Comm. Martinez second the motion.

Chairman Duenas calls for a vote and motion passes with four Ayes. [Aye = 4, Nay = 0, Absent = 1]

SPECIAL BOARD MEETING
CCU Board Room, Gloria B. Nelson Public Service Building
8:30 a.m., Thursday, December 14, 2023
(Reconvened from Nov. 20, 2023)

MINUTES

1. CALL TO ORDER

Chairman Duenas states this is a reconvening of the Special Board Meeting from Monday, November 20th. The meeting has reconvened to today, December 14 at 8:48 a.m. Present in the meeting, Chairman Duenas, Commissioners Sanchez, Santos and Martinez. This is a continuation of evaluation in open session for the General Managers.

Commissioners:

Joseph T. Duenas	CCU Chairman
Francis E. Santos	CCU Vice-Chairman
Pedro Roy Martinez	CCU Secretary
Simon Sanchez	Commissioner
Michael Limtiaco	Excused Absence

Executives, Management, & Staff:

GPA

John Benavente, GM
Jon-Rey Aguigui, HR
Joshua Manibusan, HR
Vladimir Navasca, IT
Lourissa Gilman, UBS

GWA

Miguel Bordallo, GM
Zina Pangelinan-Charfauros, HR
John Dixon, IT

4. NEW BUSINESS Continued

4.1. GPA General Manager

Chairman Duenas addresses GPA General Manager John Benavente. GM Benavente will go through highlights of his accomplishments during the past year. There have been a lot of accomplishments not only for him but for the GPA teams for the good of the community. Going through Typhoon Mawar, provides a benchmark of how the utility is doing financially and its resiliency.

Comm. Sanchez comments that GM Benavente's evaluation presentation received by the Board will be uploaded online along with his rating. Comm. Sanchez also adds for the public, the base rate is what pays for payroll administrative costs, Debt Service, everything that's not fuel. Fuel and the solar contracts that's run through the LEAC. The base rate has not been adjusted in over 10 years so whatever pay raises have been granted to employees or to management has been paid for by a base rate and that hasn't changed in 10 years because of the efficiencies that our management team and our employees have been able to generate the savings that they're able to generate. They're able to reward themselves with any pay adjustments for the last decade without raising the base rate to the rate payers. That is a tribute to the entire team at GPA from management, to linemen, to customer service people to find ways to save money for our rate payers. There is a misperception that a pay raise to anyone, our employees or our management, has created an increase in the power bill... it has not. The base rate has not changed for a decade because of the capability of management and employees to live within their means. This elected commission has also mandated that our team live within its means. The only thing that's changed on the power in the last decade has been a result of the changes in the price of fuel. Chairman Duenas adds, it's important to note because we set the pay for our employees it's not set by the government Guam which

recently granted a 22% increase in pay from the top to the bottom... across the board. We don't do that and that way we manage our funds better.

GM Benavente begins, financially sound unstable, as noted, we haven't changed the base rate in in 10 years our financial statements are clean. We have 60 days of unrestricted cash, Dept Service coverage 1.65 as of August 2023 despite Typhoon Mawar. We lost revenue but we recovered quickly and therefore our bond ratings that were put on watch, we eventually came back and made it all stable because of our quick recovery and of course our resiliency. Physical hedging, fuel storage, 85 megawatts of solar that's on the line and again there's more to come in terms of the work. This is putting us in a financially sound position. We minimized our losses from Typhoon Mawar and the bond ratings didn't get downgraded. Usually, we in a very isolated location, the rating agencies are always looking at one, fuel impact, typhoon impact and it's not unusual at all for us to get downgraded even despite our fall because of our infrastructure. Well, because of our infrastructure that's been put in over the years now, that did not occur. So, we maintain our ratings which is investment grade rating for us. We have the continued impact of fuel oil prices that went through us over the past couple years. In the last year we went up to \$47 million of cash reserves that was utilized to help the customers to alleviate the increases. In fact, we did decrease the LEAC this past year in June from the \$0.31 to \$0.23 cents. We did file with the PUC in November requesting not to increase the LEAC despite the oil prices climbing to the \$120 plus dollars a barrel. For the record, the good news is that fuel prices have been coming down and it's now around \$105 a barrel. So, hopefully, by the time we get to January, that will help the decision with the PUC on the LEAC because we provide the LEAC projection in November and our recommendations to the PUC and then the PUC makes that decision. As you can see, \$117 a barrel in September. I looked at the record the day before yesterday and we're down to about \$98. We're tracking downwards so that that's good news.

The budget, Mr. Chairman, I'm happy to say for the second year of our two-year budget... first of all thank you the Commission and Finance Chairman Santos for the two-year budget process. Through Commissioner Santos and the CCU, we have a two-year budget that will flow through the next year. Again, we have been able to stay within that budget. This year's expenditures our budget was \$86 million and we came in about \$68 million as noted by the CFO. Part of that is because of the Typhoon Mawar where we were not spending. Usually, we will come in about \$6 to \$8 million below what we budget for various reasons.

Manpower, in 1997 we had about 678 employees in Guam Power Authority. In 2013, when I first took over, we had 512. As of FY2023, we have 408. I'm not saying that's the right level. I'm thinking the level will be a little bit higher. What's going to happen is that now the 50 to 60% of the workforce are eligible for retirement. Because of the DB plan most of the employees in that plan are starting to all retire and that is a big transformation. We've been doing the apprenticeship program and now we're going to be adding FTE because apprentices are graduating. They are going to be fulltime employees of the utility. So, between 400 and 450 will be about the right size for GPA. When Cabras One and Two are retired that number may lean towards the 400. Again, I'm getting ahead of my presentation, but how does that happen? That happens through technology improvements, manpower efficiencies with utilization of all those and providing the resources for people to do their work.

Comm. Sanchez asks under the appointed board, in 1997 GPA had 678 employees? And now, 26 years later and 20 years with an elected board, GPA has 400 to maybe 450 employees? GM Benavente responds, that is correct. Comm. Sanchez continues, so it is no longer a dumping ground for the political process under an appointed board. Chairman Duenas and Commissioner Santos clarify it's 408 employees. Comm. Sanchez adds the elected board has been far more responsive to the rate payers to reducing the amount of people that work here and the team has been excellent. They are doing more with fewer people. That's 270 fewer people than 1997. That's almost a 40% reduction in labor under the elected board. Comm.

Martinez asks when did John take over? GM Benavente states late 2014. Comm. Martinez replies, well, even at 2014 from 512, he brought it down to 408 that's over a 100 people at 20%. GM Benavente continues then team is good. The biggest challenge we're having is we're training the younger generation to bring on board because the employees will retire through the DB plan. If we get over the next five years next generation will take over so we have been training heavily.

System Reliability, Mr. Chairman, the Commission in approved the Integrated Resource Plan. In the Integrated Resource Plan they looked at the new generation, they look at complying with the USEPA Consent Decree, they look at renewable energy, storage and transition to cleaner fuel. Remember, for over for 55 years or so we were burning heavy oil... cheaper but of course dirtier. Now, the island as of December 2022, last year, we're burning only Ultra-low Sulfur Diesel. This didn't happen overnight. If you recall, we've had to make conversion of the Piti 8 and 9 units. We had to change out and burn out all the heavy fuel that we had in the tanks while we were bringing in low sulfur fuel. The key is that we are achieving the clean Integrated Resource Plan as put together. The cheaper and cleaner fuel is costlier but again we're working towards it and that's the future.

The Ukudu Power Plant, I am negotiating an accelerated commissioning of the Ukudu Plant to be as early as September 2025. That's almost four months cut back on the on the schedule. That's a huge help for us because it will save somewhere in the neighborhood of \$5 to \$10 million a month in fuel cost by having it earlier. It will provide us the reliability and lower the power bill. That will have an immediate impact on our consumption and therefore the LEAC which will benefit our customers. Typhoon Mawar caused construction to be delayed so now we are working to try and get this up earlier.

The mandate is 50% Renewables by 2035. Our goal to achieve that is targeting 2030. We will achieve that. We're looking at being somewhere in that neighborhood if the bids that came are desirable to all and be approved. We could achieve 50% by 2027. Potentially, there's no recommendation yet but we're now working towards that. So, clean energy, renewable transportation, lower fuel, and the PUC has approved as the CCU did for us to begin the LNG study in 2024. So, therefore natural gas potentially as was previously looked at could save an additional \$35 million a year from lower cost maintenance and a lower cost fuel. So, we're going to go through the process in 2027 and the have the study completed. Comm. Santos asks, when will the LNG Study going to be completed? GM Benavente states, that study will be completed towards the end of the year of 2024. They just approved it in November.

GM Benavente continues, you have to consider that Ultra-low Sulfur Diesel is a commodity fuel. That's actually is utilized throughout the world for everything, so unless they start going more and more to electric vehicles if the if the utilization of that keeps going up so therefore natural gas gives us an opportunity to have an alternative towards a more sustained and cleaner and cheaper fuel in the future. You're correct the infrastructure is going in and it's being constructed so that we are in that position. We're not trying to catch up anymore. Phase IV Renewables, we're currently in Renewables we're currently about 16%. The bid that the CCU approved which went out last December and it took a while to get this through... there has been five proponents that have been qualified to move forward and the bid opening is December 20. We will take a look and make our evaluations and come to the CCU and then subsequent to the PUC. We will know what those numbers look like. You're looking at operation within 36 months after that. The bids that are in there are enough actually to bring GPA to as much not if you were everything it gives you up to about 50%. But, that's really up to the CCU.

Comm. Sanchez says, remember, under the CCU, we worked with Speaker Ben Pangelinan and we developed the first Integrate Resource Plan that included the Renewables and the original goal was 25% by 2035. We're already at 16%, John says we may actually be at 25, 26% in the next few years. 10 years ahead of schedule. So, the Legislature wanted to be more aggressive, we're being more aggressive, but

the original number was 25% by 2035. We are in 2023 where it's 16% and John you're just saying within a few years we could exceed 25%. We're 10 years ahead of the original schedule. GM Benavente adds, everything is in the table now is awarded, 50% by 2027. Again, our target is 2030. That's the good news at least there are proponents out there that are confident and coming to the market. Again, why are they confident coming in here and signing a 25-year contract with the utility? Because they know the utility will pay and honored all these contracts to over 20, 30, 40 years. Actually, 20, 30 years of contracting with the utility with IPPS and everything so therefore that's all one reason why having a very financially sound company helps others come to provide. In that magnitude, again, Phase IV is about another billion dollars of investment by the private sector to produce energy that we will buy with them taking all the risk. That was a decision that was made by the CCU and the PUC to minimize our risk. Renewables it's been here a few years but it's still evolving. Just like when you say why not go to 100%? Well, again, we can't go to 100% until at least we can survive with 50%. During in the 50% you put in all the technologies necessary to get to where you say, okay push the pedal down. You push the pedal down now maybe crash. So that's the process. This decade is going to get us to a position where we can look at 100%.

Chairman Duenas adds, I think John, one important thing that we may we have to make sure is that as you go forward, we inform the public about this because some of them are concerned that you're building Ukudu it's going to be around for 25 years well you have 100% renewable... No. There are five countries in the world that consider themselves 100% renewable and none of them operate strictly on renewable for 365 days. Costa Rica is a good example they have a lot of Hydro power and what happens is last year maybe for around 300 days they were strictly unrenewable with their hydro power solar wind, whatever they had, the other 65 days, they have to turn on their generator. So, that Ukudu Power Plant is going to serve even after we get to the 100%. You need to have fossil fuel generators. No country in the world that is considered 100% today has 100% of the time... it doesn't work like that. Even the windmills they have they go down, they have to be serviced, they have something has to be there. There's a misconception that some people think well, maybe, you don't need to build this new generator... we got a lot of push back when we started to go down the road of building a new generator and I remember your comment was this is the last generator we're ever going to build and it's it works well with Renewables because it goes up and down fast but most importantly, John, the LEAC for that new generator is at 17 cents a kilowatt hour. It's in line with the eight and a half or nine at Marbo. It's in line with your goal which you've stated many times that you want... the proposals can't go over 15 cents because your target is 15 cents. Renewables, the last one that we had to work with Hanwa to keep that in play to bring in renewable was 14.83 cents so under the 15 cents that's the key. We want Renewables they have to bring in a good price. It's not Renewables at any cost because that cost gets passed on to our rate payers so we have to be aggressive in getting that cost. We just need the public to understand that that that generator is not just for 25 years it's going to serve the public for a long time even after you get to the 100% renewable concept.

GM Benavente adds, just one addition, by having solar storage batteries increases your rates by 7 ½ cents a kilowatt hour so if you have 10 days of reserve because you with that happen as shown in in 2019 or 2020, we have 19 days where there's hardly any sun then it's not affordable so, yes, you're correct our goal is to provide energy and an affordable rate. Chairman Duenas replies, yes, and with the exception of storm which nobody can control... Our record, I remember once before the storm we were talking about 96% of the time your power is on. Comm. Sanchez adds, I think it's 98%. We got to do a better job of explaining that because the media focused on the on that. Well okay, you were out for 180 minutes if that happened in 180 days your average time would have been 1 minute a day but for circuit, it was about 15 hours per circuit in the last 90 days is what you presented last time is what the average circuit which is, we're all in a circuit right, the average circuit was out 15 hours which turned out to be 98%. GM Benavente interjects, what I showed for the past three months which is has been the worst period because of the high demand period and our need to get back on our feet is we serve 99.5% of the energy needed to be served. Only with 0.05 again, no consolation with load shedding but that meant the community functioned

and so that's where again December is already less as we can see it's been almost three weeks now that we maybe had two days of impact.

Comm. Santos asks GM to explain what exactly is Guam International Airport Authority talking about because I'm concerned that if we're not a reliable system then take them off the program let them go and we don't they don't have to participate. No one's forced to be in this program but at the same time when you need our help, they're the ones calling. I'm thinking that you know when we really look at the customers if the customer like Airport Authority if it's not working for you and get off. If it's not viable and we're destroying your systems then work on your own you have your own generators then power yourself to your generators. It's unfortunate that the system is not 100% working but that's why you have generators. I thought this was a viable program for the community as a whole and then to come out and say you're the cause of all this... I don't we're the cause of their escalators being down, their elevators not working and all that. On one side we're all the same Guam and then you're... so I'm of the opinion take them off. Don't include them anymore in our interruptible programs and we go with the customers that want to work with us.

GM Benavente responds, I understood...yeah that was disappointing but I think they also made a decision without all the information so you're correct. I'll put that together and I'll see whether they used the they understood but you're correct. They can always get off the interruptible program. It's a volunteer thing we don't force them to do that. I went to them in the beginning because we're government entities and we should try and help each other and they did. Chairman Duenas states, we want to serve all our customers but we want to remind them this is a volunteer thing.

Infrastructure Resiliency Plan. GM Benavente states, coming out of Mawar, we look at we're 99 point something in concrete poles. We're shifting... coming from the fastest recovery which is still really not where we want to be, underground systems now will help us get there. Therefore, there's been a very strong concerted effort to look at ways that we can help to get underground funded here. We've been working with FEMA not only for the reimbursement of the 90/10 but also in the mitigation funds for longer term. If you recall, Virgin Islands got \$2 billion, Puerto Rico got \$11 billion, our program will take \$6.4 billion. It will get us to an underground system with modeling. We've been talking to FEMA, the military branches and... so we've been working very well with the federal entities and I've been communicating with them our immediate needs to really provide that service to everyone in the community. Including the DOD, NAVFAC, we've been working very well with them. They are 20% of our customers. They pay 20% of our debt and of course have been a stable customer, In terms of recovery infrastructure investment we restored 99% within 50 days. We accomplished that with a strong team for recovery and we had inventory. We had \$15 million of inventory. We didn't run out of transformers I had to remind people this storm, don't worry we had the inventory. Concrete poles again 99%. So now we have been doing hybrid, Commissioners remember you put in Haggan, over 500 customers got back very quickly because their secondary was underground from the pole all the way to their homes. Talofofo, several hundred, Dededo another 400. We have been moving with what we could afford...without raising the base rate. So, all of this with some help will now begin to get us further and further along. Chairman Duenas adds, if the federal government treated us the way they treated the other territories, you would have the money you need to do a lot more but I think that's significant, John, the fact that we are putting in underground systems without increasing the base rate... we're finding efficiencies where you do more with less. Comm. Sanchez asks, John, what's your expectation with FEMA timeline feedback any preliminary feedback? GM Benavente states, we should be getting through with us with our reimbursement part. The mitigation, I had a visit from them and I did ask in the beginning, as in Typhoon Pongsona when it was maybe \$20 million, \$30 million of fundings available, was is it around the same again? I need to plan and if that's all you're going to provide, I need to find other ways to get it done. They said they had this mitigation process that brings in more money. Depending on the ratio of how you

mitigate future costs by making this investment. We're giving them all the information to put in... they have the model. Once that happens in the next few months perhaps but everyone, I talk... Comm. Sanchez interjects, sometime next year we might get an answer from them on what they can do for future mitigation, that's the big money. The reimbursement for typhoon damage that's the small money. Comm. Santos comments, every single year they just approve NDAA and that's billions... I didn't see anything that talked about our side of the infrastructure. Comm. Sanchez responds, except that Congressman Moylan the project I'm working on this side with the Congressman, we got him to put in a placeholder the US military has to study undergrounding. He put it in three months ago now it's passed. Within a week of him just announcing that he'd put it in they met with John. So, John, like the FEMA piece, is talking to DOD. DOD made it clear they can't just easily take it out of their pocket and do the civilian side. But DOD also recognizes that their whole labor force lives on the civilian side and much of their own soldiers and sailors and air people live on the civilian side, outside the fence. So, they're very sensitive to that. After Pongsona they hardened to Anderson's gate and Anderson was really happy until they got inside the gate and then Anderson and big Navy reminded themselves and the entire world that those bases are 50 years old, they had leaks...they didn't have underground. Right now, big Navy wants is going to want to underground they talk about Polaris to their gate. John's been pushing... let us do inside the gate. You keep giving it to the boss contractor we know what to do. It's like \$12 billion for Anderson and Big Navy just reconstruction of their base and hardening inside the gate. Anderson was going what good is it just to the gate? Everybody got you know spoiled by 20 years of no typhoon you didn't have to spend the money. Well typhoon showed up and we all realize how old it is. They're putting in a big chunk of money once they can sort out their undergrounding piece from let's say Polaris to them gate, they're talking to John about undergrounding and John's trying to coordinate that. That's where the FEMA money helps us put the deals together. My hope is in the next six months or so when FEMA says this is what we can do.

GM Benavente states, I can discuss some of my meetings throughout the year and first it started with the Secretary of Defense Air Force and even INDO PAC. Later on, they started sending in the staff, the assistants, and all with the same messages going through. This past week I had from the Air Force Office of Energy assistance. They're the ones also working on how to integrate some this system. I think the study produces the numbers down the line. We're very consistent everyone depends on energy from GPA. GPA has a plan how to make them more resilient and we presented that in every stage of the game and hopefully funding starts to come down. One question FEMA had for us was, if we gave you all that money how long would you get this job done? My answer was at least 10 years. At least that's an indication they're thinking about. At least the conversation is there so that's what I can assess at this time. I mentioned earlier we are burning now Ultra-low Sulfur Diesel and Low Sulfur at Cabras and where we're heading with the new power plant.

Physical Security, you passed our Proof of Concept. The PUC has passed that so we're putting in our first set of Proof of Concept after that then we will fund the physical security for the GPA assets and the GWA assets. We have to have really a strong physical security in that area. Our team has been successful in Grants. DOE and the E-Lab they're all coming here because we're all trying to solve how to integrate more renewables into a system so they work together. Guam is a perfect model because we're doing it from cradle to grave. They've really been supporting us in various areas and again we're getting grants for that. We're working to achieve through all of those studies towards renewable energy by 2030. I mean we're having 2030 be the discussion now not 2035. So, we are getting grants to achieve that.

Affordability, again, our rates have not changed since about 9.4 cents since 2013, that's on the base rate, the LEAC had dropped from 31 down to 23 cents. We're recommending to hold it but fuel prices are dropping. Again, holding it even though we're still under recover \$10 - \$20 million or so because again, we're... Comm. Sanchez states, 21 years ago under the appointed board, we had no cash to front for the LEAC. And, we're able to front \$47 million, we can front \$20 million, that's thinking about the rate payers

and their burden. GM Benavente would like to note, that sometimes it's said that GPA gets the \$5 million a month, that's just a past through. We don't get any subsidy. Chairman clarifies, you're talking about the subsidy to the rate payer. GM Benavente responds, that's right, for the record, to be clear, we do not touch one penny of that. That just goes from the government as for their desire to give it to the rate payers. What we have done, is implemented it. How do you give \$5 million a month to the rate payers? Well, you got to have the technology to be able to do that which is an important thing. We need to make sure the public understands there's no subsidy to GPA, 100%. Not one penny goes to us. Comm. Sanchez adds, 9.6 cents, we've run the company on that. 9.6 cents a kilowatt hour for the last decade and that's covered everything except for fuel. GM Benavente continues, do we do it through labor, technology improvements...

Comm. Sanchez states, we've been able to maintain it. It's also allowed us to have over \$47 million in reserve cash that when COVID hit, we were able to front on behalf of all the rate payers. We spent three years recovering that \$47 million. 20 years ago, when the CCU was first elected, there was no cash to front anything. The Chairman will remember when we were on the PUC, if it was \$3 million, they would run for rate relief now we can go up to \$47 million of advancing on behalf of our rate payers. During COVID, when things were really bad for everybody, we thought about the rate payers and said let's use some of our reserves we'll pay for the fuel and we'll get that back over time. Basically the \$47 million which we're going to be even with the current LEAC proposed, we're still going to be \$20 million short next August. In the last four years, we have fronted between \$20 and \$50 million of fuel costs to our rate payers to keep the LEAC as low as we can keep it. When it went up to 32 cents, it was to recover some of that money and now we reduced it last June. Even next August it'll still be \$20 million. We couldn't do that 21 years ago under the appointed board. There was no cash, there was no reserve, there's not even a concept of it. And, that's the difference between having an elected board and having... look how many fewer people we had under the elected board almost 40% fewer employees under an elected board because we're accountable to the rate payers. Not to a governor. Not to the Senators that confirm us but to the rate payers. It's produced these kinds of dramatic reduction in payroll, build up in cash so we can front LEAC money and spread out the recovery over three or four years. That was impossible 21 years ago. The final thing I just want to add, when we took office in January of 2003, one month after Typhoon Pongsona, the appointed Boards of Power and Water had not met the entire month of December. They didn't even meet, we were in a typhoon, they didn't even meet to help their utilities. Here we are meeting right after Mawar, dealing with Mawar, that appointed board abandoned their job after Pongsona for one month.

Chairman Duenas replies, so John, for me it's important that we make sure that the rate payer understand not only are you doing your job, but our systems are secure. I think I'd like to highlight the cyber security that we do. That's important. We know that they are trying to hack us, but we have not been hacked and we are tested by all different agencies like the Coast Guard... we have a strong team and we get all the assistance we can get. We're investing heavily into cyber security again no base rate increases we're accomplishing all of this through the efforts of you and your team and the people of GPA. We have to stress that. GM Benavente adds, I think we haven't done a good enough of a job because we're not finished. The team, we've done so much that this is just an extra thing that without the team, I can't do anything. If I may add Mr. Chair, we have touched over 20,000 applications for the land site management rebates. We're giving over a million dollars a year in rebates to customers to buy energy efficient air conditioners which lowers their power bill rate. That also lowers our revenue coming to GPA and my point to that is that's fine that's what we want our customers to do. But, sometime out there is, oh GPA does not want you to conserve because they're going to lose revenue. No, we adjust and that's why we're providing DSM Revenue to our customers for the rebates. The PUC actually approve about \$3 million a month because we know the value. If I reduce your consumption at home even the rate my rate stays, your cost will come down. So, that's what's happening today. GM Benavente agrees with Comm. Sanchez as he states, that's less generation of power we need to create because people are using less power so

everybody wins under the DSM program. Everybody wins when they reduce their power consumption. We've got to do a better job of outreach and education and one of the things we can talk about going forward. GM Benavente states, we've done a lot our team has excelled from going from really hardly any communication to now social media. We can consistently get the media and the public informed. We have newsletters every month and we have a strong team that writes that.

Employee Service Awards, we started it up since COVID. Weekly employee newsletters to improve morale...really love your company. Safety Award of Excellence, we made the safety award second place this year. This was against all national APPA companies. Expanding intern programs, we have cyber security, accounting, other interim programs where we bring in. The Department of Labor, we graduated 16 and there's 16 or more graduating in early this coming year. Actually, the announcement for the next cycle that we're going to hire for apprenticeship. We're hiring close to 30 additional personnel to train more underground system as people leave. Labor Day, very successful GPA and GWA always come out.

Comm. Sanchez asks, we're current on our Consent Decrees, no issues with USEPA, Department of Justice? GM Benavente responds, we're working with them on the new the change of the timing Mawar has delayed Ukudu. We're trying to get all that information but we will we're working to get that all done. Cyber Security has there's a lot of information... we even had a conference for it and we had everyone under the sun in this conference from the military and again hats off to our team. Customer service we took care the putting out the rebates, Energy Efficiency we're actually coming up with an audit, we're very customer focused, affordable rates on a sustainable basis and customer centric. Award of Excellence, we had print and digital what we're showing the public is being recognized and awarded the American Public Power Association saying, you're really transparent and communicating with your public with your customers. Empowering Energy Conservation Energy Office we're working well getting those done. Outreach, we've been going to school career days, we've been we've been trying to get the students to come out and be curious in power. We're starting early we know we have to go to the school. These are things that are not said out there but is happening throughout the organization. There's your recovery plan Mr. Chair, we are working on this and we make further improvements and I have a report for you in January as to where we are. The latest thing is we're going out an emergency procurement now for the 41 megawatts the CCU has approved that. It's not as easy as just plug and play because now we work with Guam EPA and USEPA on permitting of these issues. This is very complicated process that we and the team are going through and you saw us working on the board to get that done. The good news is right now, tap on wood, we've been able to minimize...mitigate load shedding...the weather is helping but we continue to move forward. The media campaigning, why are we pointing out water heaters and all of that? We're planting the seed is such that later on we could provide incentives for load management where we can control your water heater when we need it but we'll reduce your rate during peak times. So that's coming down the road.

Long-term capacity, Phase IV, there's the Hanwa that we're looking at the consent decree. We are working on a virtual Power Plant sometime next year we'll get that out but we have we have to put all these things together. Mr. Chair dockets approved by the PUC, I think if you look at the list, these are all the CCU approved the Pu approved effort has to be seen. I have a very good people under no uncertain terms I cannot do this work without the team that I have. Presentations, Department of Defense, the latest one with the Air Force Office of Energy Assistant and the Office of Secretary of Defense, cost assessment, and program evaluation team, they will come here and take a look at the all of the scenarios that we're looking at. Consent Decree, we're working on the Mawar scenario this is what we've done and completed and continue to move forward and our recovery... Chairman Duenas adds a short note, the consent decree, if Mawar had not happened, we wouldn't have to be doing a lot of stuff. That's an act of God but we're still working on it. GM Benavente continues, the power plant is they already it's on the second level they're building already the fuel tanks.

Typhoon Mawar, how fast we got GMH, Tumon Bay, remember the underground for Tumon Bay now provided fast power recovery. The APPA Awards, this is not a local John Benavente award, this is the American Public Power Association Award, national of all the public utilities, the Smart Energy Provider Excellence in Public Communication Awards in both Print, Digital, and Social Web, and second place Safety Award...

Comm. Santos asks, the street lights in Tumon are solar powered, I understand they are not ours; they own poles? GM Benavente replies, they own the poles and the lights and they actually have a central area where a whole bunch of lights are controlled by that. So, they're doing that by meter but then the solar lights are not metered but they only have it on one half right now. I think they're just testing it out. The issue now is the battery system would be adequate because 4: or 5:00 in the morning it's dark. That was brought up to me by the mayor of Tumon/Tamuning. I saw it actually on December 8 going to mass. I think either they have to readjust that but the battery system may not be adequate. Comm. Santos continues, it was brought up to him that there is a correlation between the kind of traffic fatalities that we're having and the lack of lighting along that stretch. They say it's basically front gate Anderson all the way down to Dededo. I said we can take a look at it. We can put some more lights put some more street lights...anything we can do from our end. I'll send our engineering team to just make an assessment because right now, DPW is the customer so they ask or we'll take the extra step take and evaluate and then make a recommendation. Comm. Santos mentioned the taxpayers pay the street light fund. GM Benavente states, we can do that now because we even have the GPS on every pole, we know every light so we can study that and make a recommendation. Chairman Duenas replies, John, that's a good point you reduce the cost per pole per street light because of the LED lights so that's allowed the government to say put more lights on. Comm. Sanchez adds, we may need to work with DPW for more poles and lights and also if it's federally funded. The lighting requirements for federally funded roads is very specific and the kind of lights we've put in but maybe we can sit with DPW and say what would be better for our consumers and if we need X more poles/ lights work together see if we can figure it out. DPW does get funding from the vehicle registration and we can stretch that money...let's come up with a plan and then we can see what's the best way to implement it.

GM Benavente states, one, thanks to the efforts of our Vice Chair, where we are today is we have given them the specifications for the bid or for the RFP for a Performance Management Contractor to again provide the management and Engineering expertise for them to do their maintenance utilizing the employees of DOE, just like we do today with our employees have a management team. With a budget of about \$25 million a year, and with the Performance Management Contractor bringing in a financing capability of about \$25 to \$50 million. Get things done \$25 million work and pay over 5 years that is our recommendation. The second one is that they appoint a Deputy Superintendent for Facilities. It cannot be just a manager or supervisor because he or she never gets to the table to make decisions. They have to have a lock box of \$25 million so there is an acknowledgement that they want to do it. I'll be writing them a letter and saying hopefully they go through in January and as you can see the frustration of our Vice Chair but we've done all the work it's all there. Chairman Duenas states, John, this is something that we need our rate payers and our people to understand, in managing facilities, maintaining facilities, building facilities, you need people who are Engineers, you need people who have project management experience, you need people like you and your engineers that back you up and your technical staff to do projects, to do multi-million-dollar projects. The same thing with Waterworks, they do a project the upgrade for Northern treatment was \$133 Million. Somebody has to manage that and that to me is a critical shortage in the part of the Government of Guam like DOE. They don't have that talent. Every hotel on Guam has that talent. I saw an advertisement the other day for somebody to run a hotel's facilities inside because they are mini-city. Manage their power, their air conditioning, their water facilities. They specified that the person must not only be a PE but he must have program management experience.

Manage programs, how to manage from beginning of getting the funding, identifying the project, getting the funding...you can't just hire a consultant and say do it because you need to have that level of oversight. We have that here with both GPA and GWA. GM Benavente add, GMH, we have an MOU and every quarter our supervisors meet with their supervisors and look through the electrical facilities. They're working on their chiller and they can only put so many split-level A/Cs.

Comm. Santos states, there is an increase in private companies are wanting to put solar into their operations... the docket, it's this month? GM Benavente begins, I think we need the record to be straight and that we have to integrate all of this into the system which is what we're trying to do today. You cannot just plug and play because you're now impacting others. Next if we get to Avoided Cost, which is the fuel component, then the rest of the rate payers, the 50,000 are not subsidizing the 2,000 customers or 3,000 customers because it cannot be it that we keep saving here and then it's just going to solar PB who are saving all that. Because they're getting the 10 cents a kilowatt hour, they're not paying for debt, they're not paying for the grid, the employees' compensation so that's what we have before the PUC. If you let it avoided cost then whatever it cost for you if we don't burn the savings. So, I'm not against going from 100 to 500 I'm not against going but it's the cost, it's the subsidy, it's the credit component, if we settle that...remember the schools, if they had done that to the schools the subsidy would have gone from the \$5 million today to about \$15 to \$20 million. Where am I going to find \$15 to \$20 million without raising your rates...it can't be done. Probably the first quarter of this coming year I've shown DOE that if it's avoided cost, the way that they're going to save money and really look for the grants but, if they're just trying to avoid. put it in so that they can lower when GPA gets to putting Ukudu on and everything they may be losing money over time by having to go out and contract for that. We were very clear and we work with them because I don't want DOE losing money. At the same time, I mean they have far bigger issues than anyway.

GM Benavente adds one last thing, please go ahead and evaluate me and give me a number rating but please don't give me an increase. Comm. Sanchez asks, John, you're not asking for an increase despite all of this? GM Benavente replies, I don't I don't need an effort and the front page. We work very hard. Comm. Sanchez states for the record, you are asking the CCU not to change your pay? GM Benavente states, yes. I want the community to not be anxious and let's get over what we have to do. Thank you.

Chairman Duenas states, we still have to go through the review. We still need to recognize his efforts. Comm. Santos begins, working with John B. over the many years and I take pride that we have the two best GMs working in this government. So, given what John B. has told us and despite what he and his team has done, I am willing to forego a salary discussion. He put together presentation like this you know, John B's performance in some cases, exceptional and given what we just faced. We have all sat in the meetings with FEMA on your side, the Mawar restoration, all meetings Joey and I attended, the daily briefings that he and his team have to go through. We haven't had a storm in 20 years maybe we took some of this for granted? Comm. Sanchez adds, but we still recovered faster after Mawar. Comm. Santos continues, for me in terms of rating John, I don't know if that's a requirement, Mr. Chairman, I would John somewhere between exceptional and an above status recommendation.

Chairman Duenas we can say the rating would be like a four. Then we start on page four managing operations. 1.1 all the way to 1.5. Managing Operations is 30%. What we do is we score them, we give it to John Ray and he's going to he's going to do his thing so just go through it on your own Commissioners. When we post it, the people will know.

Chairman Duenas clarifies with Jon-Rey Aguigui, HR Administrator, out of curiosity, the last time we evaluated John B. as a general manager we gave him an increase of 2% or 3% do you remember? Just to show what was the percentage. HR Admin Aguigui states, 4%. Chairman Duenas, states, this is important

to show that we do normal increases. We don't wait 10 or 20 years and then give a 22% increase or 5% across the board across the board. The last time we rated him, I think excellent and got he a 4% increase in pay that's not a huge increase in pay and it did not result in asking the rate payers to pay more. The only thing that we ask them to pay more for is fuel.

While we're waiting for the scoring, I took it upon myself to just for the Commissioners to understand. To give us a picture, we have for our generators and our Solar Farms you have the cost and the cost is broken down into non-LEAC and LEAC. So, for example, Cabas 1 and 2, the fuel cost is around 29 cents. There it's a fuel handling charge and then the cost to produce is 2 cents it's low because all the debts paid. Everything's paid so that's all that's left on it but it's the two machines that are going out. If you look at Piti 8 and 9, those are 32 and 31 cents a kilowatt hour. When you look at Piti 8 and 9, again the non-LEAC cost because those debts have been paid off, these are the PPP with Osaka Gas, but we got them back. The debts gone. They're just running just manage the maintenance the OEM for now but the 21 cents are the is the cost of the fuel. It's a little more efficient fuel efficient...look at Ukudu, these are the projected costs is high it's 6 cents because we're paying off debt. So, for this period of time for the next 25 years there's a cost of that but the fuel is 17 cents you know that's getting close to the goal of 15 cent LEAK versus 29. Kepco the solar farm is rounded up 9 cents, there's no cost to produce because it's not ours. We're just pay them for the energy. Dandan is the first stab we took seven eight years ago we were just trying to do something new to 20 cents but that's 20 cents for a long time. John is right we're hoping that these new bids come in and if they come in the 15 or below, we're doing good. John B actually told me he was able to get some of that because at the end of the day if they have some residual in the batteries, they send it in. Dededo 1 and 2 these are high this is 38 cents for fuel, again, one cent because it's all paid off. Ukudu comes very close to the Dandan solar. Macheche is 34 cents pretty good not bad. But you don't want to run these Piti 7 is the highway yep that's 41 cents that that's very inefficient. The Yigo Diesels not too bad but again, we don't want to run these. Once Ukudu is build and get more solar on we're not running these. And, the power coming out of Ukudu will be charging batteries. You have backup to the backup so a lot of this will go away over time as we get more and more solar and solar batteries. Comm. Sanchez states, let's not forget the legislative interference, which allowed the Ukudu Plant that would have given us another 40 to 50 megawatts at a great price, but because some Senators thought he was smarter than everybody else, we lost that opportunity right and that was generation which is what everyone is frustrated about with the load shedding. We would have had this in addition to what already is being done at Ukudu. Maybe this is something with John we can John and the team begin to think about this synthesize this and present you know this snapshot. This is an excellent snapshot of generation. The cost of generation and how we're migrating from more expensive generation to less expensive generation adding the solar and reducing the amount of fuel we burn.

Chairman entertains a motion for a 5-minute recess; Comm. Santos moves for a second 5-minute recess; Comm. Martinez seconds.

Chairman Duenas announces the meeting is back in open session, for the record there are four Commissioners in the meeting, in the room, and we have scored now our GPA General Manager and I'll just go to the to this bottom line, his score is 3.91, which is above satisfactory. We have to do this properly...he offered to for goal a pay raise so what's the decision of the commission? Comm. Sanchez states, if there's no pay raise, no motion is needed. For the record, John Benavente said he voluntarily, he no matter what his rating was, and he rated above satisfactory in our cumulative score, he would not request any adjustment in pay. Chairman Duenas states, so, as the Commission, we accept his offer. Comm. Santos adds, regretfully. Chairman Duenas affirms, I'm acknowledging that he's worth the money. You can't get to where we are without good leadership.

Comm. Sanchez comments, I credit John. People are frustrated I get it and when you're the captain of the ship you know sometimes you have to think about everybody and John said, in light of this environment and all the frustration he was willing to forgo any possibility of a pay adjustment. He didn't want the commission to consider a pay adjustment he voluntarily asked not to have a pay adjustment.

4.2. GWA General Manager

Chairman Duenas announces, at this portion of our meeting, but we acknowledge the recusal of Commissioner Santos. He will not be involved in the evaluation for Miguel Bordallo who is the General Manager of GWA due to a family relationship. Similarly, Commissioner Limtiaco wasn't involved in either John B's or Miguel's due to a family relationship he has recused himself as commissioner Santos has recuse himself.

Chairman Duenas begins, joining our meeting right now is General Manager Miguel Bordallo from Guam Waterworks Authority. General Manager Miguel Bordallo states, I've provided three documents for you the first is the large format spreadsheet which lists the criteria and KPIs and the values. I've also included prior year's numbers for reference and then the narrative supplement for certain performance criteria which are better explained in narrative form as in years past. The narrative supplement has been updated to reflect FY2023. Then the last one is a one single page supplemental list of an accomplishments that is on the back sheet on the very end that is something I think when Commissioner Gutherz was here she requested so I'm just keeping in with the historical documentation that's been provided. I've included that. Comm. Sanchez asks as we asked John B, we ask Miguel, since this is in public, your reviews in public, your scoring is in public, the materials you provide let's also put on display on our website.

GM Bordallo begins if it please the Commission, I can just go through the spreadsheet and then when we need to refer to the narrative, I'll just ask you to flip over to the narrative. So, for 1.1 Reliability of Water and Wastewater Systems 1.1.1 is reduction in frequency or duration of outages and there's three criteria there the first is Main Breaks per month and for FY2023 that number on average has gone to two, down one from three the prior year and down 5.9 the year before that. This is a mainline break as reported through the water system control center. The next one item two is post-storm outages average days per location and because we had Typhoon Mawar this value is at 14.7 up significantly from the prior three years where we had no outages due to storms. Similarly, item three in this category post-storm outages max day duration at all locations 29 was the number of days it took us to fully restore the entire system and so that's the max day duration for FY2023. Comm. Sanchez adds, that was significantly faster than the Pongsona recovery. GM Bordallo replies, although I was not here for that, I believe that. Comm. Sanchez continues, I shared with you the and the Commission that the Pacific Daily News had an excellent summary after Pongsona of the recovery and clearly the recovery after Mawar was especially better for water than it was for power. I mean it was excellent and in terms of the recovery...good job to our team and to you.

GM Bordallo continues, the next item 1.12 Water Boost and Pump Station Reliability, I report this to you monthly so the average for the year FY23 we were at 95.4% operability up from 93.1% average the prior year. The number continues to be affected by our ongoing bypass work so we have if you recall still tank repairs, still reservoir tank repairs that are happening in the South and so on those systems the booster pump stations are more critical and cover a larger area because we're bypassing the tank. 1.1.3 Reduction in frequency or duration of SSOs, this number averaged 5.9% I'm sorry 5.9 SSOs monthly per FY23 down six from 6.3 per month on the prior year. Comm. Sanchez points out down from 10 five years ago; GM Bordallo adds, and 14 in 2019. Sewer Pump Station Reliability 1.14 that is at 86.8% down from 87.4% the prior year and again this is a number that I report to the board monthly. I've indicated to you that we've had issues with keeping our pumps operating and we do not yet have the same inventory set points and pumps in inventory on the Wastewater side that we do on the water side so we're working on improving that.

1.1.5 Production Well Reliability, we have 89 on average for FY23, 89 wells operational that's down from 93 in FY22. That's affected by Mawar and the power issues that we've been having. Accordingly, the number of wells on standby has also decreased this is down to one well on standby and you can see that the highest we've ever been is having nine wells on standby in FY20. So, it's down significantly and crews are working daily to replace those burnt-out pumps and motors. On 1.1.6 Wastewater Treatment Plant Reliability, the criteria are upgrades for MPDS permit compliance we are at 75%. So, the lone remaining wastewater treatment plant that is not at secondary treatment does not meet permit requirements but it does meet the 2011 court order discharge requirements. It won't it won't meet the secondary treatment requirements until it gets upgraded

1.1.7 Maintain Service Pressure Levels, if you flip to the narrative on page one and two, I cover the service pressure levels and the text in red and the table has been added since the last evaluation. Since we don't have a numeric metric here the information presented is intended to support the criteria or our progress with the criteria so for the projects that are listed or item bulleted items that are listed these are initiatives that we've undertaken to improve pressure levels within the system. The Pressure Zone Realignment is a major component of that we've completed Phase One to about 94% I think actually we're done with the majority of the scope and the remaining 6% is just some change orders to take care of minor things. The Phase Two the design is 100% complete and the construction is pending the issuance and finalization of bidding. And, Phase Three the design is at about 55% as of the end of FY23. As I mentioned earlier, we are working on tank bypass and repair that construction work is ongoing mostly at the southern reservoirs right now which has temporary effects on pressures within the service area but we have used regular system distribution system monitoring and I've taken the data that's been provided and analyzed it to give you a snapshot of what our performance is with regard to pressures within the distribution system. We are within range at 45% of the identified pressure management zones. 28% are partially within range which means that of all the readings taken within that zone, we have several that are in range but one or two that are outside the range on occasion and so that's the 28%. Then we have 10% of the zones where we're either below or above the range of acceptable pressures. We have 10 zones where we don't yet have regular monitoring to report so those ones are 17%, I don't have data to provide you on, yet.

Moving on to page two of the spreadsheet, 1.2 is Compliance of Water and Wastewater systems, 1.2.1 Compliance with Drinking Water Standards and the KPI for that are the number of NOV per year, zero for FY23 as it has been since I've been here. The second item is Consumer Confidence Report Drinking Water Quality Report results and our issuance of those reports has been on time for FY23. We've issued those and mailed those out. Those are the flyers that you get once a year with our complete water quality data.

1.2.2 Compliance with Effluent Discharge Permit requirements again this is relating to the secondary treatment and if you go to the narrative on pages two and three, I provide you with a summary of that essentially, you all know this, we have three of four upgrades to secondary treatment completed with Northern District being the last one that we did. Hagåtña Wastewater Treatment Plant we have concluded the compliance negotiations under the consent decree and provided a little more definition to the time frame for upgrades. Once that consent decree gets lodged, then we'll be able to discuss it publicly. Chairman Duenas asks, the consent decree should be lodged sometime this month or early January? GM Bordallo states, I've been asking Counsel to check...they anticipate before the end of the year so I was hoping it would be done by January.

1.2.3 Maintaining Internal UAQC Processes, in the narrative section on page three, so we have implemented some initiatives which we've already talked about in prior evaluations, the new information is in red text. When I came on board in order to provide better quality control over all of our operational activities the board had tasked me with assembling AGM positions in the executive management team and I'm glad to report that we have finally completed that tasking and the AGM of Engineering position

was filled in FY23. We now have much better scope or band of control over all of our operational divisions. In addition, for the UAQC positions with organization wide oversight, the safety officer is currently acting as the field safety officer the safety inspector supervisor I should is currently acting as the field safety officer and for the field compliance officer we began an initiative with compliance and safety and engineering to provide support for that role to have field UAQC of compliance at all of our facilities prior to Guam EPA and USEPA inspections so that has started in FY23. Just this past month, have brought on additional compliance and safety personnel to assist with that effort so there's been additional bodies added to this effort to improve our UAQC for compliance. And then, of course, the SOP committee is continuing its regular work to tighten up our SOPs and improve our standards.

Moving on to 1.2.4 customer compliance programs there are four items in this category number one is fog inspections per year that is up to 196 from the prior year at 138. The second item is SSOs due to fog by year that number for FY23 is down to 20 from the prior year at 30 to 31. So, we're showing some improvement there. On the cross-connection control program we have 47 inspections conducted this year as opposed to 77 the prior year. I would point out that we have one person in this program and during Mawar and the post-recovery period or the recovery period I should say, this one person was responsible for handling all the complaints that came in during the Governor's or declared water conservation period. So, anybody that called in and complained about anybody using water when they shouldn't have been this person was tasked to go out and do the be inspections. So that impacted his work somewhat and then the fact that the businesses were closed for a while also reduce the number of inspections that was conducted this year. But the program still is making progress. Item number four is the number of notices to comply and notices of violation issued by the cross-connection control program per year and that is accordingly down 30 to 36 from the prior year at 49.

1.2.5 is a criterion for meeting court order and consent decree requirements this number has not changed we are still at 98.9%. I report this to you monthly and in terms of items completed per year we are at our total completed items are 92 out of 93. We're just remaining the one remaining item which is the tank work which we are in the process of completing. Chairman Duenas asks, do you have the contracts out already in those? GM Bordallo replies, we have moved beyond the contractual making sure all the eyes are dotted and the t's are crossed so we're about we've already submitted it to them for signature and then it comes to me for signature.

1.3 System Safety Security and Resiliency is the next category we have 1.3.1 Improvement of Physical Security the number the KPI here is a theft incident by year as reported to our safety department this is up 18 from the prior year of 12. So, there was a little bit of an increase we still do have the same level of personnel and contractual support for security purposes but we did we did see some we have seen some damage to our facility perimeter fencing and that kind of thing.

1.3.2 is Improving Cyber Security, there are three factors here employees trained by year this is at 341 about level with what we had the year before 3 349 employees trained on cyber security. Number two is cyber incidents reported by year this is at zero level with last year. Then number three is the number of or percentage of findings resolved in from our 2018 cyber assessment and as of the end of FY23 we're at 90% of those findings were resolved and I think the board is probably aware that we have done additional work in terms of assessing our performance with cyber security since that 2018 assessment so these metrics will be updated with the next evaluation.

1.3.3 Ensuring a Safe Work Environment, the metric there is OSHA reported incidents and we had two this year for FY23 same level with the prior year but down one from two years back so we're kind of maintaining our performance and you can see over the years it's in right in that range.

1.3.4 Maintain Emergency Response Plan and Readiness, moving to the narrative on pages three and four not too much has changed as in this specific KPI however, we with post-Mawar as I advise the board in us in in the after-Action Report, we are in the process of updating our emergency response plan based on lessons learned from Mawar. And, the same thing goes for 1.3.5 the Continuity of Operations Plan, the updates of those are in progress.

1.3.6 Improving Water Resource and Aquafer Protection, moving to the narrative on pages four and five, the board is at the end of last year we signed the one Guam Water Resource Information Program MOA with the Navy and WERI and you and USGES of course is also involved. With our CIP, we provided seven new deep observation wells and rehabilitated 12 of the existing observation Wells to expand that monitoring network. The MOA was the follow on to that to cover the monitoring and execution on an annual basis of the data collection that is required for us to monitor the health of the aquafer and improve our use of the water resources. So that effort continues and the work on instrumenting and monitoring of these wells is ongoing by WERI and USGS.

1.4 Capital Improvement Program and System renewals, 1.4.1 is relates to the Water Resource Master Plan, item one is the status of Water Resource Master Plan reviews or updates. FY23 is the 5year anniversary for an update to the Water Resource Master Plan that is currently ongoing and was supposed to have been done by the end of the fiscal year but because of Mawar and other issues it's been pushed back a little bit. We're anticipating that the final draft will be completed end of December early January and it we need that in fact in order to update our 5year CIP for the next 5year rate plan so that work is ongoing for both the master plan and the 5year CIP.

1.4.2 is a metric of Achieving our Target CIP spending plan and you can see the history there. The number in parentheses is the target based on our 5year CIP in this case when we did the comprehensive review and update and after we issued the series 2020A Bonds this was updated to reflect the renewed spending plan and so the numbers with the two asterisk are those updated targets and you can see in 21 our target was \$51.8 Million we overspent or beat that...built more at \$84.5 million in 2022 it was 52.6 and we actually built 73.5 5 million however in FY23 our target was 64.1 million and we only put out 23.8 million. I think what the board will see is in FY24 when we get these tank contracts done and that number will shoot up. I think that the reason why it's short this year is because it took us too long to get the bids in for the for the new tank projects. So, we're underspend a little bit in addition there were several projects that we put out that we did not get bids on because of the nature or the current climate within the construction market and the military buildup so those are all factors. But on average, I think we're...in prior years had you know built more than our goals and then this year we're short but it'll even out as we move forward. Some narrative information also under this item for FICP spending that's on page five of the narrative supplement and essentially what needs to be pointed out here is that the board had adopted in our 20-year master plan achieving a balance between debt financed capital and revenue finance capital with the goal being that regular system renewals should be financed through revenue and not debt. And, that the debt financing should be saved reserved for lumpy projects that are not amendable to being funded to control the cost and keep services affordable. In red, is the new information I just wanted to point out in terms of the in revenue the ability to fund internally funded CIP depends on revenue and in the last two years of the 5year plan we were not provided with the revenue relief the rate relief that we requested and therefore the numbers for our IFCIP were not on target.

1.4.3 Achieving Water System Expansion Goals, there's a little bit of that on the narrative on page five and six and essentially covering the pipe expansion work that we've been working on. Since last year, we've completed the Casamiro Pipeline Project we're 86% on Tai Road and the Toto-Canada Loop and Blas Street Project and again I think this is the change order last remaining work for that has not yet been completed. Actually, by this time, it's probably been completed it's just not been billed out and closed out so left as

of the end of FY23 that 80.86% was correct. In terms of our pipe replacement programs that we identified the 2-in pipe replacement, the ACP pipe replacement and the regular renewals called for in the master plan for those categories we did in FY23 issue the contracts for those design projects and the initial task orders are have been negotiated and we're just executing the contract documents for that so those designs will be underway shortly and that's also indicated under item 1.4.3 the items two and three you'll see there on the spreadsheet that information is included.

1.4.4 Wastewater System Expansion Goals, on the narrative we have some of that information on page six and essentially, it's reflecting our progress in the first project for the septic tank elimination program up in the Adacao area. In FY23 we encumbered \$1.2 million for the design work to begin this project we have already spent some of that for the preliminary activities for survey and geotechnical work and the design is in process and so by the end of this year we hope to have that end of this fiscal year we hope to have that further along and about to head out for construction. In addition to that one item in the Narrative, item number three the sewer connection revolving fund active accounts that stand steady at 3 as you know we recently had a public hearing under the AAA to change the rules for the sewer loan connection program so that we can make it more attractive get more customers to participate and connect to the sewer so legal council is working on that we did receive some comments not at the public hearing but after the public hearing and so we're working on finalizing responses to those comments and the rules themselves.

Next is 1.4.5 Achieve Non-Revenue Water Loss Reduction Goals, there are three metrics here the first one with the water loss control program I've described in narrative form on pages six and seven and to give you an update we have for the Pressure Zone Realignment Project again which is part of our water loss control program. Phase One we're 94% complete and we're in the process of bidding out or starting Phase Two construction. In terms of DMA implementation, we are now in in year three of the third year implementation as of the end of FY23 that was year two, we had a total of 21 of 36 DMAs that were being actively monitored analyzed and investigated with on the ground Leak Detection we as of the end of FY2023 had established two permanent Leak Detection teams and have identified the leak detection lead who we are currently training with the consultant personnel to handle all of that once our Consultants are no longer on board and so we also intend in the current fiscal year to add one more leaks detection team to round out the minimum number that we would need in order to provide the continuous leak detection on the distribution system. Our permanent DMA installations in some sites they require CIPs so we have now a design contract in place for the design of those Capital Improvement Projects to finalize the changes to piping, valving, and metering that need to occur within the system in order to get the remaining portion the 15 or so DMAs left to be implemented within the next year or two. So, we continue to make progress there. We are also pilot testing right now an AMI Metering Solution which would help us and we're investigating if there is a possibility for us to include permanent Leak Detection monitors with the AMI meters if and when we move forward with AMI metering. In addition to that narrative there is there are some metrics 2A, 2B relate to our water audit and the results of that so our real not non-revenue water by year percentage by year for 23 is at 58% down from 61% the prior year. The real losses are at 53% down from 59% the prior year and those are based on water audit calculations. I would like to point out that in our ordering provisions the PUC has required us to report semiannually to them on water loss control and I would propose to the board that these KPI Metrics be revised next year to reflect that the American Water Waterworks Association has already as an organization stopped recognizing non-revenue water percentages as a metric as a performance metric for water loss control. They have recommended different metrics which we have incorporated into our analytical study and our water loss control program and that we now report to the PUC on a semiannual basis and those are as a metric of for loss of gallons per connection per day and in FY22 that number was 560 and for FY23 that's down to 448. These are these numbers are still high but they are more nationally accepted metric for water loss control performance. Answering Comm. Sanchez' question the basis for them changing the way they were

measuring it. GM Bordallo thinks that there was agreement within the industry that the percentages are too heavily influenced by other factors other than just the losses. So, on the production side you could make gains in losses but it won't be reflected in the percentage because of changes within your production. So, they didn't feel that it was an accurate or appropriate metric for losses and so that's why they proposed these new metrics which everybody else is following. It's gallons per connection per day or gallons per mile of main is another one. But the one that was recommended by our consultant and included in our analytical study was gallons per connection. In the past year, we have reduced and numbers are 560 last year and 448 this year. The last item on this KPI is the leak repair work order backlog and the average for FY23 was seven backlogs of seven at the end of every day. A few years ago, 70 in 2018.

Moving on to one 1.5 Long-term Strategic Objectives, 1.51 on the narrative we've got some information on this on page seven and eight and this essentially relates to the work that we are doing under the One Guam initiative for GWA and DOD Utility Systems and just the again the new text new developments are in red, we continued discussions on the feasibility of expanding Agat/Santa Rita to accept wastewater generated at Naval Base Guam. That technical coordination is continuing to occur between Navy staff and GWA staff. In addition, in response to Typhoon Mawar, resiliency concerns there has been increased discussion on system redundancies interconnections and mutual supplies to that end we are advancing the metered connection at Marine Corps Base Camp Blas so that has been done and at the end of the year fiscal year we were in the process of transferring that meter from the contractor that has been working on that base to the Department of Defense. So, until they get their water system fully up and running, they also advised that they would need the water sooner and they might need more of it and so we are currently working on that.

1.5.2 Improve our Investment Grade Credit Ratings, there are the three rating agencies are listed there was good and bad news on this for FY23. We did manage to change the outlook on the Moody's rating it stayed the same but we changed the outlook from negative to stable. We were placed in negative after Mawar and then when we met with them in early October that had changed so I know I'm reporting on FY23 but I think it's close enough that it's relevant to be pointed out that we did achieve a stable rating with Moody's, S&P on the other hand, kept the rating. We are still at A minus but they changed the outlook from stable to negative and that was a result of our use in FY23 of a depletion of available reserves to meet Debt Service Coverage ratios. With their methodology their rating methodology and what they're required to publish for their investors they don't allow one-time funding sources to be used to sustain that service coverage it has to be revenues and so for that purpose they changed our outlook to negative and it was listed that if this didn't change and we didn't get proper rate relief and revenues then it could lead to a downgrade.

1.5.3 Long-term Strategic Objective Balancing Long-term Debt Financing and Revenue Financing, again this we talked about this in the IFCIP so the first item is ratio of bond dollars to IFCIP dollars by year and you can see for FY23 that ratio jumped which means we used significantly more bond dollars than we did IFCIP dollars it was the ratio prior was about 8.9 and it jumped to 40 because of us under investment in revenue funded CIP. For item number two, bond dollar spent by year \$23.4 million in FY22 and we're down to 16.6 million. We are using the bond proceeds we just contracted less projects using bond funds and keep in mind the total number CIP numbers I mentioned previously included all funding sources and this is just specific to bond. Item number three, IFCIP dollar spend by year and so you can see prior year the prior year we spent \$2.6 million in IFCIP and for FY23 we only spent \$415,000. So significantly below our goal which is the next line, our asset renewal goal versus our IFCIP spending so based on our master plan work the target is about \$3 million a year in in asset renewals and we only spent \$450.

1.5.4 Improve or Maintain Affordability of Service, our average annual bill by year and us for FY23

01/23/24 – Approved subject to verification & written correction

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finance reports that that number is 1,163 up slightly from 1,151 the prior year what is interesting to note is the percentage of MHI for a combined water and sewer bill that's item number two on the spreadsheet, it dropped and I think the reason it dropped is because there were the 2020 census numbers came out and the addition the change in the MHI and the metric that we used in order to calculate that percentage changed between 22 and 23. I don't think the census numbers came out in time for us to include it in the 2022 count. The new MHI value based on the 2020 census data is about 58,000 per year and so that is the reason why that number is still at 2% which is still fairly affordable. There is some narrative discussion on the affordability study again the board is familiar with this I brief them on the PUC's action with respect to our proposed affordability program and customer assistance program and they declined to include that. They did express that they were interested in the rate design that we had proposed previously they wanted us to introduce it which we did in April, it would have complicated the True-up so we asked them to hold it until after the True-up. So, after the True-up we asked for them to pick it back up in December and at this point I'm not sure whether they are going to move forward with it or not we're still trying to work that out with the PUC and the ALJ.

1.5.5 Improving or Maintaining Liquidity and Reserves the metric here is our days cash goal versus our days cash actual by month and the goal is 120 days and we are at 264 if you don't include the OMERS and 352 if you do include the OMERS.

1.5.6 Achieve Personnel Compensation Migration Objectives, this is measured as market percentile goal versus actual and last year we were at 20% based on the prior market data. So, for FY23 rather we are at 20% we maintain the 20% using the 2017 market data but we're at 5% if we use the 2022 Market data. The board is aware of that as well.

Moving on, 2.1 Financial Capacity to meet our operational needs, this metric is revenue budgeted versus actual by year and for FY23 we were budgeted \$109 million and we came in at \$108.2 million.

2.2 Operations Expenses managing that to meet our budget level, so our OEM expenses budget to actual by year, we budgeted \$107.5 and we came in at \$104.6. We managed our expenses to be under what the budget was. Which leads 2.3 Debts Service Coverage targets and I point out that the PUC temporarily revised our goal of 1.4 to 1.3. 1.3 is listed as a Target since the pandemic right so that's for FY2023 we finish the year at 1.31 so it's just above the target level.

2.4 Maintaining our Cash Reserve Fund levels and there's two components here the unrestricted cash Reserve goals versus actual so our goal is \$3 to \$4 million and these are essentially our BOG deposit accounts. The goal is \$3 to \$4 million and we were at on average \$19.3 million for FY23 and then with intent to specific Reserve Funds Target versus actual that's 13.5 is the target and we were at 14.5. Again, these are specific Reserve Funds not necessarily unrestricted but I wanted to point out that this is not the Rate Stabilization Fund, that has been depleted to zero. These are other Reserve Funds that are we are required to have.

2.5 Identify Cost Efficiencies and Reduce Waste on the narrative, we that's covered under at page eight and just some updated information in FY2023 we initiated a performance audit through the IA for operational divisions to determine efficiency and performance within our levels of service objectives based on the 2018 master plan stated LOSs. We did one of the operational divisions and that was started in FY2023 but it's going to roll into FY24 before we've already included it in our audit plan and objectives to complete that focus on operational efficiencies. In addition, I think the board is aware that we've been undergoing the implementation of our new financial management system that started back in '21 we did some additional work for the mobile workforce platform tying into our financial management system and '22 and in '23. We initiated additional work to roll in engineering and procurement and construction

procurement processes into the financial management system so that work is on was started in '23 and will continue into '24 in terms of our performance with trying to identify cost efficiencies and reduce waste.

Moving on to 3.0 Human Resource Management, item 3.1 is Improve Recruitment and Retention and the metric here is average days to fill a position for FY2023 that number is 56 days average to fill a position down from 122 from the prior year. This great improvement is because of Zina and her team and Chris's hard boss on them. We got some additional bodies; the staff was overwhelmed prior we had we lost some people to retirement or resignation and the folks that we did have were just kind of carrying the extra burden and then we got some additional bodies and with Zena and Chris's management they were able to push things out much quicker. We're not where we need to be yet in terms of recruitment and this only addresses the recruitment part. The retention part is making sure people are happy being here and that they get paid for what they're worth. The second component here is the average monthly FTE vacancies... we're showing this number at 40 up from 35 the prior year but I would I point out in the notes there and I'm sorry it got cut off when we printed it but that note reads after JDE implementation the system data indicates 20, 39, 38, and 40 for fiscal years '20 through '23 respectively so the numbers that you see for fiscal '20 in those columns, 29 for fiscal '20, 31 for '21 those numbers are a little bit different after we implemented the JDE. I'm not exactly sure why but I just wanted to point that out. Some additional information with respect to turnover for those same years starting with FY20 moving through FY2023, the turnover has been 2.17% in FY20, 10.5% in '21, 11.8% in '22, and 13.3% in '23. So, you can see that we're trending in the wrong direction with respect to turnover.

3.2 is Improve or Maintain Succession Planning, I've addressed that somewhat in the narrative 3.2 not too much new information there but it continues to be a focus for executive and mid manager level to make sure that they're encouraging their employees to test up move up in their certification levels. Whenever we have vacancies for advanced positions that require additional certification, we are trying to fill them with the people that are making the effort to get certified and improve their skill sets. The whole underlying goal being that, when for example a manager goes on leave, we need someone qualified to be able to stand in his shoes and get trained and get familiar for the next generation because this is not a onetime thing this is continuous improvement that needs to occur over the next several years.

3.3 Improve Employee Satisfaction and Pride, we did do a in FY2023 an updated employee survey. I'm still waiting on the results of that and I will update the board on that separately. I don't have anything to report other than we did the we did the survey and we have results but we're still compiling them.

3.4 is to Enhance Employee Training and Development and there's two or three measures here in-house training for employees by year. The number of different trainings offered to employees this year was 14 down from 21 from the prior year. Some of that had to do with the disruption to operations just from Mawar. Number two, is the number of certified employees, operational employees holding Guam EPA certifications by year and we're at 81 this year. 86 the prior year but this is 81 with current certifications we actually have 126 total but some of the certifications are expired so this is at the cut-off date was the total number. So, from 86 to 81 is a combination there...some of it might be expired but I think some of it is also that we've lost certified operators they've left us better pay. So, we we'll get them, bring them on, get them certified, get them trained and they get to a certain level, they're in demand and then they leave. I will say that the majority of the dedicated employees that we have in the higher positions with the advanced certifications that they understand the commitment to serving their families their friends their community and when they have that attitude even though they may not make as much they're here for the right reasons. It's actually a shame that that is the case we want them here for those reasons but we want them paid...we want to be competitive. Comm. Sanchez notes for public knowledge and information to operate a Wastewater Plant you have to be certified and the US EPA requires certain jobs within the

water authorities you must be a certified operator we now have averaged about 80 certified operators for the last four or five years from under Miguel. When we took office in 2003, we had less than 10 versus 80. Under the appointed board, GWA was a dumping ground for labor it just they just threw anybody in there and they weren't certified, they weren't trained, there was no wage scale. It was the most convenient place for the political process to dump employees. More importantly the quality of the people working for us the fact that we've invested in training. Here's Miguel saying, hey, we got to look at pay because where we were in 2003, GPA would train the linemen and then they go work at Anaheim that's why we went to Senator Klitzky and Senator Brown and created the wage scale that we do that we now have the chance to attract and retain and that's another reason we have 80 certified operators today.

Comm. Martinez asks how often are they certified, every 3 years? GM Bordallo responds, once you get certified it's a matter of renewing your certification but once you're certified at a particular level you just have to renew. There are four levels of certification so level one is the minimum required to make you an operator. Once you're an operator then if you want to move up it requires a level two certification in order to move up. Level three to be a leader and level four to be a supervisor and manager. We encourage them we coordinate with other industry organizations or consultants to provide operator training so that we give them the support they need in order to test up and increase their knowledge their skills and their operational certifications. So, with these 81 certified operators is across all four ranges. Also, to point out, we have employees for which there is no Guam EPA certification but who are doing work now and for example in instrumentation that there is no certification requirement for them to hold the job but they recognize that where they are heading in terms of instrumentation it being more complex and then us moving to SCADA that they should have certifications are seeking on their own to research, what do I need to get certified, right, and I don't yet have the ability to support that because the regulator doesn't have criteria but there are industry organizations that we could turn to and say what you know for this type of job within this organization certification would be appropriate but I don't have the money to get them trained to get that certification and if it's not a requirement of the position it's a little more difficult to justify right but I want to be able to do things and what I'm pointing out is that the employees themselves want to do these things.

Moving on to 4.0 Information Management, 4.1 Public Filing Requirements are four items under this are annual report filing dates we typically are doing this in the annual reports after the audits are completed. For FY22, it was delayed because of the OFEB issue. For FY2023, the we don't have the audit yet, but we will file it in '24. Item number two, our annual Water Quality Report filing dates by year. June of '23 is when the '22 results were required to be filed. The FY2023 results are required to be filed before June of 2024 and we will meet that goal. Number three, OPA Citizen Centric Reports filing dates by year October 2022 we did we filed it in October of '23 and Janet submitted this one in October of 2023 when I put this report together. I didn't have that date but I believe we already filed it. And then, item number four are Bond filing dates for reporting through DAC, June, August, and October of 2023 we filed DAC reports. The multiple filing dates here are because the audit results the audited financial statements were delayed by the OFEB issue and so we filed interim updates and then you know gave them a notification we're waiting but in October of 2023 we finally filed the final audited but it should have been in June.

4.2 Improve Accuracy of Public Media Communications this is addressed in the in the narrative on page nine for FY2023. We were required to up our game here specifically with respect to the Typhoon Mawar response. We pushed out information on multiple platforms including podcasts to provide updated messaging and accurate information. We expanded a significant effort to correct a lot of misinformation that was going on during the recovery period including erroneously published information by Guam EPA. I think we did a fairly good job of that across social media platforms and a dedicated website. This is in addition to what we had already started prior to that in terms of updating the public with progress on our CIPs and putting that on our website and on social media. We'll continue that into '24 and leading up to

the new 5year rate plan. The second item under this is SEC dispatch SMS Text issuances by Month so for FY2023 that averaged 23 per month up from 11 the prior month.

4.3 Broadening Public Outreach for our CIP and System Improvements, we did not need to conduct any Water Resource Master Plan meetings in FY2023 so that number is zero. For the 5year and financial plan and CIP public meetings we had one in FY2023 as opposed to the five that we had the prior year when we actually did the comprehensive review and update. Then we already touched on the narrative I'm item 4.2.

4.4 for Maintain Enhance Management reporting to the CCU that's addressed in the narrative. Not too much new information there but as the board has seen we have changed up and improved the monthly reporting that we provide to you also the CFO has done a great job at adding management reports.

4.5 is the last item under these criteria which is to Meet All Compliance Reporting Requirements and this is especially with court order report filing dates that's the criteria and again we are 100% compliant issuing the quarterly reports four times a year on time and on schedule consistently. Just to point out the one pager that I submitted the supplemental list of accomplishments the highlights there talked about the response and recovery efforts 29 days to get to 100% recovery. Number two, completion of the True Up adjudication process even though it was at the 11th hour we did get it done. Item number three after five or six long years of negotiation, we completed our compliance negotiations with the USEPA and Department of Justice for proposed consent decree and they're just waiting on that final filing. Number four, we were able to secure US District Court order extension for the deadline to complete the 2011 court order requirements. Number five we completed all the projects and are pretty much closed out on all the grants for that \$173 million US DOD funding. The reconstruction of the Northern Wastewater Treatment Plant at nominal cost to the rate payers. We did have to pitch in for the property acquisition and use some of the bond funds to cover the additional expenses but 90% of it was covered by a grant. The deputy of OLCC, Dan Glasson, was here and he took finally took a tour of Northern District and very pleased with the results. We were very happy to have him see what the many years ago he initiated for us. Number six, we continue to advance our Quiet Title Action on Northern District Wastewater Treatment Plant property so that I think is an accomplishment having to take all of that on and keep it moving forward. Number seven, successfully negotiated a favorable settlement in our action against the meter manufacturer to recover damages from failed meters and achieving an outcome which they said was not possible. We made it possible so I consider that to be a successful outcome. Finally, number eight, we finally able to recruit the AGM of Engineering and so complete my tasking from you all when I first started.

Chairman Duenas states prior to you coming on, the general manager had like 13 some direct reports and how do you how do you manage the company with 13 people are talking to you. Comm. Sanchez adds, Miguel, you have been the best general manager of GWA since the CCU took over...appointed or elected appointed. You're a patriot keep it up. Chairmans also adds, we appreciate all you do for us we have couldn't do it without you and your team. We appreciate what you do I mean and you're worth every penny we pay you and more. Chairman Duenas announces a 5-minute recess.

Chairman calls to order and states the board is back from a brief recess. The score for GM Miguel Bordallo is 3.8 that's the overall total score. Our general manager for GWA is 3.9 that's exceeds expectations. Comm. Sanchez begins, Mr. Chair, I'd like to propose, based on the review of Miguel and the excellent work that he's done, the 3.8 is basically almost a four and exceeding expectations... especially during Mawar and making sure that our people were taken care of, our employees were taken care of, all the complex issues such as new consent decree has been...first off the original consent decree, we are on the one foot line of completion to the degree that Miguel has also successfully negotiated the second list and anecdotally, EPA wanted the second list on the first consent decree but we argued, the elected CCU said

to the judge you're going to price water beyond the reach of rate payers if you try to cram everything and it was supposed to be done by 2011...we said it's too compressed spread it out to 2020. Then Miguel joined us eight years ago and completed the first consent decree successfully. He has really done an excellent job as his review continues to show. We are very grateful for that. He's currently paid \$184,340.00, Mr. Chair. We have always tried to take our entire group, our employees as well as our management try to pay them at about the 25th percentile. What we're learning now because unlike other government agencies we do a regular review of wages for all levels of employees. Not just management but all levels of employees and when we first set up this pay scale with the help of Senator Klitzky and Senator Brown, we agreed let's try to get to the 25th percentile and we had moved our team up but what we're finding now with the latest survey which we just did in the last year that actually our whole wage scale for everybody has slid back down which means other utilities of like size are paying their people even more aggressively to attract and retain good people and so our whole team has slid back down. Miguel is currently below the 20th percent based on the new survey and his current pay is \$184,340.00. I would like to propose that we give Miguel Bordallo a raise to \$194,326.00, this is a 5.4% wage increase. It would take him to the 20th percentile based on the 2022 survey so not even at the 25th percentile but it is to recognize that in the past year he's done an excellent job. This was his first typhoon because we hadn't one in 20 years and as he's pointed out and if you study the public record, the recovery of the water system was the fastest ever. Within three weeks we had almost 99% back on. In Typhoon Pongsona, we were months before we got to the 99%. Not only has the team matured and improved, but in the last eight years Miguel's really taken them to the next level. And yet, only paying him at the 20th percentile based on the last wage survey, I'm proposing that we give Miguel a raise to \$194,326.00 from his current pay of \$184,340.00, this would represent a 5.4% increase for Miguel. Comm. Martinez second motion. He clarifies, we're giving him actually 5.4... Comm. Sanchez states, I've calculated it to \$194,300 higher than his current pay of \$184,340 so it's a modest 5.4% increase.

With no further discussion, Chairman Duenas calls for a vote. Motion passes with three Ayes. [Aye = 3, Nay = 0, Absent = 2]

5. ADJOURNMENT

Chairman Duenas calls for a motion to adjourn. Comm. Martinez motions to adjourn the meeting; Comm. Sanchez second. Motion passes with three Ayes. Meeting is adjourned at 12:12 PM.

//s/

Lourissa Gilman

Attested

FRANCIS E. SANTOS, Vice Chairman

PEDRO ROY MARTINEZ, Secretary

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GM UPDATES



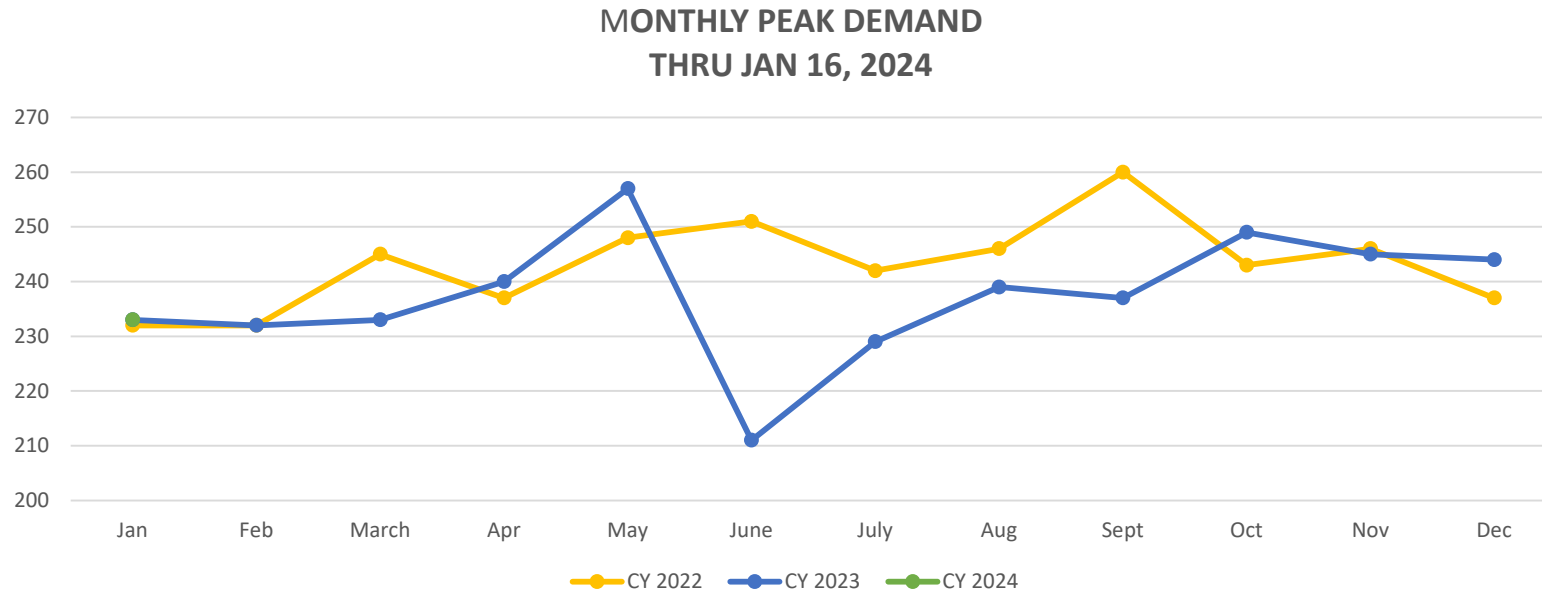
General Manager's Report

Projected February Generation Status

1. Reserve Margin Forecast for February 2024:

Targeted Available Capacity:	272 MW (All Baseloads Available)
Projected Demand:	232 MW
Anticipated Reserve Margin:	40 MW
Interruptible Load Availability:	16 MW
Total Reserves:	56 MW

2. System Peak Demand:



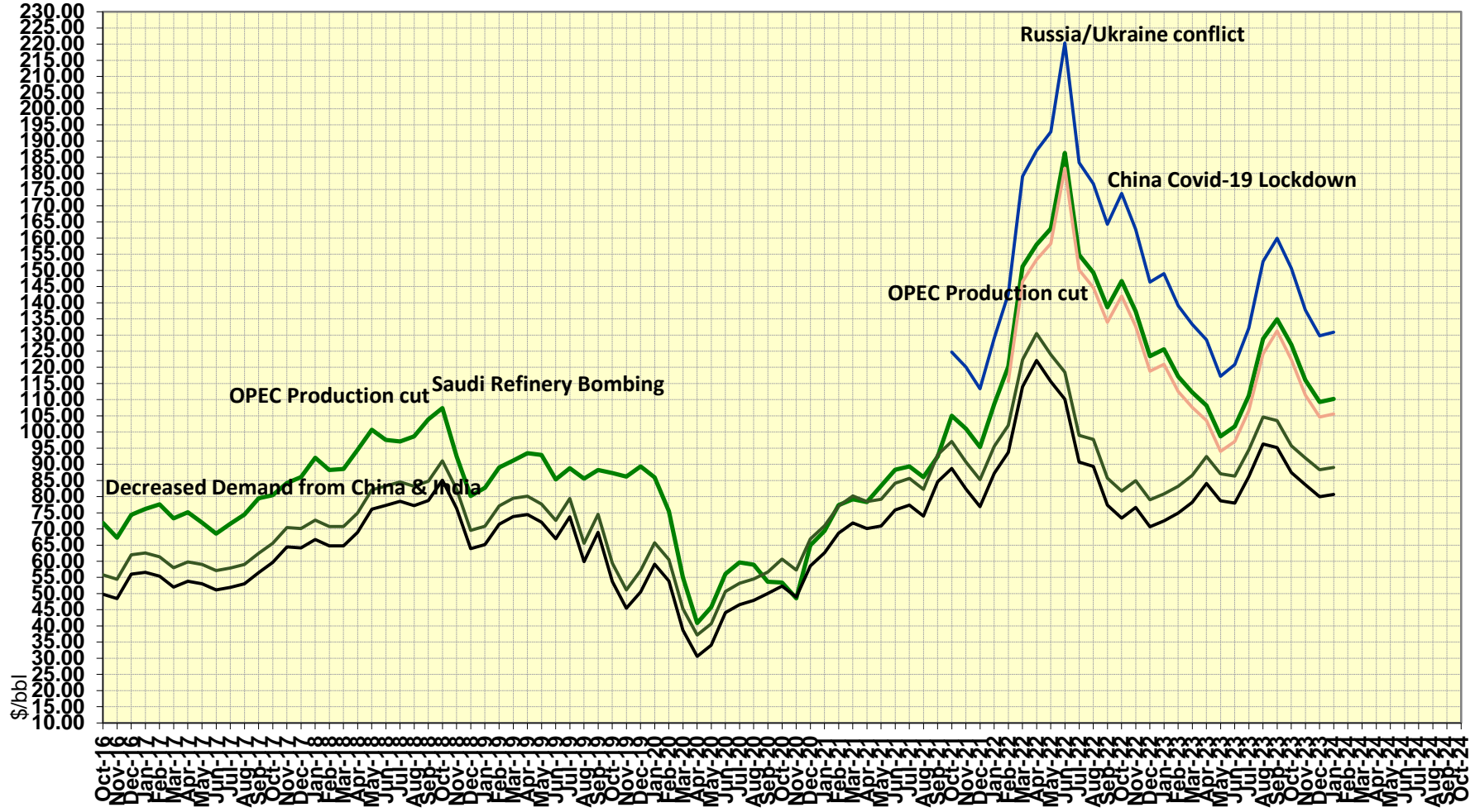
General Manager's Report

3. GPA Fuel Landed Cost

(Per Barrel thru 1/16/2024)

ULSRFO 0.2% \$130.90

ULSD Bulk \$105.58



General Manager's Report

4. PUC Update:

GPA Docket - Thursday, January 25, 2024 Regular Meeting

- GPA Docket 24-06, Petition to Approve Amendment II to Hanwha Energy Corporation's Phase II, Renewable Energy Acquisition Power Purchase Agreement
- GPA Docket 24-08, Petition to Set the Levelized Energy Adjustment Clause (LEAC) Factor effective February 1, 2024
- GPA Docket 24-10, Petition to Approve Purchase of Water Systems Diesel Generators

Approved Dockets on December 19, 2023:

GPA Docket 24-09, Petition for Approval and Increase in Contract Expenditures for Water System Diesel Generator Fuel

Dockets Pending PUC Review:

GPA Docket 24-03, Petition to Review 12 G.C.A. §8502 (c)(2)(B) relative to Net Metering



General Manager’s Report

5. Customer Assistance:

Prugrãman Ayuda Para I Taotao-ta Energy Credit 3rd Extension (PL 37-49 Oct-Dec 2023)

- GPA internal teams coordinate efforts to ensure \$100 Energy Credits are applied to qualified accounts within 1-2 business days of receipt of DOA funding allotment. Unused credits are returned to DOA.
- October 2023: Funds received Nov 28th. Credits applied to qualified accounts on Nov 29th.
- November 2023: Funds received Dec 26th. Credits applied to qualified accounts on Dec 27th.
- December 2023: Funds received Jan 19th. Credits applied to qualified accounts on Jan 22nd.

P.L. 37-49 from October thru December 2023				
Period	Credits Received	Credits Issued	Unused Credits	Accounts
Oct-23	\$ 5,276,000	\$ 5,239,100	\$ 36,900	50,756
Nov-23	\$ 5,276,000	\$ 5,242,500	\$ 33,500	50,790
Dec-23	\$ 5,276,000	\$ 5,249,900	\$ 26,100	50,864
Total:	\$ 15,828,000	\$ 15,731,500	\$ 96,500	152,410
Overall Total:	\$ 94,971,000	\$ 94,628,500		

NOTE: Data as of January 22, 2024 energy credits upload report.

Bill 208-37 (COR), introduced by Sen. Parkinson on December 1, 2023, will appropriate funding for the \$100 Energy Credits from January 2024 - March 2024, if passed into law.

Guam Homeowner Assistance Fund Program (HAF)

- \$75,501.52 was applied to qualified ratepayer accounts from November 10, 2023, through December 29, 2023, totaling \$2,818,714 since program inception. [Batches 74-80]

Emergency Rental Assistance Program (ERA)

- \$140,816.80 \$352,316.06 was applied to qualified ratepayer accounts from November 8, 2023, through December 29, 2023, totaling \$6,392,560 since program inception. [Batches 278-283]



General Manager's Report

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New Power Plant Update: GPA Activities

Completed:

- ECA Amendment: Signed on March 17, 2021.
- Resolution on Section 106 process between Navy/SHPO/GPA (cultural process)
- Archaeological Inventory Survey of Ukudu Site
- Cultural Survey for boring scope fuel/water/power project areas (outside of plant)
- Baseline noise study for Piti 41 MW diesel generator plant site.
- Water Supply and Discharge Agreement signed.
- Approval of research design for boring of proposed site in Piti for diesel generator relocation
- Approval of Archaeological Monitoring & Discovery Plan for pipeline construction
- Public Law 36-91 was signed on 4/11/22 for exemption of construction of Reserve Facility in Piti.
- GHPO Concurrence of Section 106 of the bull cart trails
- Land Lease Agreement was signed by Governor, Lt. Governor and Attorney General on July 6, 2022
- Geotechnical boring test report at the Piti site completed.
- GPA approves remaining Phase 5 & 6 construction permits.
- GPA obtains MEC specialist for construction support at Nimitz allowing excavation to resume on Nov. 1, 2022
- GPA obtains easement to avoid Chaot river area near Route 4 in Sinajana for pipeline construction.
- GPA provides notice to Navy of work starting on the bullcart trails along the pipeline route after Navy NEPA process.
- GPA obtains signage requirements for bullcart trails from Navy.
- CCU officially approves cancellation of Reserve Facility.
- Governor visits plant site on Feb. 2, 2023
- GPA obtains GEPA approval for Land Use Control Work Plan.
- GPA met with Mayor Paco and Mayor Sarvaes to coordinate bullcart excavation in Harmon and Mongmong-Toto-Maite.
- PUC officially approves cancellation of Reserve Facility.
- GPA reviewed GUP's proposed pipeline construction plan for the Nimitz Hill Steep Section and provided comments to contractor.
- GPA received overview of commissioning plan from GUP commissioning team on Apr. 12, 2023.
- GPA obtains CCU approval for LNG Phase I pending PUC approval
- GPA met with GUP/DUP on Jun 7th, 2023 to discuss the impact of Typhoon Mawar and the actions required to mitigate the damage.
- GPA restored power to Ukudu Power Plant on Jun. 8, 2023.
- Resolved fuel supply configuration issue with GUP on Oct. 24, 2023.
- **GPA and GUP reached an agreement to establish the new Commercial Operation Date (COD) on Dec. 6th, 2023**



General Manager's Report

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New Power Plant Update: GPA Activities (continued)

Ongoing / Pending:

- **Archaeological & Cultural Requirements:**
 - ✓ Archaeological monitoring for pipeline construction work (Chaot & Nimitz areas).
 - ✓ Archaeological monitoring is nearly completed for all required areas.
 - ✓ **Archaeological monitoring is ongoing for augering work inside Harmon Substation.**
- **Water & Wastewater Requirements:**
 - ✓ Change of Law issues due to update GWA NPDES permit affecting discharge of wastewater from cooling system.
Follow-up with GWA on the NPDES permit modification.
- **Construction Permit & Drawing Reviews:**
 - ✓ Interconnection and pipeline design documents are being reviewed for approval.
- **Reserve Facility:**
 - ✓ Reviewing draft ECA amendment provided by GUP
- **Other:**
 - ✓ Monthly project reviews including Project Schedule.
 - ✓ Weekly meetings on contract items and ongoing construction activities and pending issues
 - ✓ Coordination with Navy on excavation activities for pipeline construction
 - ✓ Coordination with GUP/DUP on construction activities within Harmon Substation
 - ✓ GPA preparing response to GUP force majeure claim.
 - ✓ GPA is reviewing GUP's proposal to change fuel pump configuration.
 - ✓ GPA is assisting DUP with work within Harmon Substation
 - ✓ GPA work includes installation of line guards, outage coordination, etc.
 - ✓ **GPA is attending weekly DPW meetings to help GUP/DUP attain work permit for Route 16.**
 - ✓ **GPA is assisting with the installation of line guards for work inside Harmon Substation.**
 - ✓ **GPA held meeting with DUP to discuss NETA requirements for commissioning on Jan. 12th, 2024**



General Manager's Report

8

New Power Plant Update: GUP [Contractor] Activities

Typhoon Mawar Restoration:

- DUP structural engineer arrived on island Jun. 7th, 2023 to perform damage assessment.
- Switchgear and HRSG technical advisors arrived on island on Jun. 8th, 2023 to assess extent of the damage.
- GUP is requesting for a 14.5 month extension to the required Commercial Operation Date.
- GUP reviewing treated water tank demolition plan.
- Completed demolition of fire-water tank.
- GUP finalizing decision for MV switchgear repair/replacement.
- **Demolition of all damaged ULSD and treated water tanks are completed. One course of tank walls (of 8) is in place for both ULSD tanks.**
- **DUP has resumed vertical welding of tank walls.**
- **One course of tank walls (of 8) is in place for Treated Water Tank A. DUP is awaiting the arrival of materials for Treated Water Tank B.**

Completed:

- EPC Contract - Doosan
- Height Variance for Ukudu Site
- Financing Contracts Signed - Equity Bridge Loan in place. Senior loan requires air permit and land lease legislation for funds drawdown.
- Down payment to Siemens to secure Turbine Order (long lead item)
- Survey Maps for land lease recorded at Dept. of Land Management
- Phase I for Ukudu Plant construction permit approved. Foundation work is ongoing.
- GUP issues Notice to Proceed to EPC on May 31, 2022.
- Land Lease Agreement was signed by Governor, Lt. Governor and Attorney General on July 6, 2022
- GEPA approves and issues Ukudu Air Permit on 7/20/22 during construction ground breaking ceremony.
- KEPCO/GUP achieves financial close on September 30, 2022.
- Obtained DPW heavy haul permit on Feb. 3, 2023
- Delivered letter to GPA for review requesting additional compensation for increased costs and delays.
- Completed all heavy haul transports on Apr. 24th, 2023.
- Obtained permit approval for reuse water pipeline installation from DPW and GEPA.
- Concrete work completed for median restoration.
- Conducted monthly cybersecurity meeting to discuss NERC compliance with GPA Oct. 6, 2023
- DUP presented Route 16 work plan to DPW on Nov. 2nd, 2023.
- DUP submitted complete package requested by DPW for the Route 16 permit on Dec. 13, 2023.

Typhoon Bolaven:

- Site was not affected by the typhoon and equipment was well preserved.



General Manager's Report

New Power Plant Update: GUP [Contractor] Activities (continued)

Ongoing / Pending: *(continued)*

Construction

- Power Plant - All 6 phases of plant building construction permits were issued by Oct. 2022.
- Pipeline -
 - Construction of above-ground pipeline pedestals is ongoing
 - Excavation has started on Route 34.
 - **Tiyan Road crossing is ongoing.**
 - **Restoration of Larson and Turner Road is ongoing.**
 - **DUP is awaiting approval from DPW to begin work along Route 16,**

Transmission Line

- Design and material specifications under review.
- Anticipating construction early 2023 pending permit approval.
- Cleared area between Harmon Substation and Ukudu Plant for new transmission lines.
- Pole foundation work is ongoing within Harmon Substation.

Existing Pipeline Cleaning & Demolition

- GPA continues to work with GEPA on a Land Use Control document regarding Route 16 (Airport) to Route 34 abandonment plan.

Reserve Facility

- Provided draft ECA amendment to GPA

Schedule Update

- GUP submitted updated schedule on Sep. 13, 2023 with a Jan, 2026 Commercial Operation Date
- GUP submitted "accelerated" schedule on Sep. 13, 2023 with a Sep, 2025 Commercial Operation Date
 - GPA is reviewing GUP's \$12 million dollar request to accelerate schedule
 - **The new COD has been determined by GPA and GUP. Pending ECA update and approvals from CCU & PUC.**

Transportation Logistics

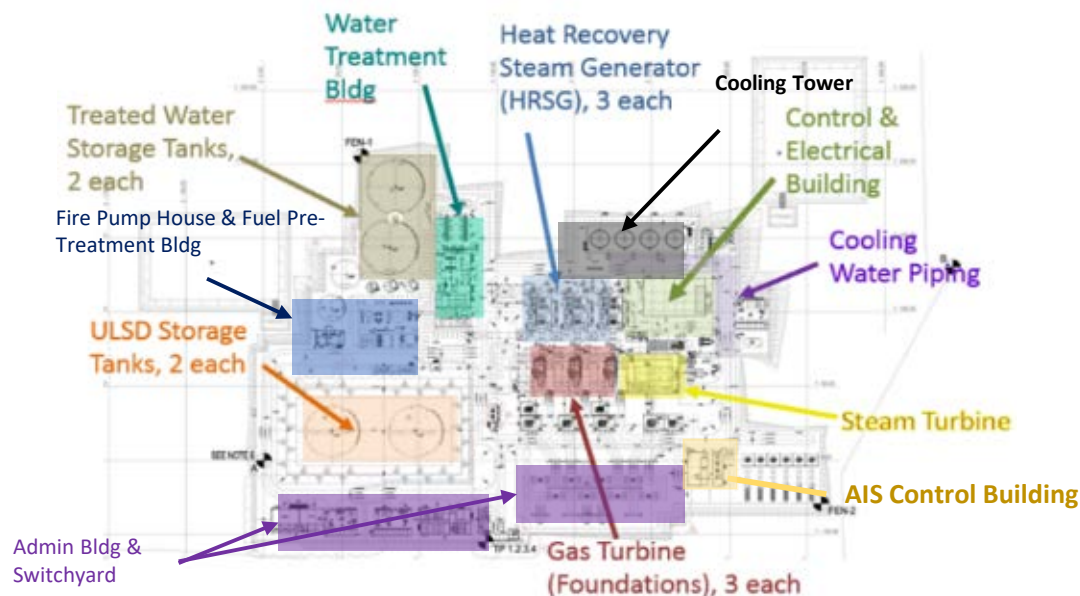
- EPC continues to work with DPW on transport plan from Port to Ukudu site.
- Bridge analysis dictating required transport equipment.
- Temporary bridge delivered as required by DPW as backup for any bridge damage due to limited alternate routes in some areas.
- Transportation will take several hours over several days to move HRSG modules and will affect traffic during movement.
- Weekly meetings being held to discuss plans and requirements.
- 25 heavy cargo movements expected thru April 2023
- Demonstration of the Self-Propelled Modular Transporter (SPMT) was provided to DPW, GUP, DUP and GPA representatives on Oct. 27 at the Port.
- First heavy cargo shipment arrived on Guam on Nov. 2 which contains the 12 HRSG modules. It is being stored at the Port.
- Doosan team has hired media group to provide public outreach.
- Heavy haul transportation ongoing. First transport began Feb 4th.
- Painting of newly constructed medians is ongoing.



General Manager's Report

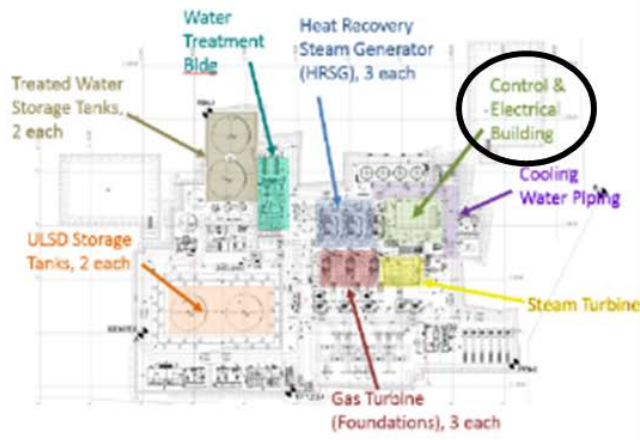
Ukudu Power Plant Construction Status

Plant construction progresses steadily. Demolition is completed for all ULSD and treated water tanks. Major ongoing work includes: Restoration of tank walls for the ULSD and Treated Water tanks, GTG air intake installation, and Power Transformer installation.



General Manager's Report

Ukudu Power Plant Construction Status



Control & Electrical Building



Control room fire panel installation is ongoing.



Commissioning of UPS and batteries is in progress.

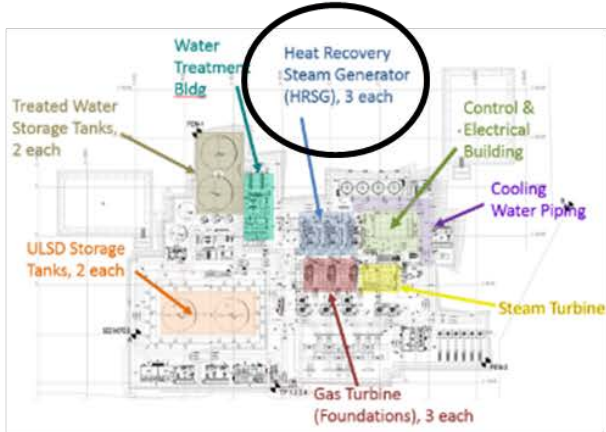


General Manager's Report

Ukudu Power Plant Construction Status

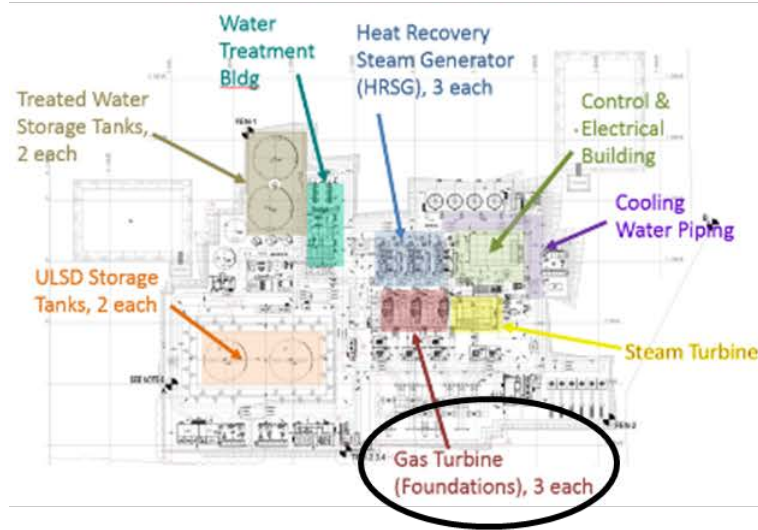
Heat Recovery Steam Generator (HRSG)

HRSG 1-3: Steel Structure & Drum Installation Work is ongoing



General Manager's Report

Ukudu Power Plant Construction Status Gas Turbines & Generators



GTG Building – Air intake and piping installation is in progress

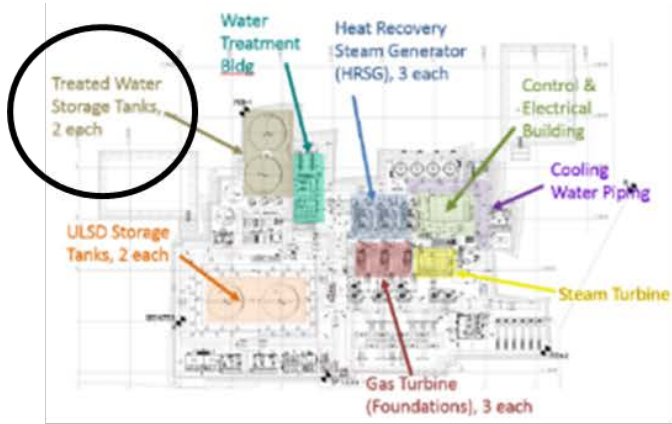


Unit Aux Transformer 1 – Tanks and radiator installation ongoing



General Manager's Report

Ukudu Power Plant Construction Status



Treated Water Storage Tank B – Restoration of tank walls is in progress.

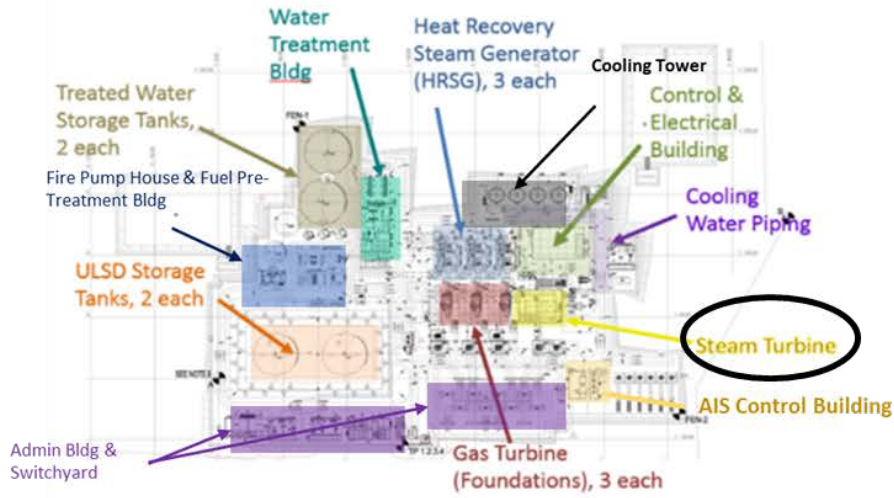


Treated Water Storage Tank A – Awaiting arrival of materials



General Manager's Report

Ukudu Power Plant Construction Status



Steam Turbine & Generator – Pipe rack between STG and CEB is in place

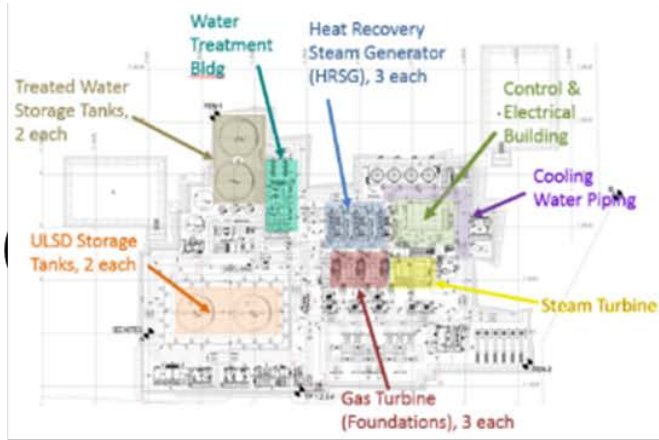


BESS – Excavation for the battery control building foundation is ongoing



General Manager's Report

Ukudu Power Plant Construction Status



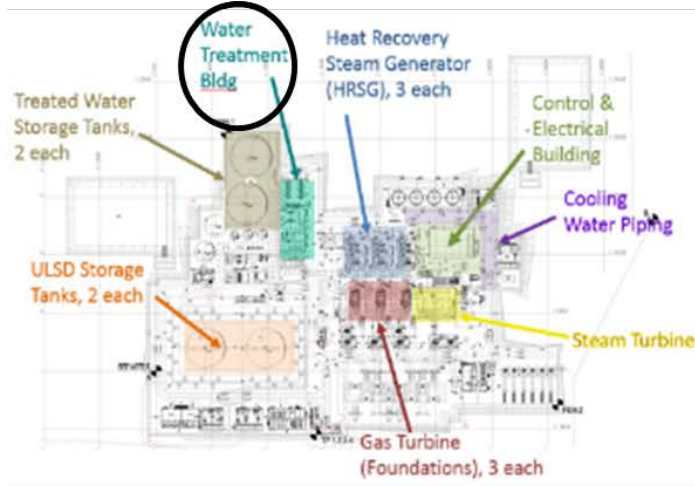
ULSD Storage Tank A & B – One course is in place. Welding of tank walls are ongoing.

Vertical welding has resumed with automatic welding machine



General Manager's Report

Ukudu Power Plant Construction Status



Piping installation is in progress

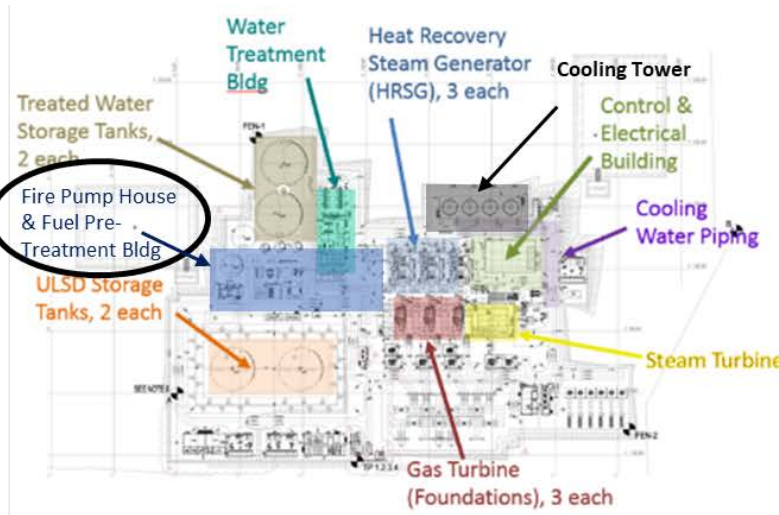


Water Treatment Building – Equipment installation and setup is ongoing



General Manager's Report

Ukudu Power Plant Construction Status



Fire Pump House & Tank – Fire fighting tank installation is ongoing.

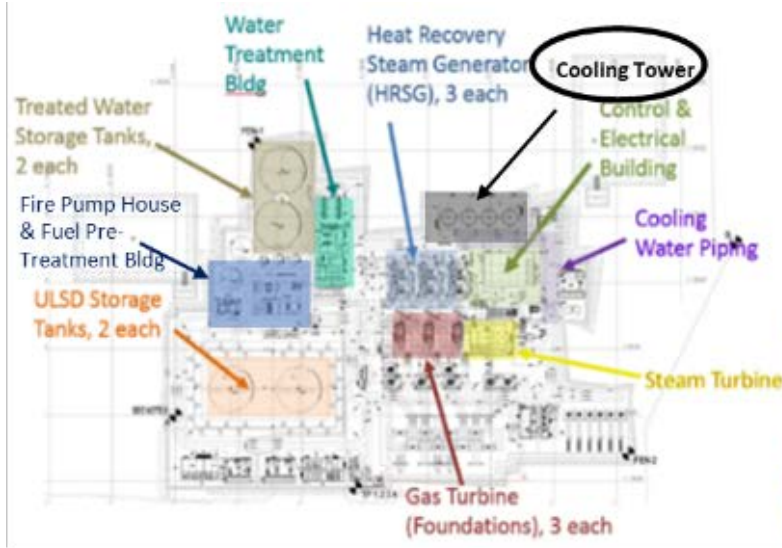


Fire fighting pumps are in place



General Manager's Report

Ukudu Power Plant Construction Status

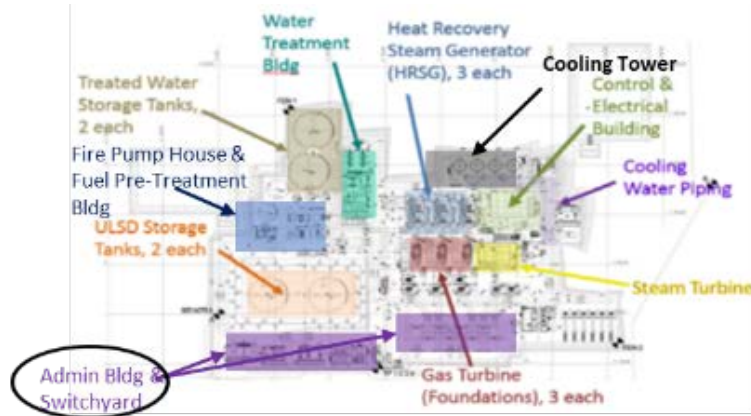


Cooling Tower & Basin – Circulating water pumps are in place. FRP structure assembly is in progress



General Manager's Report

Ukudu Power Plant Construction Status



Switchyard – Cable pulling and termination is ongoing

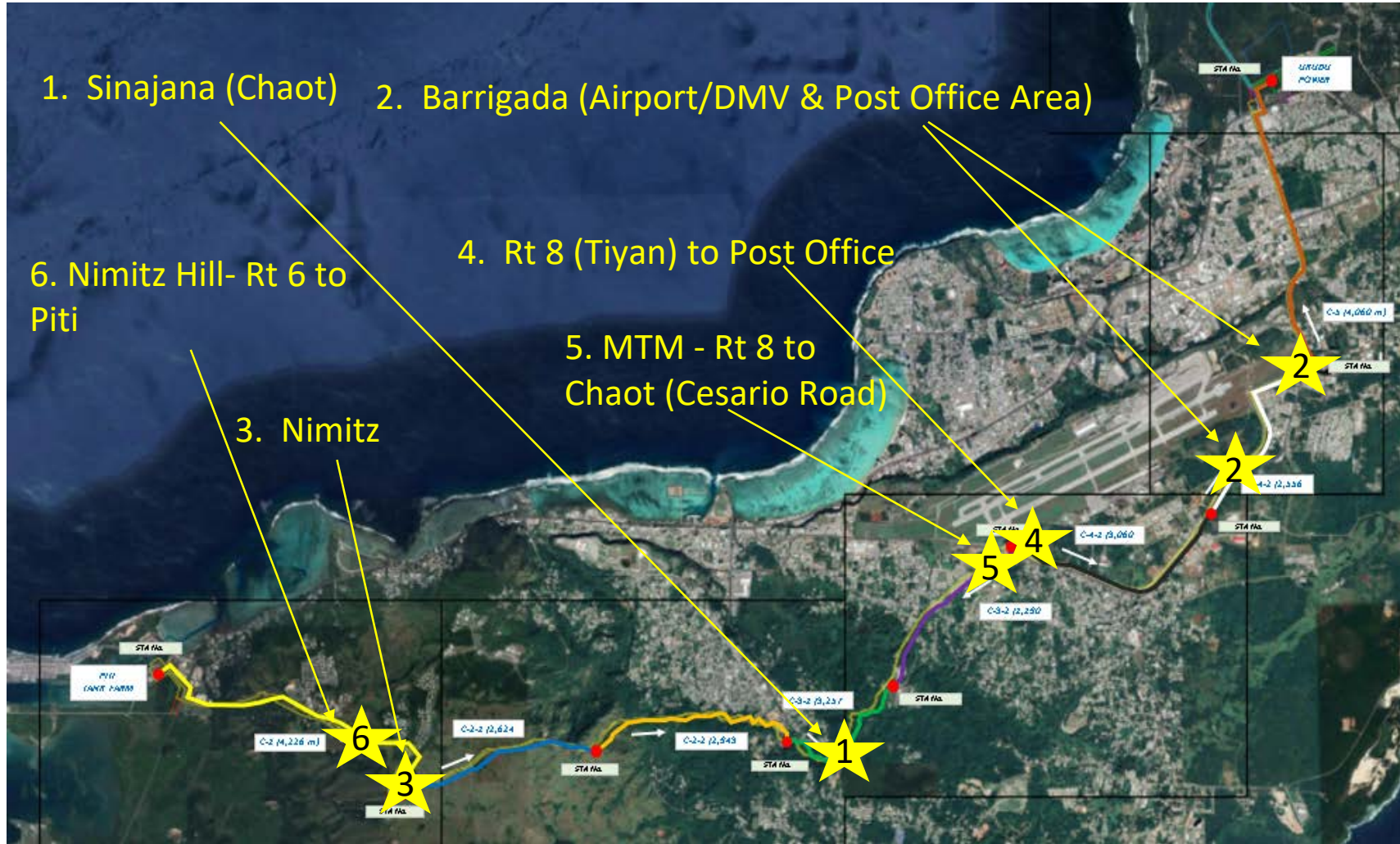


Harmon Substation – Augering for pole P4-4A is ongoing



General Manager's Report

Fuel Pipeline Construction Status



General Manager's Report

Fuel Pipeline Construction Status

1. Sinajana/Chaot area

Contractor is reworking the Chaot Bridge East section to the revised design.



2. Barrigada

Contractor is preparing to start excavation near the Barrigada Post Office



General Manager's Report

Fuel Pipeline Construction Status

3. Nimitz Hill

Pipeline installation is ongoing



4. Rt 8 (Tiyan) to Post Office

Route 8 road crossing is in progress. Pipeline installation along the shoulder of the road is ongoing



General Manager's Report

Fuel Pipeline Construction Status

5. MTM - Rt 8 to Chaot (Cesario St.)

Pipeline installation at JS Store road crossing is in progress.



6. Nimtiz Hill- Rt 6 to Piti

Excavation and pipeline installation is ongoing near the residential area.



23, 2024



CCU Regular Board Meeting, January 23, 2024 - GPA

GUAM POWER AUTHORITY
GOVERNMENT ACCOUNTS RECEIVABLE
 Billing up to DECEMBER 31, 2023 and payments as of 01/19/2024

Current (12/31/2023 Billing due 01/31/2024)
 31 days Arrears 11/30/2023 due 12/31/2023)
 61 days and over Arrears (10/31/23 billing due 11/30/2023)

CC&B New Acct Number	DEPARTMENT	BALANCE 11/30/2023	CANCEL/REBILL/ OTHER CHARGES 01/19/2024	BILLING 12/31/2023	PAYMENT UP TO 01/19/2024	BALANCE 12/31/2023	CC&B BALANCE 01/19/2024
5434075703	AUTONOMOUS/University of Guam	421,466.44	-	207,997.13	(421,466.44)	418,637.63	207,997.13
1699407298	AUTONOMOUS/G H U R A	33,500.54	-	33,461.98	(33,437.49)	66,962.52	33,525.03
4474308144	AUTONOMOUS/Port Authority of Guam	220,735.97	(5,453.33)	107,706.21	(322,988.85)	102,252.88	-
Sub-total		6,301,550.98	(156,838.77)	3,295,413.40	(5,827,354.21)	6,271,380.58	3,612,771.40
Others							
3209463043	OTHERS Dept. of Military Affairs (NET METERED)	103,504.44	-	48,950.95	-	152,455.39	152,455.39
4530787043	OTHERS U.S. Post Office	46,507.69	-	50,711.25	(97,218.94)	50,711.25	-
6000770566	OTHERS KGTF	7,556.32	-	3,829.00	(3,628.03)	7,757.29	7,757.29
6602566745	OTHERS Tamuning Post Office	6,302.12	-	6,593.50	(12,895.62)	6,593.50	-
7541928173	OTHERS Guam Legislature	240.12	-	302.73	(542.85)	302.73	-
8108458168	OTHERS Guam Post Office (Agana)	7,335.86	-	8,042.75	(15,378.61)	8,042.75	-
8353274954	OTHERS Superior Court of Guam	136,432.18	-	80,678.58	(136,432.18)	80,678.58	80,678.58
8607446612	OTHERS Dept. of Military Affairs	346,819.06	-	63,872.06	(213,732.95)	196,958.17	196,958.17
8972267005	OTHERS Customs & Quarantine Agency	3,975.10	-	1,766.18	-	5,741.28	5,741.28
9503154359	OTHERS Guam Legislature (NET METERED)	11,980.24	-	12,232.88	(34,213.12)	12,232.88	-
Sub-total		670,653.13	-	276,979.88	(504,042.30)	521,473.82	443,590.71
Grand Total		14,814,022.90	(297,957.50)	5,678,828.34	(8,335,049.88)	16,530,275.08	11,859,843.86

AGING					
0-30 Days	31-60 Days	61-90 Days	91-120 Days	>120 Days	Total
207,997.13	-	-	-	-	207,997.13
33,461.98	63.05	-	-	-	33,525.03
-	-	-	-	-	-
3,029,583.99	257,117.47	40,310.33	37,669.65	248,089.96	3,612,771.40
48,950.95	50,892.00	52,612.44	-	-	152,455.39
3,829.00	3,928.29	-	-	-	7,757.29
-	-	-	-	-	-
-	-	-	-	-	-
80,678.58	-	-	-	-	80,678.58
63,872.06	65,742.00	67,344.11	-	-	196,958.17
1,766.18	1,688.16	1,627.33	659.61	-	5,741.28
-	-	-	-	-	-
199,096.77	122,250.45	121,583.88	659.61	-	443,590.71
5,176,899.66	2,237,234.48	2,011,114.45	1,740,846.80	693,748.47	11,859,843.86

CFO

FINANCIAL HIGHLIGHTS

December 2023



Residential average kWh & LEAC Rate

Avg kWh	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FY 2019	957	938	940	831	761	915	951	1,028	1,048	1,025	940	896
FY2020	942	938	931	867	785	979	1,046	1,140	1,114	1,103	1,081	1,062
FY2021	1,064	1,083	1,062	1,117	939	1,094	1,046	1,186	1,215	1,114	1,032	1,038
FY2022	1,021	1,063	1,030	942	883	1,053	991	1,128	1,050	977	992	972
FY2023	928	979	956	882	818	917	946	805	661	958	960	985
FY2024	997	956	955									

LEAC Rate	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FY 2019	\$ 0.1542	\$ 0.1542	\$ 0.1542	\$ 0.1542	\$ 0.1542	\$ 0.1542	\$ 0.1542	\$ 0.1542	\$ 0.1542	\$ 0.1542	\$ 0.1542	\$ 0.1542
FY2020	\$ 0.1542	\$ 0.1542	\$ 0.1542	\$ 0.1542	\$ 0.1345	\$ 0.1345	\$ 0.1100	\$ 0.1100	\$ 0.0868	\$ 0.0868	\$ 0.0868	\$ 0.0868
FY2021	\$ 0.0868	\$ 0.0868	\$ 0.0868	\$ 0.0868	\$ 0.1100	\$ 0.1100	\$ 0.1100	\$ 0.1100	\$ 0.1100	\$ 0.1100	\$ 0.1304	\$ 0.1304
FY2022	\$ 0.1508	\$ 0.1508	\$ 0.1715	\$ 0.1715	\$ 0.1808	\$ 0.1808	\$ 0.2095	\$ 0.2095	\$ 0.2095	\$ 0.2516	\$ 0.2516	\$ 0.2960
FY2023	\$ 0.2960	\$ 0.3186	\$ 0.3186	\$ 0.3186	\$ 0.3186	\$ 0.3186	\$ 0.3186	\$ 0.3186	\$ 0.2311	\$ 0.2311	\$ 0.2311	\$ 0.2311
FY2024	\$ 0.2311	\$ 0.2311	\$ 0.2311									

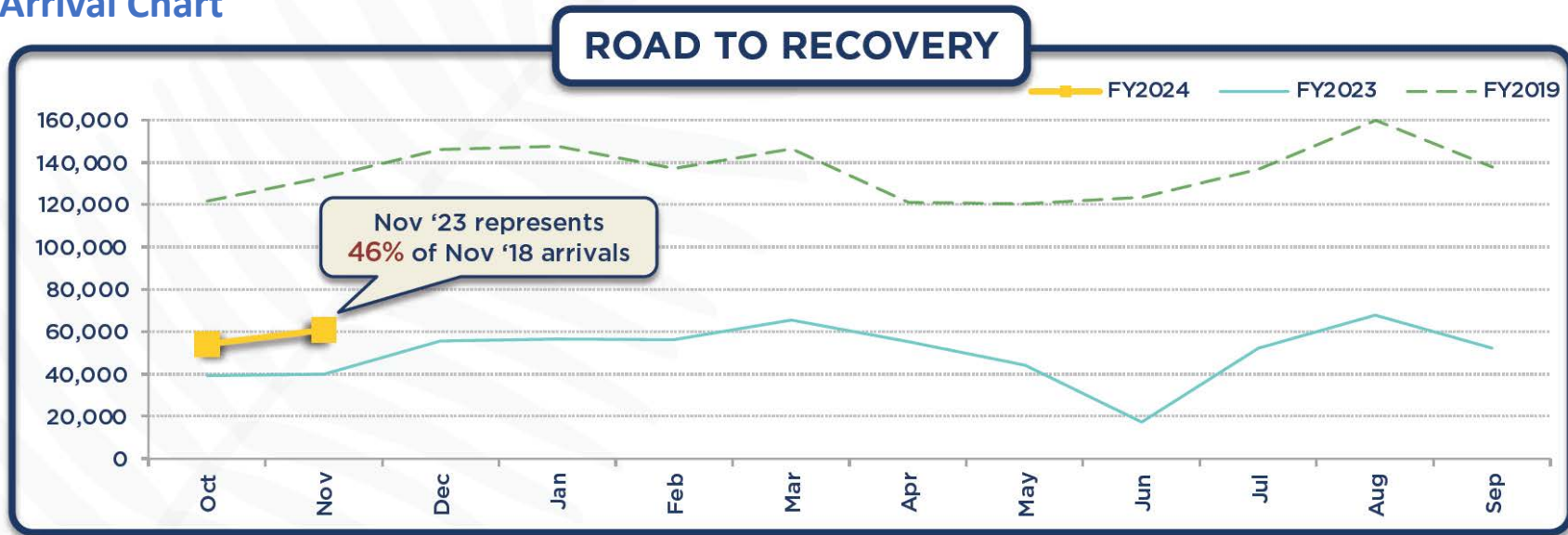


Hotel kWh & Occupancy Rate

MWh Hotels	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FY2019	11,009	10,812	10,665	10,372	9,151	9,625	10,743	10,945	10,278	11,670	10,356	10,569
FY2020	10,510	9,983	10,691	10,053	9,831	8,494	7,195	6,983	7,463	7,798	7,678	7,220
FY2021	7,194	7,535	7,754	7,129	6,427	7,014	7,474	7,293	7,669	7,989	8,064	7,712
FY2022	7,119	7,495	7,184	7,055	6,563	7,083	6,988	7,652	7,883	8,097	8,202	7,953
FY2023	7,926	8,048	8,385	8,164	7,669	8,075	7,985	7,300	6,225	8,670	8,708	8,089
FY2024	8,404	8,454	8,521									

Occupancy Rate	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FY2019	85.9	85.9	85.9	91.4	91.4	91.4	84.8	84.8	84.8	92.0	92.0	92.0
FY2020	89.9	89.9	89.9	73.7	73.7	73.7	34.7	34.7	34.7	27.1	27.1	27.1
FY2021	38.7	38.7	38.7	51.4	51.4	51.4	41.3	41.3	41.3	52.4	52.4	52.4
FY2022	45.9	45.9	45.9	56.0	56.0	56.0	54.0	54.0	54.0	66.8	66.8	66.8
FY2023	59.7	59.7	59.7	67.4	67.4	67.4	60.0	60.0	60.0	73.4	73.4	73.4

Arrival Chart

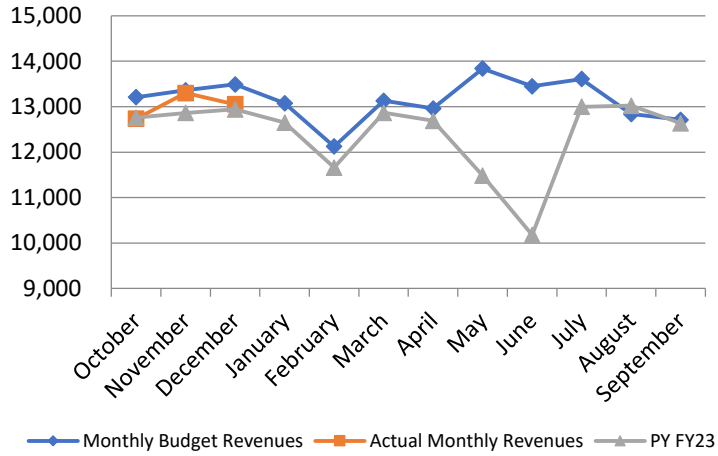


Note: Data from 22 hotels in schedule P. 1 hotel closed its doors on Oct. 2021. Occupancy rate and Road to Recovery is from GVB Visitor Arrival Statistic.



October 2023 Monthly Financial Highlights

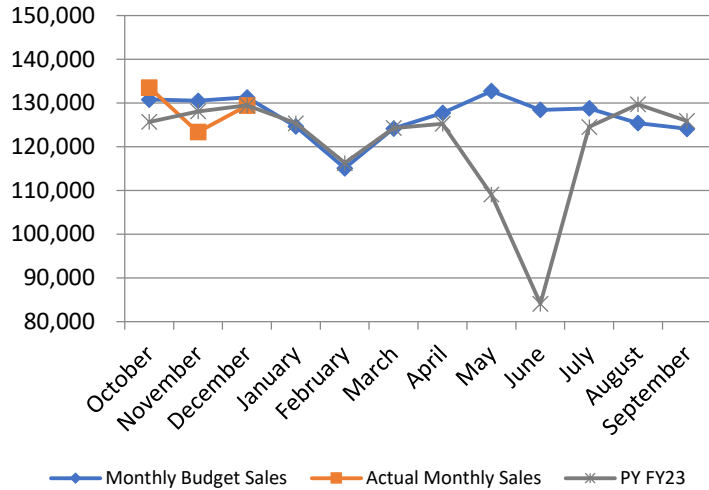
Base Rate Revenue (in '000)



Through December 31, 2023

	Monthly Budget Revenues \$000	Actual Monthly Revenues	Variance		PY FY23	CY vs PY Variance	
October	13,209	\$ 12,734	\$ (475)	↓	\$ 12,757	\$ (22)	↓
November	13,363	13,301	\$ (61)	↓	12,861	\$ 440	↑
December	13,488	13,053	\$ (435)	↓	12,940	\$ 113	↑
January	13,078				12,651		
February	12,126				11,660		
March	13,131				12,865		
April	12,961				12,691		
May	13,837				11,484		
June	13,449				10,178		
July	13,608				12,997		
August	12,840				13,023		
September	12,710				12,635		
Total	\$ 157,800	\$ 39,089	\$ (971)		\$ 148,743	\$ 530	

MWH Sales (in MWh)



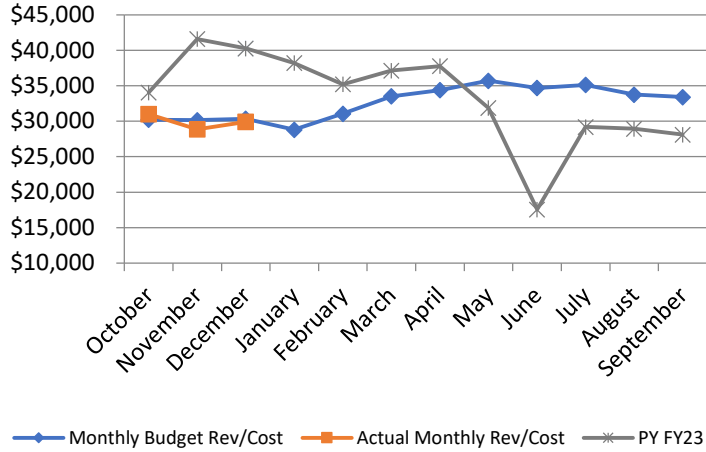
Through December 31, 2023

	Monthly Budget Sales MWh	Actual Monthly Sales	Variance		PY FY23	CY vs PY Variance	
October	130,775	133,530	2,754	↑	125,672	7,858	↑
November	130,478	123,349	(7,129)	↓	128,077	(4,728)	↓
December	131,278	129,415	(1,863)	↓	129,439	(24)	↓
January	124,618				125,368		
February	115,079				116,289		
March	124,155				124,254		
April	127,713				125,257		
May	132,727				109,061		
June	128,415				84,097		
July	128,775				124,518		
August	125,406				129,673		
September	124,080				125,895		
Total	1,523,500	386,294	(6,237)		1,447,602	3,105	



October 2023 Monthly Financial Highlights (Continued)

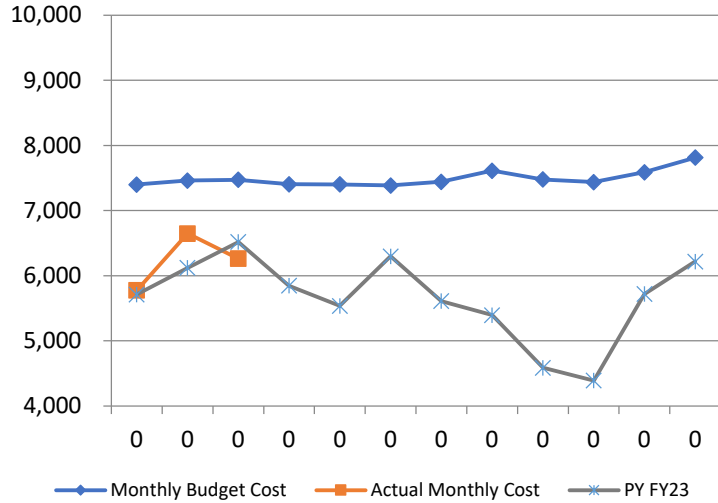
Fuel Revenues (in '000)



Through December 31, 2023

	Monthly Budget \$000	Actual Monthly Rev/Cost	Variance		PY FY23	CY vs PY Variance	
October	\$ 30,228	\$ 30,992	764	↑	\$ 34,062	(3,070)	↓
November	30,159	28,862	(1,297)	↓	41,593	(12,731)	↓
December	30,344	29,905	(439)	↓	40,281	(10,376)	↓
January	28,805				38,205		
February	31,071				35,217		
March	33,522				37,143		
April	34,390				37,773		
May	35,710				31,867		
June	34,703				17,560		
July	35,135				29,194		
August	33,760				28,940		
September	33,402				28,103		
Total	\$ 391,228	\$ 89,759	\$ (972)		\$ 399,938	\$ (26,177)	

O&M Costs (in '000)



Through December 31, 2023

	Monthly Budget \$000	Actual Monthly Cost	Variance		PY FY23	CY vs PY Variance	
October	7,400	5,774	1,626	↑	5,712	(62)	↓
November	7,462	6,647	814	↑	6,120	(527)	↓
December	7,473	6,262	1,211	↑	6,518	255	↑
January	7,405				5,846		
February	7,401				5,537		
March	7,384				6,298		
April	7,443				5,610		
May	7,611				5,395		
June	7,477				4,585		
July	7,438				4,390		
August	7,588				5,718		
September	7,812				6,218		
Total	\$ 89,893	\$ 18,684	\$ 3,651		\$ 67,946	\$ (334)	



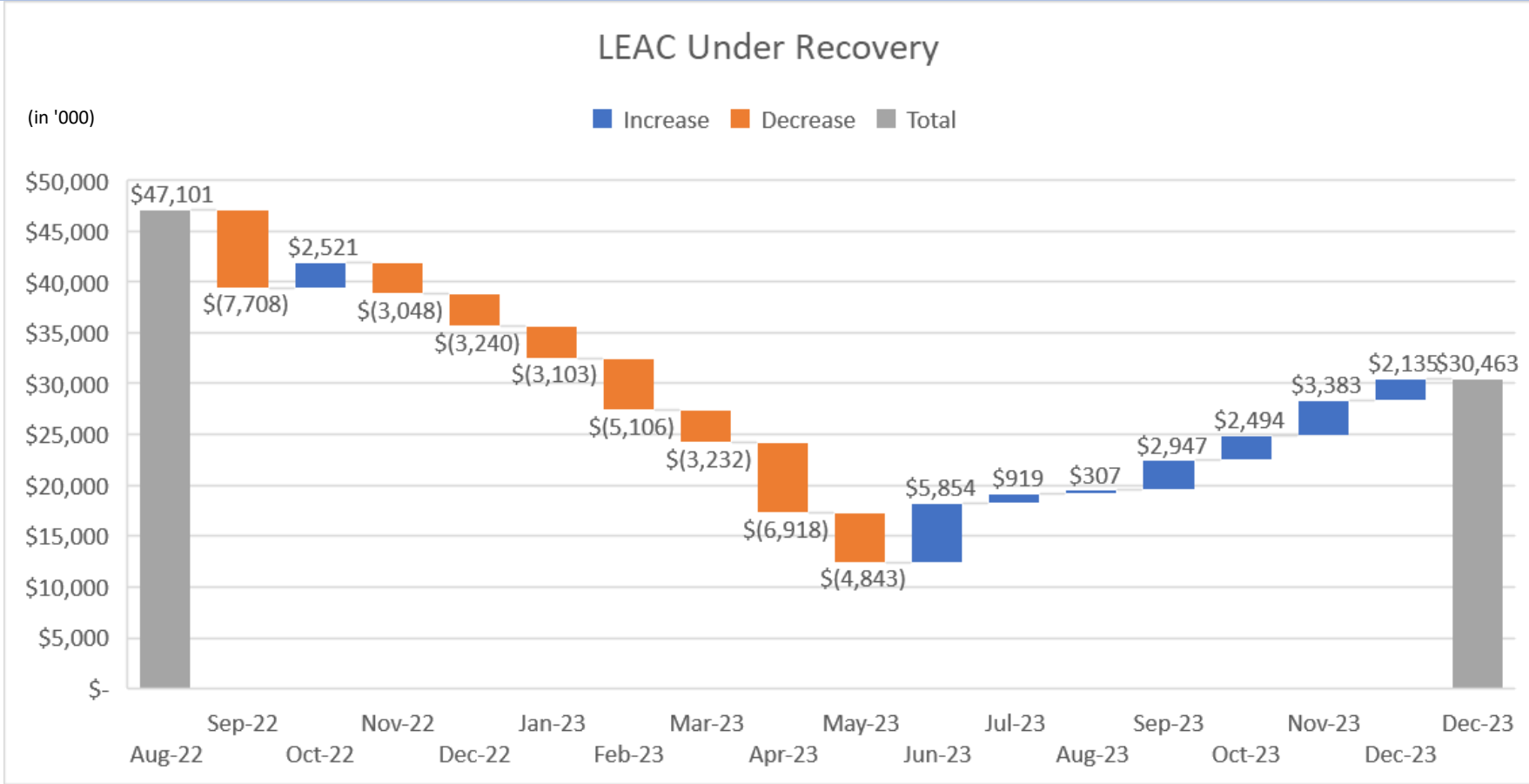
October 2023 Monthly Financial Highlights (Continued)

Through September 30, 2023													
	1Q2021	2Q2021	3Q2021	4Q2021	1Q2022	2Q2022	3Q2022	4Q2022	1Q2023	2Q2023	3Q2023	4Q2023	1Q2024
Residential	44,503	44,575	45,247	45,229	45,224	45,283	45,261	45,315	45,370	45,417	45,453	44,968	45,642
Commercial	5,301	5,307	5,330	5,336	5,349	5,367	5,368	5,373	5,425	5,473	5,436	5,421	5,447
Government	1,063	1,060	1,049	1,056	1,069	1,077	1,079	1,087	1,088	1,108	1,112	1,106	1,105
Streetlights	1,133	1,132	1,132	1,131	1,160	1,158	1,156	1,163	1,167	1,167	1,165	1,159	1,149
Navy	1	1	1	1	1	1	1	1	1	1	1	1	1
Total	52,001	52,075	52,759	52,753	52,803	52,886	52,865	52,939	53,051	53,166	53,167	52,655	53,344

Debt service coverage (DSC) calculation-indenture	2018	2019	2020	2021	2022	2023	2024
Senior lien coverage	2.53	1.78	1.42	1.54	1.71	1.71	2.07
Debt service coverage (DSC) calculation-IPP as O&M							
Senior lien coverage	1.65	1.46	1.23	1.49	1.71	1.71	2.07



October 2023 Monthly Financial Highlights (Continued)



	LEAC		(Over)/Under	Under Recovery
	\$000	Revenue	Fuel Cost	Recover
October	\$	30,992	\$ 33,486	\$ 2,494
November		28,862	\$ 32,245	\$ 3,383
December		29,905	\$ 32,039	2,134
				\$ 30,463



October 2023 Credit Summary

Credit Summary		
Long-Term Senior Debt	Rating	Long-Term Outlook
Standard & Poor's	BBB	Stable
Moody's Rating	Baa2	Stable
Fitch Rating	BBB	Stable





GUAM POWER AUTHORITY

ATURIDÁT ILEKTRESEDÁT GUÅHAN
P.O.BOX 2977 • HAGÁTÑA, GUAM U.S.A. 96932-2977

GUAM POWER AUTHORITY FINANCIAL STATEMENT OVERVIEW December 2023

Attached are the financial statements and supporting schedules for the month and fiscal year ended December 31, 2023.

Summary

The increase in net assets for the month ended was \$1.9 million as compared to the anticipated net increase of \$242 thousand projected at the beginning of the year. The total kWh sales for the month were 1.42% less than projected and non-fuel revenues were 3.22% less than the estimated amounts. O&M expenses for the month were \$6.3 million which was \$1.2 million less than our projections for the month. Other expenses for the month such as interest expense, IPP costs, (net of interest income and other income) totaled to \$2.4 million, which was \$364 thousand less than as projected amounts. There were no other significant departures from the budget during the period.

Analysis

Description	Previous Month	Current Month	Target
Quick Ratio	1.85	2.13	2
Days in Receivables	40	42	52
Days in Payables	28	21	30
LEAC (Over)/Under Recovery Balance - YTD	\$28,328,497	\$30,462,844	\$9,421,532
T&D Losses	6.00%	6.08%	<7.00%
Debt Service Coverage	2.05	2.07	1.75
Long-term equity ratio	10.61%	11.00%	30 – 40%
Days in Cash	71	74	60

The Quick Ratio, which has been a challenge for GPA historically, has shown a positive trend over the last 12 months. This is primarily due to the reduced debt service that went into effect this fiscal year. GPA has current obligations of approximately \$70 million and approximately \$149 million in cash and current receivables. The LEAC under-recovery for the month was \$2.1 million. Debt Service Coverage ratio is calculated using the methodology in use before the Fiscal Year 2002 change in accounting practice.

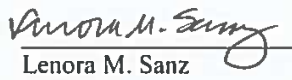
**Financial Statements
December 2023**

Significant Assumptions

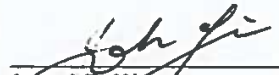
The significant assumptions in the financial statements are as follows:

- Accrual cutoff procedures were performed at month end
- An inventory valuation is performed at year-end only
- Accounts Receivable includes accruals based on prior months' usage.

Prepared by:


Lenora M. Sanz
Controller

Reviewed by:


John J.E. Kim
Chief Financial Officer

Approved by:


John M. Benavente, P.E.
General Manager

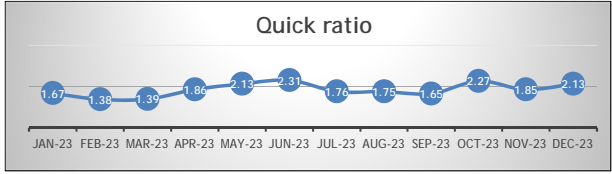
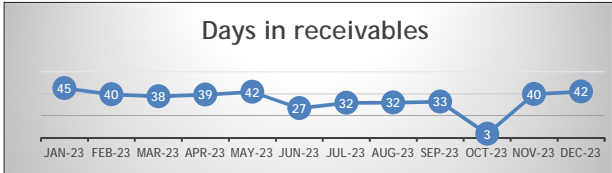
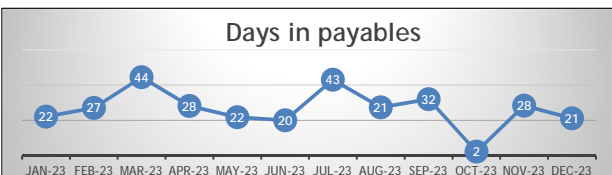
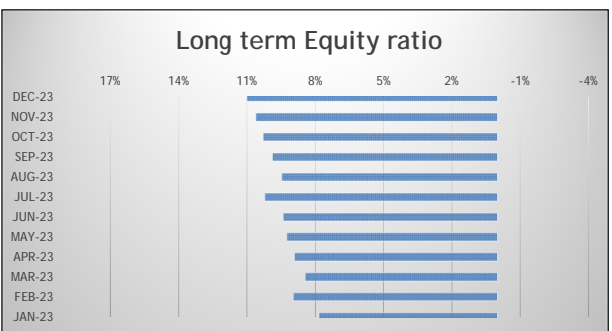
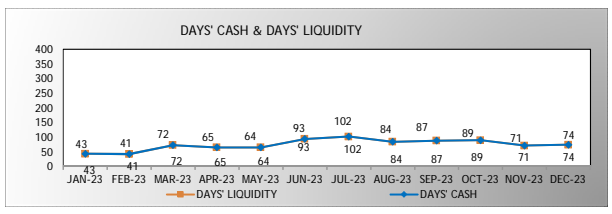
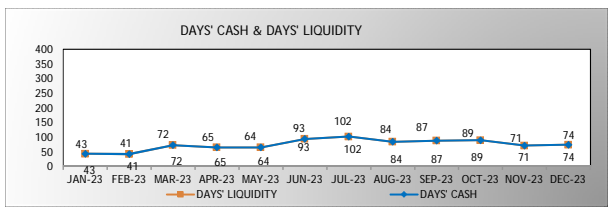
GUAM POWER AUTHORITY (A COMPONENT UNIT OF THE GOVERNMENT OF GUAM) Statements of Net Position December 31, 2023 and September 30, 2023			
	Unaudited December 2023	Unaudited September 2023	Change from Sept 30 2023
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets:			
Cash and cash equivalents:			
Held by trustee for restricted purposes:			
Interest and principal funds	\$ 10,610,870	\$ 37,465,806	\$ (26,854,936)
Bond indenture funds	26,373,814	48,960,702	(22,586,888)
Held by Guam Power Authority:			
Bond indenture funds	62,520,513	65,474,455	(2,953,941)
Self insurance fund-restricted	11,849,443	11,844,666	4,778
Energy sense fund	5,670,948	5,968,468	(297,519)
Total cash and cash equivalents	<u>117,025,589</u>	<u>169,714,096</u>	<u>(52,688,507)</u>
Accounts receivable, net	<u>80,210,732</u>	<u>68,663,217</u>	<u>11,547,516</u>
Total current receivables	<u>80,210,732</u>	<u>68,663,217</u>	<u>11,547,516</u>
Materials and supplies inventory	10,346,607	10,403,724	(57,117)
Fuel inventory	57,265,499	66,244,237	(8,978,739)
Prepaid expenses	<u>15,252,727</u>	<u>6,651,973</u>	<u>8,600,754</u>
Total current assets	<u>280,101,155</u>	<u>321,677,248</u>	<u>(41,576,093)</u>
Utility plant, at cost:			
Electric plant in service	1,208,085,604	1,205,296,234	2,789,370
Construction work in progress	29,048,937	30,026,803	(977,866)
Total	<u>1,237,134,542</u>	<u>1,235,323,037</u>	<u>1,811,504</u>
Less: Accumulated depreciation	<u>(776,212,640)</u>	<u>(768,276,529)</u>	<u>(7,936,111)</u>
Total utility plant	<u>460,921,901</u>	<u>467,046,508</u>	<u>(6,124,607)</u>
Lease asset	<u>11,282,616</u>	<u>11,282,616</u>	<u>0</u>
Other non-current assets:			
Investments - restricted	47,810,096	48,002,574	(192,478)
Unamortized debt issuance costs	<u>399,913</u>	<u>415,509</u>	<u>(15,596)</u>
Total other non-current assets	<u>48,210,010</u>	<u>48,418,084</u>	<u>(208,074)</u>
Total assets	<u>800,515,682</u>	<u>848,424,456</u>	<u>(47,908,774)</u>
Deferred outflow of resources:			
Deferred fuel revenue	30,462,844	22,450,958	8,011,886
Unamortized loss on debt refunding	13,229,409	13,523,731	(294,322)
Pension	10,216,119	10,216,119	0
Other post employment benefits	41,605,903	41,605,903	0
Unamortized forward delivery contract costs	<u>0</u>	<u>0</u>	<u>0</u>
Total deferred outflows of resources	<u>95,514,274</u>	<u>87,796,711</u>	<u>7,717,564</u>
	<u>\$ 896,029,957</u>	<u>\$ 936,221,167</u>	<u>\$ (40,191,210)</u>

GUAM POWER AUTHORITY (A COMPONENT UNIT OF THE GOVERNMENT OF GUAM) Statement of Net Position, Continued December 31, 2023 and September 30, 2023			
	Unaudited December 2023	Unaudited September 2023	Change from Sept 30 2023
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Current liabilities:			
Current maturities of long-term debt	\$ 15,855,000	\$ 24,680,000	\$ (8,825,000)
Current obligations under capital leases			0
Accounts payable			
Operations	26,028,205	41,900,308	(15,872,103)
Others	1,261,799	850,847	410,952
Accrued payroll and employees' benefits	1,226,553	427,050	799,503
Current portion of employees' annual leave	1,879,249	1,852,589	26,661
Current portion of lease liability	4,922,204	4,922,204	0
Interest payable	8,022,622	14,149,947	(6,127,325)
Customer deposits	10,844,008	10,477,456	366,551
	<u>70,039,640</u>	<u>99,260,401</u>	<u>(29,220,761)</u>
Total current liabilities			
Regulatory liabilities:			
Provision for self insurance	13,463,132	12,696,791	766,342
	<u>13,463,132</u>	<u>12,696,791</u>	<u>766,342</u>
Total regulatory liabilities			
Long term debt, net of current maturities	461,366,890	477,616,271	(16,249,382)
Obligations under capital leases, net of current portion			0
Net Pension liability	65,852,309	66,847,044	(994,735)
Other post employment benefits liability	174,910,068	174,910,068	0
DCRS sick leave liability	1,695,518	1,695,518	0
Lease liability	6,783,480	6,783,480	0
Employees' annual leave net of current portion	1,723,317	1,723,317	0
Customer advances for construction	674,126	674,126	0
	<u>796,508,480</u>	<u>842,207,017</u>	<u>(45,698,536)</u>
Total liabilities			
Deferred inflows of resources:			
Unearned forward delivery contract revenue		0	0
Pension	10,172,402	10,172,402	0
Other post employment benefits	36,596,130	36,596,130	0
	<u>46,768,532</u>	<u>46,768,532</u>	<u>0</u>
Total deferred inflows of resources			
Commitments and contingencies			
Net Position:			
Net investment in capital assets	26,221,562	7,437,394	18,784,168
Restricted	28,989,964	65,442,005	(36,452,041)
Unrestricted	(2,458,582)	(25,633,781)	23,175,199
	<u>52,752,945</u>	<u>47,245,619</u>	<u>5,507,326</u>
Total net position			
	<u>\$ 896,029,957</u>	<u>\$ 936,221,167</u>	<u>\$ (40,191,210)</u>

GUAM POWER AUTHORITY (A COMPONENT UNIT OF THE GOVERNMENT OF GUAM) Statement of Revenues, Expenses and Changes in Net Assets						
	December		% of change Inc (dec)	Three Months Ended December		% of change Inc (dec)
	Unaudited 2023	Unaudited 2022		Unaudited 2023	Unaudited 2022	
Revenues						
Sales of electricity	\$ 42,771,223	\$ 53,221,366	(20)	\$ 128,660,648	\$ 154,494,490	(17)
DSM-Rebates	314,493	322,336	(2)	947,567	953,210	(1)
Miscellaneous	126,026	101,694	24	576,724	947,944	(39)
Total	<u>43,211,742</u>	<u>53,645,396</u>	(19)	<u>130,184,940</u>	<u>156,395,644</u>	(17)
Bad debt expense	(103,792)	(99,833)	4	(311,376)	(299,499)	4
Total revenues	<u>43,107,950</u>	<u>53,545,563</u>	(19)	<u>129,873,564</u>	<u>156,096,145</u>	(17)
Operating and maintenance expenses						
Production fuel	29,875,890	40,281,017	(26)	89,729,890	115,936,098	(23)
Other production	1,466,612	1,619,239	(9)	4,743,338	4,449,184	7
Total	<u>31,342,502</u>	<u>41,900,256</u>	(25)	<u>94,473,228</u>	<u>120,385,282</u>	(22)
Depreciation	2,952,511	3,097,542	(5)	8,723,622	8,923,829	(2)
Energy conversion cost	856,224	897,879	(5)	2,575,183	2,594,303	(1)
Transmission & distribution	1,101,534	1,221,327	(10)	3,213,506	3,588,301	(10)
Customer accounting	725,928	460,381	58	1,618,940	1,369,064	18
Administrative & general	2,968,299	3,216,625	(8)	9,108,165	8,984,688	1
Total operating and maintenance expenses	<u>39,946,997</u>	<u>50,794,009</u>	(21)	<u>119,712,644</u>	<u>145,845,467</u>	(18)
Operating income	<u>3,160,952</u>	<u>2,751,554</u>	15	<u>10,160,920</u>	<u>10,250,678</u>	(1)
Other income (expenses)						
Interest income	299,862	91,097	229	1,100,637	461,713	138
Interest expense and amortization	(1,847,361)	(1,950,790)	(5)	(5,543,528)	(5,851,916)	(5)
Interest expense - lease				0	0	
Bond issuance costs	28,154	8,149	246	84,463	24,446	246
Change in Investment Value	152,747	234,356	(35)	(70,096)	14,630	(579)
Allowance for funds used during construction		2,100	(100)	0	8,759	(100)
Pandemic-COVID19				0	(56,319)	(100)
Losses due to typhoon	(341,877)	(22,100)	1,447	(1,503,234)	(32,425)	4,536
Total other income (expenses)	<u>(1,708,475)</u>	<u>(1,637,187)</u>	4	<u>(5,931,758)</u>	<u>(5,431,112)</u>	9
Income (loss) before capital contributions	1,452,478	1,114,367	30	4,229,162	4,819,566	(12)
Capital contributions	<u>482,318</u>			<u>1,278,164</u>		
Increase (decrease) in net assets	1,934,796	1,114,367	74	5,507,326	4,819,566	14
Total net assets at beginning of period	<u>50,818,155</u>	<u>26,872,539</u>	89	<u>47,245,625</u>	<u>23,167,340</u>	104
Total net assets at end of period	<u>\$ 52,752,951</u>	<u>\$ 27,986,906</u>	88	<u>\$ 52,752,951</u>	<u>\$ 27,986,906</u>	88

GUAM POWER AUTHORITY (A COMPONENT UNIT OF THE GOVERNMENT OF GUAM) Statements of Cash Flows Period Ended December 31, 2023		
	Month Ended 12/31/2023	YTD Ended 12/31/2023
Increase(decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Cash received from customers	\$46,020,309	\$ 118,315,531
Cash payments to suppliers and employees for goods and services	38,574,022	133,863,451
Net cash provided by operating activities	\$7,446,287	(15,547,920)
Cash flows from investing activities:		
Interest and dividends on investments and bank accounts	299,862	1,100,637
Net cash provided by investing activities	299,862	1,100,637
Cash flows from non-capital financing activities		
Interest paid on short term debt	(3,302)	(10,354)
Provision for self insurance funds	16,284	(4,778)
Net cash provided by noncapital financing activities	12,982	(15,132)
Cash flows from capital and related financing activities		
Acquisition of utility plant	(1,741,583)	(2,599,015)
Principal paid on bonds and other long-term debt	-	(24,680,000)
Interest paid on bonds(net of capitalized interest)	152,747	(11,730,596)
Interest paid on capital lease obligations	-	-
Interest & principal funds held by trustee	(3,161,843)	26,854,936
Reserve funds held by trustee	(69,227)	192,478
Bond funds held by trustee	-	-
Principal payment on capital lease obligations	-	-
Grant from DOI/FEMA	482,318	1,278,164
Grant from GovGuam	-	-
Reduction in Under Recovery of Fuel	-	-
Debt issuance costs/loss on defeasance	(131,461)	(394,382)
Net cash provided by (used in) capital and related financing activities	(4,469,050)	(11,078,415)
Net (decrease) increase in cash and cash equivalents	3,290,081	(25,540,830)
Cash and cash equivalents, beginning	85,604,246	114,435,157
Cash and cash equivalents-Funds held by GPA,December 31, 2023	\$ 88,894,327	\$ 88,894,327

GUAM POWER AUTHORITY (A COMPONENT UNIT OF THE GOVERNMENT OF GUAM) Statements of Cash Flows, continued Period Ended December 31, 2023		
	Month Ended 12/31/2023	YTD Ended 12/31/2023
Reconciliation of operating earnings to net cash provided by operating activities:		
Operating earnings net of depreciation expense and excluding interest income	\$3,160,952	\$10,160,920
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	2,952,511	8,723,622
Other expense	(313,722)	(1,418,770)
(Increase) decrease in assets:		
Accounts receivable	2,906,523	(11,547,516)
Materials and inventory	(10,305)	57,117
Fuel inventory	8,905,019	8,978,739
Prepaid expenses	1,067,216	(8,600,754)
Unamortized debt issuance cost	3,899	15,596
Deferred fuel revenue	(2,134,347)	(8,011,886)
Unamortized loss on debt refunding	99,407	294,322
Unamortized forward delivery contract costs	-	-
Lease asset	-	-
Increase (decrease) in liabilities:		
Accounts payable-operations	(15,872,103)	(15,872,103)
Accounts payable-others	6,911,432	708,471
Accrued payroll and employees' benefits	334,614	799,503
Provision for Self-Insurance	137,748	766,342
Net pension liability	(1,496,824)	(994,735)
Employees' annual leave	695,475	26,661
Customers deposits	326,144	366,551
Customer advances for construction	(227,351)	-
Unearned forward delivery contract revenue	-	-
Net cash provided by operating activities	\$7,446,287	\$ (15,547,920)

Guam Power Authority Financial Analysis 12/31/23	
Quick Ratio	
A Reserve Funds Held by GPA	88,894,327
B Current Accounts Receivable	60,095,197
C Total Cash and A/R (A+B)	148,989,524
D Total Current Liabilities	70,039,640
E Quick Ratio (F/G)	2.13
	
Days in Receivables	
A FY 23 Moving 12 Mos. -Actual	523,034,098
B No. of Days	365
C Average Revenues per day (A/B)	1,432,970
D Current Accounts Receivable	60,095,197
E Days in Receivables (D/C)	42
	
Days in Payables	
A FY 23 Moving 12 Months-Actual	471,858,601
B No. of Days	365
C Average Payables per day (A/B)	1,292,763
D Current Accounts Payables	27,290,004
E Days in Payables (D/C)	21
	
Long term equity ratio	
A Equity	\$ 52,752,945
B Total Long term Liability	\$ 426,823,545
C Total Equity and liability	\$ 479,576,489
D Long term equity ratio (A/C)	11.00%
	
Days cash on hand	
A Unrestricted cash & cash equivalents	88,894
B No. of Days -YTD	92
C A x B	8,178,278
D Total Operating expenses excluding depreciation	110,989
E Days cash on hand	74
	
Days' Liquidity	
A Unrestricted cash , cash equivalents & revolving Credit	88,894
B No. of Days -YTD	92
C A x B	8,178,278
D Total Operating expenses excluding depreciation	110,989
E Days liquidity	74
	

GPA 302

**GUAM POWER AUTHORITY
ACCRUED REVENUE
DECEMBER 2023**

	FOR THE MONTH ENDED DECEMBER		THREE MONTHS ENDED DECEMBER	
	2023	2022	2023	2022
KWH SALES:				
Residential	43,624,295	43,379,411	130,744,229	129,825,167
Residential - Apt & Condo	574,211	641,336	1,715,805	1,636,230
Small Gen. Non Demand	6,237,988	7,240,621	18,538,668	21,593,197
Small Gen. Demand	17,509,143	16,149,806	52,106,077	47,786,995
Large General	19,729,372	19,538,055	57,797,882	57,295,005
Independent Power Producer	89,257	105,298	257,185	301,073
Private St. Lights	29,878	29,921	91,103	93,467
Sub-total	87,794,144	87,084,449	261,250,950	258,531,135
Government Service:				
Small Non Demand	1,111,838	2,061,867	3,343,868	6,080,935
Small Demand	8,154,301	9,351,392	24,081,113	28,026,756
Large	4,772,684	4,436,992	14,516,761	13,000,496
Street Lighting	605,372	466,769	1,537,218	1,327,152
Sub-total	14,644,195	16,317,019	43,478,960	48,435,339
Total	102,438,339	103,401,468	304,729,910	306,966,473
U. S. Navy	26,976,442	26,037,729	81,563,648	76,221,967
GRAND TOTAL	129,414,780	129,439,197	386,293,558	383,188,441
REVENUE:				
Residential	14,160,584	17,853,658	42,431,463	52,968,214
Residential - Apt & Condo	186,832	257,861	556,867	683,638
Small Gen. Non Demand	2,307,654	3,285,850	6,858,756	9,710,228
Small Gen. Demand	5,986,873	6,894,340	17,798,819	20,190,289
Large General	6,396,322	8,101,347	19,025,418	23,444,540
Independent Power Producer	30,138	43,820	85,516	122,087
Private St. Lights	26,571	29,432	80,319	89,379
Sub-total	29,094,976	36,466,309	86,837,158	107,208,375
Government Service:				
Small Non Demand	423,775	939,626	1,274,917	2,724,774
Small Demand	2,942,612	4,160,507	8,710,622	12,262,188
Large	1,659,323	1,880,842	5,046,302	5,420,862
Street Lighting	639,520	499,164	1,565,628	1,460,540
Sub-total	5,665,230	7,480,139	16,597,469	21,868,364
Total	34,760,206	43,946,448	103,434,627	129,076,738
U. S. Navy	8,197,759	9,274,918	25,412,763	25,417,752
GRAND TOTAL	42,957,965	53,221,366	128,847,390	154,494,490
NUMBER OF CUSTOMERS:				
Residential	45,656	45,378	45,637	45,365
Residential - Apt & Condo	5	5	5	5
Small Gen. Non Demand	4,528	4,626	4,518	4,601
Small Gen. Demand	839	741	839	738
Large General	88	83	86	83
Independent Power Producer	4	3	3	3
Private St. Lights	480	503	481	505
Sub-total	51,600	51,339	51,570	51,300
Government Service:				
Small Non Demand	739	729	741	727
Small Demand	335	343	336	343
Large	28	18	28	18
Street Lighting	668	663	668	663
Sub-total	1,770	1,753	1,773	1,750
Total	53,370	53,092	53,343	53,050
US Navy	1	1	1	1
	53,371	53,093	53,344	53,051

CCU Regular Board Meeting, January 23, 2024 - GPA

GPA403

GUAM POWER AUTHORITY
ACCRUED REVENUE
12 MONTHS ENDED DECEMBER 2023

	TWELVE MONTHS ENDED	DECEMBER 2023	NOVEMBER 2023	OCTOBER 2023	SEPTEMBER 2023	AUGUST 2023	JULY 2023	JUNE 2023	MAY 2023	APRIL 2023	MARCH 2023	FEBRUARY 2023	JANUARY 2023
KWH SALES:													
Residential	489,729,199	43,624,295	41,662,091	45,457,843	44,245,327	43,146,906	43,136,033	29,974,604	36,669,436	42,978,575	41,620,238	37,127,957	40,085,893
Residential - Apt & Condo	6,676,897	574,211	577,451	564,144	542,015	538,940	595,943	467,097	491,859	588,524	591,100	538,072	607,542
Small General Non Demand	69,361,235	6,237,988	6,089,956	6,210,724	5,838,863	6,155,680	5,971,414	4,277,056	4,796,638	5,859,772	5,311,081	5,824,620	6,787,443
Small General Demand	194,810,182	17,509,143	16,828,566	17,768,368	16,938,736	17,457,205	17,385,853	11,826,660	14,027,081	17,132,676	17,714,408	14,631,953	15,589,534
Large General	218,492,724	19,729,372	16,608,401	21,460,108	18,312,682	19,404,781	19,579,817	14,095,502	15,584,256	18,615,072	18,937,481	17,266,514	18,898,736
Independent Power Producer	1,058,639	89,257	82,387	85,541	81,517	83,086	81,383	77,864	77,333	95,700	113,317	101,025	101,025
Private Outdoor Lighting	370,488	29,878	31,528	29,697	30,766	30,696	32,394	31,058	31,512	29,893	30,263	30,867	31,936
Sub-Total	980,499,364	87,794,144	81,880,380	91,576,426	85,989,906	86,817,294	86,782,837	60,749,840	71,678,115	85,300,213	84,317,888	75,510,213	82,102,108
Government Service:													
Small Non Demand	13,828,817	1,111,838	1,074,515	1,157,516	1,128,912	1,188,175	1,175,710	714,322	989,718	1,129,246	1,156,054	1,001,474	2,001,337
Small Demand	96,139,918	8,154,301	7,816,217	8,110,594	7,801,488	8,365,246	8,149,889	5,192,727	7,140,363	8,669,657	8,759,968	8,721,317	9,258,150
Large	58,221,709	4,772,684	4,671,049	5,073,028	4,854,902	5,108,352	4,845,784	4,075,135	4,591,436	5,736,824	5,635,263	4,607,123	4,250,129
Street Lighting (Agencies)	5,368,003	605,372	458,612	473,234	223,414	503,085	414,305	488,780	460,207	406,152	469,767	427,480	437,596
Sub-Total	173,558,447	14,644,195	14,020,393	14,814,372	14,008,715	15,164,858	14,585,688	10,470,964	13,181,724	15,941,879	16,021,053	14,757,394	15,947,212
Total	1,154,057,811	102,438,339	95,900,773	106,390,798	99,998,621	101,982,152	101,366,525	71,220,804	84,859,839	101,242,092	100,338,941	90,267,607	98,048,320
U.S. Navy	296,649,311	26,976,442	27,448,833	27,138,833	25,896,617	27,691,310	23,149,334	12,876,538	24,201,431	24,015,014	23,915,128	26,021,691	27,318,599
Grand Total	1,450,707,122	129,414,780	123,349,147	133,529,631	125,895,238	129,673,462	124,517,860	84,097,341	109,061,270	125,257,106	124,254,069	116,289,298	125,367,919
REVENUE:													
Residential	\$ 175,350,118	\$ 14,160,584	\$ 13,478,195	\$ 14,792,684	\$ 14,318,390	\$ 13,978,946	\$ 13,969,362	\$ 8,887,415	\$ 15,050,755	\$ 17,676,159	\$ 17,199,481	\$ 15,307,673	\$ 16,530,473
Residential - Apt & Condo	\$ 2,401,040	\$ 186,832	\$ 187,196	\$ 182,839	\$ 176,372	\$ 175,885	\$ 192,702	\$ 157,519	\$ 201,816	\$ 238,164	\$ 239,348	\$ 217,923	\$ 244,443
Small General Non Demand	\$ 28,090,621	\$ 2,307,654	\$ 2,244,888	\$ 2,306,214	\$ 2,159,397	\$ 2,275,251	\$ 2,210,926	\$ 1,485,043	\$ 2,198,698	\$ 2,682,063	\$ 2,457,448	\$ 2,673,862	\$ 3,089,178
Small General Demand	\$ 73,458,900	\$ 5,986,873	\$ 5,724,807	\$ 6,087,138	\$ 5,791,439	\$ 5,952,839	\$ 5,934,593	\$ 3,946,530	\$ 6,069,964	\$ 7,332,836	\$ 7,648,898	\$ 6,321,975	\$ 6,661,006
Large General	\$ 79,830,055	\$ 6,396,322	\$ 6,360,872	\$ 6,268,224	\$ 6,032,631	\$ 6,392,035	\$ 6,420,249	\$ 4,706,950	\$ 6,560,645	\$ 7,746,185	\$ 7,880,381	\$ 7,213,357	\$ 7,852,203
Independent Power Producer	\$ 391,472	\$ 30,138	\$ 27,206	\$ 28,172	\$ 26,824	\$ 27,255	\$ 27,847	\$ 26,977	\$ 32,375	\$ 39,591	\$ 47,382	\$ 36,908	\$ 40,796
Private Outdoor Lighting	\$ 337,835	\$ 26,571	\$ 27,118	\$ 26,630	\$ 26,927	\$ 26,797	\$ 28,061	\$ 27,034	\$ 29,999	\$ 29,323	\$ 29,402	\$ 29,758	\$ 30,215
Sub-Total	\$ 359,860,042	\$ 29,094,976	\$ 28,050,282	\$ 29,691,901	\$ 28,531,981	\$ 28,829,008	\$ 28,783,740	\$ 19,237,469	\$ 30,144,252	\$ 35,744,321	\$ 35,502,341	\$ 31,801,457	\$ 34,448,313
Government Service:													
Small Non Demand	\$ 5,800,683	\$ 423,775	\$ 410,930	\$ 440,212	\$ 429,498	\$ 450,958	\$ 445,363	\$ 276,470	\$ 467,278	\$ 529,777	\$ 541,405	\$ 472,435	\$ 912,583
Small Demand	\$ 38,542,333	\$ 2,942,612	\$ 2,837,355	\$ 2,930,655	\$ 2,833,884	\$ 3,014,476	\$ 2,937,841	\$ 1,982,058	\$ 3,254,161	\$ 3,871,569	\$ 3,904,590	\$ 3,909,788	\$ 4,123,345
Large	\$ 22,296,555	\$ 1,659,323	\$ 1,630,442	\$ 1,756,537	\$ 1,688,144	\$ 1,766,086	\$ 1,673,099	\$ 1,426,343	\$ 2,033,109	\$ 2,469,563	\$ 2,417,062	\$ 1,970,197	\$ 1,806,650
Street Lighting (Agencies)	\$ 5,672,215	\$ 639,520	\$ 461,008	\$ 465,101	\$ 257,684	\$ 473,482	\$ 448,580	\$ 469,851	\$ 502,936	\$ 471,191	\$ 502,191	\$ 492,241	\$ 488,431
Sub-Total	\$ 72,311,786	\$ 5,665,230	\$ 5,339,734	\$ 5,592,505	\$ 5,209,210	\$ 5,705,003	\$ 5,504,883	\$ 4,154,721	\$ 6,257,484	\$ 7,342,099	\$ 7,365,248	\$ 6,844,661	\$ 7,331,008
Total	\$ 432,171,828	\$ 34,760,206	\$ 33,390,016	\$ 35,284,405	\$ 33,741,191	\$ 34,534,011	\$ 34,288,623	\$ 23,392,190	\$ 36,401,735	\$ 43,086,421	\$ 42,867,589	\$ 38,646,118	\$ 41,779,322
U.S. Navy	\$ 90,862,271	\$ 8,197,759	\$ 8,772,975	\$ 8,442,029	\$ 6,996,572	\$ 7,429,349	\$ 7,902,931	\$ 4,345,758	\$ 6,948,307	\$ 7,377,927	\$ 7,141,214	\$ 8,230,255	\$ 9,077,194
Grand Total	523,034,098	42,957,965	42,162,991	43,726,434	40,737,763	41,963,361	42,191,555	27,737,948	43,350,042	50,464,347	50,008,803	46,876,373	50,856,515
NUMBER OF CUSTOMERS:													
Residential	45,365	45,656	45,650	45,606	44,938	44,942	45,010	45,354	45,545	45,445	45,402	45,374	45,461
Residential - Apt & Condo	5	5	5	5	5	5	5	5	5	5	5	5	5
Small General Non Demand	4,536	4,528	4,526	4,501	4,505	4,502	4,489	4,503	4,509	4,521	4,581	4,634	4,634
Small General Demand	821	839	843	835	838	836	836	836	839	841	841	758	713
Large General	84	88	87	83	83	83	83	83	83	83	83	83	83
Independent Power Producer	3	4	3	3	3	3	3	3	3	3	3	3	3
Private Outdoor Lighting	492	480	481	483	495	486	491	494	497	499	499	500	501
Sub-Total	51,307	51,600	51,595	51,516	50,867	50,857	50,917	51,278	51,481	51,397	51,414	51,357	51,400
Government Service:													
Small Non Demand	743	739	742	743	743	744	743	743	752	750	743	741	731
Small Demand	339	335	335	337	335	335	335	335	336	336	346	354	344
Large	26	28	28	28	28	28	28	28	28	28	26	20	18
Street Lighting (Agencies)	668	668	668	668	668	668	668	668	667	670	669	668	663
Sub-Total	1,776	1,770	1,773	1,776	1,774	1,775	1,774	1,774	1,783	1,784	1,784	1,783	1,756
Total	53,082	53370	53368	53292	52641	52632	52691	53052	53264	53181	53198	53140	53156
U.S. Navy	1	1	1	1	1	1	1	1	1	1	1	1	1
Grand Total	53,083	53371	53369	53293	52642	52633	52692	53053	53265	53182	53199	53141	53157

CCU Regular Board Meeting, January 23, 2024 - GPA

GPA 303

GUAM POWER AUTHORITY
FUEL AND NON-FUEL
DECEMBER 2023

NEW RATE
LEAC 0.231144
DSM -0.003109
FUEL RATE 0.228035

RATE	NUMBER OF CUSTOMERS	KWH SALES	TOTAL REVENUE		BASE RATE REVENUE		AVERAGE PER CUSTOMER		NON-FUEL		OIL	
			AMOUNT	C/KWH	C/KWH	AMOUNT	KWH	REVENUE	C/KWH	AMOUNT	C/KWH	AMOUNT
One Month - December 2023												
R Residential	45,656	43,624,295	\$ 14,160,584	\$ 32.4603	\$ 32.4603	\$ 14,160,584	955	\$ 310	\$ 9.6568	\$ 4,212,718	\$ 22.8035	\$ 9,947,866
D Residential - Apt & Condo	5	574,211	\$ 186,832	\$ 32.5372	\$ 32.5372	\$ 186,832	114,842	\$ 37,366	\$ 9.7337	\$ 55,892	\$ 22.8035	\$ 130,940
G Small Gen. Non Demand	4,528	6,237,988	\$ 2,307,654	\$ 36.9936	\$ 36.9936	\$ 2,307,654	1,378	\$ 510	\$ 14.1901	\$ 885,175	\$ 22.8035	\$ 1,422,480
J Small Gen. Demand	839	17,509,143	\$ 5,986,873	\$ 34.1928	\$ 34.1928	\$ 5,986,873	20,869	\$ 7,136	\$ 11.4062	\$ 1,997,133	\$ 22.7866	\$ 3,989,741
P Large General	88	19,729,372	\$ 6,396,322	\$ 32.4203	\$ 32.4203	\$ 6,396,322	224,197	\$ 72,685	\$ 9.7544	\$ 1,924,481	\$ 22.6659	\$ 4,471,842
I Independent Power Produ	4	89,257	\$ 30,138	\$ 33.7660	\$ 33.7660	\$ 30,138	22,314	\$ 7,535	\$ 11.9582	\$ 10,674	\$ 21.8078	\$ 19,465
H Private St. Lights	480	29,878	\$ 26,571	\$ 88.9304	\$ 88.9304	\$ 26,571	62	\$ 55	\$ 66.1269	\$ 19,758	\$ 22.8035	\$ 6,813
Sub-Total	51,600	87,794,144	\$ 29,094,976	\$ 33.1400	\$ 33.1400	\$ 29,094,976	1,701	\$ 564	\$ 10.3718	\$ 9,105,829	\$ 22.7682	\$ 19,989,146
Government Service:												
S Small Non Demand	739	1,111,838	\$ 423,775	\$ 38.1148	\$ 38.1148	\$ 423,775	1,505	\$ 573	\$ 15.3113	\$ 170,237	\$ 22.8035	\$ 253,538
K Small Demand	335	8,154,301	\$ 2,942,612	\$ 36.0866	\$ 36.0866	\$ 2,942,612	24,341	\$ 8,784	\$ 13.2831	\$ 1,083,146	\$ 22.8035	\$ 1,859,466
L Large	28	4,772,684	\$ 1,659,323	\$ 34.7671	\$ 34.7671	\$ 1,659,323	170,453	\$ 59,262	\$ 12.2781	\$ 585,996	\$ 22.4890	\$ 1,073,327
F Street Lighting (Agencies)	668	605,372	\$ 639,520	\$ 105.6408	\$ 105.6408	\$ 639,520	906	\$ 957	\$ 82.8373	\$ 501,474	\$ 22.8035	\$ 138,046
Sub-Total	1,770	14,644,195	\$ 5,665,230	\$ 38.6858	\$ 38.6858	\$ 5,665,230	8,274	\$ 3,201	\$ 15.9849	\$ 2,340,853	\$ 22.7010	\$ 3,313,377
U.S. Navy	1	102,438,339	\$ 34,760,206	\$ 30.3886	\$ 30.3886	\$ 8,197,759			\$ 5.9558	\$ 1,606,670	\$ 24.4328	\$ 6,591,089
TOTAL	53,371	129,414,780	\$ 42,957,965	\$ 33.1940	\$ 33.1940	\$ 42,957,965	2,425	\$ 805	\$ 10.0864	\$ 13,053,353	\$ 23.1076	\$ 29,904,612
Three Months Ended December 2023												
R Residential	45,637	130,744,229	\$ 42,431,463	\$ 32.4538	\$ 32.4538	\$ 42,431,463	2,865	\$ 930	\$ 9.6503	\$ 12,617,203	\$ 22.8035	\$ 29,814,260
D Residential - Apt & Condo	5	1,715,805	\$ 556,867	\$ 32.4552	\$ 32.4552	\$ 556,867	343,161	\$ 111,373	\$ 9.6517	\$ 165,604	\$ 22.8035	\$ 391,264
G Small Gen. Non Demand	4,518	18,538,668	\$ 6,858,756	\$ 36.9970	\$ 36.9970	\$ 6,858,756	4,103	\$ 1,518	\$ 14.1935	\$ 2,631,291	\$ 22.8035	\$ 4,227,465
J Small Gen. Demand	839	52,106,077	\$ 17,798,819	\$ 34.1588	\$ 34.1588	\$ 17,798,819	62,105	\$ 21,214	\$ 11.3719	\$ 5,925,447	\$ 22.7869	\$ 11,873,372
P Large General	86	57,797,882	\$ 19,025,418	\$ 32.9172	\$ 32.9172	\$ 19,025,418	672,068	\$ 221,226	\$ 10.2525	\$ 5,925,730	\$ 22.6647	\$ 13,099,689
I Independent Power Produ	3	257,185	\$ 85,516	\$ 33.2508	\$ 33.2508	\$ 85,516	77,155	\$ 25,655	\$ 11.2913	\$ 29,040	\$ 21.9594	\$ 56,476
H Private St. Lights	481	91,103	\$ 80,319	\$ 88.1621	\$ 88.1621	\$ 80,319	189	\$ 167	\$ 65.3586	\$ 59,544	\$ 22.8035	\$ 20,775
Sub-Total	51,570	261,250,950	\$ 86,837,158	\$ 33.2390	\$ 33.2390	\$ 86,837,158	5,066	\$ 1,684	\$ 10.4703	\$ 27,353,858	\$ 22.7686	\$ 59,483,301
Government Service:												
S Small Non Demand	741	3,343,868	\$ 1,274,917	\$ 38.1270	\$ 38.1270	\$ 1,274,917	4,511	\$ 1,720	\$ 15.3235	\$ 512,398	\$ 22.8035	\$ 762,519
K Small Demand	336	24,081,113	\$ 8,710,622	\$ 36.1720	\$ 36.1720	\$ 8,710,622	71,741	\$ 25,950	\$ 13.3685	\$ 3,219,286	\$ 22.8035	\$ 5,491,337
L Large	28	14,516,761	\$ 5,046,302	\$ 34.7619	\$ 34.7619	\$ 5,046,302	518,456	\$ 180,225	\$ 12.2555	\$ 1,779,099	\$ 22.5064	\$ 3,267,203
F Street Lighting (Agencies)	668	1,537,218	\$ 1,565,628	\$ 101.8481	\$ 101.8481	\$ 1,565,628	2,301	\$ 2,344	\$ 79.0446	\$ 1,215,088	\$ 22.8035	\$ 350,539
Sub-Total	1,773	43,478,960	\$ 16,597,469	\$ 38.1736	\$ 38.1736	\$ 16,597,469	24,523	\$ 9,361	\$ 15.4693	\$ 6,725,871	\$ 22.7043	\$ 9,871,598
U.S. Navy	1	81,563,648	\$ 25,412,763	\$ 31.1570	\$ 31.1570	\$ 25,412,763			\$ 6.1765	\$ 5,037,771	\$ 24.9805	\$ 20,374,992
TOTAL	53,344	386,293,558	\$ 128,847,390	\$ 33.3548	\$ 33.3548	\$ 128,847,390	7,242	\$ 2,415	\$ 10.1264	\$ 39,117,499	\$ 23.2284	\$ 89,729,891
Twelve Months Ended December 2023												
R Residential	45,365	489,729,199	\$ 175,350,118	\$ 35.8055	\$ 35.8055	\$ 175,350,118	10,795	\$ 3,865	\$ 9.6974	\$ 47,490,999	\$ 26.1081	\$ 127,859,119
D Residential - Apt & Condo	5	6,676,897	\$ 2,401,040	\$ 35.9604	\$ 35.9604	\$ 2,401,040	1,335,379	\$ 480,208	\$ 9.4732	\$ 632,516	\$ 26.4872	\$ 1,768,524
G Small Gen. Non Demand	4,536	69,361,235	\$ 28,090,621	\$ 40.4990	\$ 40.4990	\$ 28,090,621	15,291	\$ 6,193	\$ 14.3399	\$ 9,946,340	\$ 26.1591	\$ 18,144,282
J Small Gen. Demand	821	194,810,182	\$ 73,458,900	\$ 37.7079	\$ 37.7079	\$ 73,458,900	237,212	\$ 89,448	\$ 11.5615	\$ 22,522,991	\$ 26.1464	\$ 50,935,910
P Large General	84	218,492,724	\$ 79,830,055	\$ 36.5367	\$ 36.5367	\$ 79,830,055	2,608,868	\$ 953,195	\$ 10.3637	\$ 22,643,872	\$ 26.1730	\$ 57,186,183
I Independent Power Produ	3	1,058,639	\$ 391,472	\$ 36.9788	\$ 36.9788	\$ 391,472	343,343	\$ 126,964	\$ 11.1633	\$ 118,179	\$ 25.8155	\$ 273,293
H Private St. Lights	492	370,488	\$ 337,835	\$ 91.1865	\$ 91.1865	\$ 337,835	753	\$ 686	\$ 64.7377	\$ 239,845	\$ 26.4489	\$ 97,990
Sub-Total	51,307	980,499,364	\$ 359,860,042	\$ 36.7017	\$ 36.7017	\$ 359,860,042	19,111	\$ 7,014	\$ 10.5655	\$ 103,594,741	\$ 26.1362	\$ 256,265,300
Government Service:												
S Small Non Demand	743	13,828,817	\$ 5,800,683	\$ 41.9463	\$ 41.9463	\$ 5,800,683	18,616	\$ 7,809	\$ 15.1738	\$ 2,098,356	\$ 26.7725	\$ 3,702,327
K Small Demand	339	96,139,918	\$ 38,542,333	\$ 40.0898	\$ 40.0898	\$ 38,542,333	283,944	\$ 113,834	\$ 13.4168	\$ 12,898,883	\$ 26.6731	\$ 25,643,450
L Large	26	58,221,709	\$ 22,296,555	\$ 38.2959	\$ 38.2959	\$ 22,296,555	2,210,951	\$ 846,705	\$ 12.1136	\$ 7,052,723	\$ 26.1824	\$ 15,243,832
F Street Lighting (Agencies)	668	5,368,003	\$ 5,672,215	\$ 105.6671	\$ 105.6671	\$ 5,672,215	8,039	\$ 8,495	\$ 79.2784	\$ 4,255,667	\$ 26.3887	\$ 1,416,548
Sub-Total	1,776	173,558,447	\$ 72,311,786	\$ 41.6642	\$ 41.6642	\$ 72,311,786	97,752	\$ 40,728	\$ 15.1566	\$ 26,305,629	\$ 26.5076	\$ 46,006,157
U.S. Navy	53,082	1,154,057,811	\$ 432,171,828	\$ 37.4480	\$ 37.4480	\$ 432,171,828	21,741	\$ 8,142	\$ 11.2560	\$ 129,900,370	\$ 26.1921	\$ 302,271,457
U.S. Navy	1	296,649,311	\$ 90,862,271	\$ 30.6295	\$ 30.6295	\$ 90,862,271			\$ 6.5402	\$ 19,401,471	\$ 24.0893	\$ 71,460,800
TOTAL	53,083	1,450,707,122	\$ 523,034,098	\$ 36.0537	\$ 36.0537	\$ 523,034,098	27,329	\$ 9,853	\$ 10.2917	\$ 149,301,841	\$ 25.7621	\$ 373,732,258

CCU Regular Board Meeting, January 23, 2024 - GPA

GPA-318
318Dec23

ENERGY ACCOUNT
FY 2024 Versus FY 2023

FOR INTERNAL USE ONLY

	December 2023		December 2022		Y T D 2024		Y T D 2023		MOVING TWELVE MONTHS	
Gross Generation										
Number of days in Period	31		31		92		92		365	
Peak demand	238		250		249		250		257	
Date	12/01/23		12/09/22		10/26/23		12/09/22		05/16/23	
	KWH	% change	KWH	% change	KWH	% change	KWH	% change	KWH	% change
Energy Account:										
Kilowatt hours GPA:										
Cabras 1 & 2	50,498,000		58,648,000		143,013,000		163,475,000		445,943,000	
Cabras No. 3	0		0		0		0		0	
Cabras No. 4	0		0		0		0		0	
MEC (ENRON) Piti 8 (IPP)	25,507,000		25,810,700		74,760,060		76,241,600		290,949,960	
MEC (ENRON) Piti 9 (IPP)	25,286,900		26,241,400		77,796,100		73,217,400		295,080,910	
TEMES Piti 7 (IPP)	11,054,858		4,557,226		28,629,241		24,186,276		131,316,253	
Tanguisson 2	0		0		0		0		0	
Tanguisson 1	0		0		0		0		0	
Diesels/CT's & Others:										
MDI 10MW	151,079		0		1,795,196		609,934		6,715,901	
NRG Solar Dandan	3,852,721		3,367,366		10,763,826		10,223,301		38,837,637	
KEPCO Mangilao Solar	11,599,844		10,972,203		34,424,907		31,729,918		121,136,712	
Dededo CT #1	3,344,700		754,860		13,162,860		2,884,080		53,822,080	
Dededo CT #2	2,748,640		1,137,360		10,931,460		3,951,040		52,157,610	
Macheche CT	5,559,522		128,908		19,038,273		1,272,607		55,180,989	
Yigo CT	0		5,235,893		0		17,610,797		37,517,437	
Tenjo	1,418,570		1,600		4,443,510		6,130		18,099,430	
Talofoto 10 MW	113,050		0		1,083,485		562,410		6,288,615	
Aggreko/Yigo Diesel Units	2,999,457		6,260,836		10,385,541		18,176,517		51,625,654	
Wind Turbine*	0		0		0		0		0	
Orote	0		0		0		0		0	
Marbo	0		0		0		0		0	
	144,134,341		143,116,352		430,227,459		424,147,010		1,604,672,188	
Ratio to last year		100.71		101.13		101.43		99.21		94.80
Station use	5,524,608		5,679,680		16,838,375		16,183,715		56,494,977	
Ratio to Gross generation		3.83		3.97		3.91		3.82		3.52
Net send out	138,609,733		137,436,673		413,389,085		407,963,295		1,548,177,210	
Ratio to last year		100.85		101.04		101.33		99.56		94.91
KWH deliveries:										
Sales to Navy (@34.5kv)	26,976,442		26,037,729		81,563,648		76,221,967		296,649,310	
Ratio to last year		103.61		98.00		107.01		97.04		95.35
GPA-metered										
	111,633,291		111,398,944		331,825,437		331,741,328		1,251,527,900	
Ratio to last year		100.21		101.78		100.03		100.16		94.81
Power factor adj.	0		0		0		0		0	
Adjusted	111,633,291		111,398,944		331,825,437		331,741,328		1,251,527,900	
GPA KWH Accountability:										
Sales to civilian customers- accrual basis	102,438,339		103,401,468		304,729,910		306,966,473		1,154,057,811	
Ratio to last year		99.07		101.74		99.27		99.20		94.27
GPA use-KWH	312,835		329,818		906,453		961,125		3,592,967	
Unaccounted For	8,882,117		7,667,657		26,189,073		23,813,730		93,877,123	
Ratio to deliveries		7.96		6.88		7.89		7.18		7.50
Ratio to Gross Generation		6.16		5.36		6.09		5.61		5.85
Ratio to Net Send Out		6.42		5.59		6.34		5.84		6.08

GPA-317Dec23

**Guam Power Authority
Fuel Consumption
FY 2024**

Description	December 2023		YEAR-TO-DATE		MOVING 12 MONTHS	
	BARRELS	AMOUNT	BARRELS	AMOUNT	BARRELS	AMOUNT
FUEL FURNISHED:						
NAVY:						
Diesel	0	0	0	0	0	0
Low/Ultra Sulfur	0	0	0	0	0	0
	0	0	0	0	0	0
GPA:						
High Sulfur	0	\$0	0	\$ -	0	\$ -
Diesel	147,104	\$16,798,463	462,367	\$ 55,558,025	1,918,177	\$ 224,485,221
Low/Ultra Sulfur	90,346	\$12,689,425	255,870	\$ 34,347,662	799,613	\$ 111,955,189
Deferred Fuel Costs	0	-\$2,134,347	0	\$(8,011,886)	0	\$ 5,163,417
Fuel Adjustments	0	\$0	0	\$ -	0	\$ 2,103,649
Fuel Handling Costs	0	\$2,522,349	0	\$ 7,836,090	0	\$ 30,006,415
	237,450	\$29,875,890	718,237	\$ 89,729,890	2,717,789	\$ 373,713,891
IWPS:						
High Sulfur	0	\$0	0	\$ -	0	\$ -
Diesel	147,104	\$16,798,463	462,367	\$ 55,558,025	1,918,177	\$ 224,485,221
Low/Ultra Sulfur	90,346	\$12,689,425	255,870	\$ 34,347,662	799,613	\$ 111,955,189
Deferred Fuel Costs	0	-\$2,134,347	0	\$(8,011,886)	0	\$ 5,163,417
Fuel Variance	0	\$0	0	\$ -	0	\$ 2,103,649
Fuel Handling Costs	0	\$2,522,349	0	\$ 7,836,090	0	\$ 30,006,415
	237,450	\$29,875,890	718,237	\$ 89,729,890	2,717,789	\$ 373,713,891
AVERAGE COST/Bbl.						
High Sulfur		#DIV/0!		#DIV/0!		#DIV/0!
Diesel		\$114.19		\$120.16		\$117.03
Low/Ultra Sulfur		\$140.45		\$134.24		\$140.01
AS BURNED						
Cabras 1 & 2						
High Sulfur	0	\$ -	0	\$ -	0	\$ -
Low/Ultra Sulfur	90,346	\$ 12,689,425	255,870	\$ 34,347,662	799,613	\$ 111,955,189
Diesel	272	\$ 37,153	1,486	\$ 189,065	3,677	\$ 468,962
	90,618	\$ 12,726,578	257,356	\$ 34,536,726	803,289	\$ 112,424,151
Cabras 3 & 4						
High Sulfur	0	\$ -	0	\$ -	0	\$ -
Low/Ultra Sulfur	0	\$ -	0	\$ -	0	\$ -
Diesel	0	\$ -	0	\$ -	0	\$ -
	0	\$ -	0	\$ -	0	\$ -
MEC (Piti Units 8&9)						
High Sulfur	0	\$ -	0	\$ -	0	\$ -
Low/Ultra Sulfur	0	\$ -	0	\$ -	0	\$ -
Diesel	76,198	\$ 8,429,135	229,212	\$ 26,152,439	878,774	\$ 102,501,065
	76,198	\$ 8,429,135	229,212	\$ 26,152,439	878,774	\$ 102,501,065
Diesel & CT's - GPA:						
MDI Dsl	244	\$ 33,355	2,895	\$ 380,361	10,813	\$ 1,417,944
Dededo CT #1	10,111	\$ 1,205,112	39,671	\$ 5,081,389	161,512	\$ 18,796,485
Dededo CT #2	8,602	\$ 1,025,251	33,759	\$ 4,330,253	157,696	\$ 18,322,873
Macheche CT	12,106	\$ 1,438,181	42,106	\$ 5,378,099	117,196	\$ 13,794,552
Yigo CT	0	\$ -	0	\$ -	76,965	\$ 9,186,949
Talofoto 10 MW	191	\$ 24,666	1,841	\$ 245,772	10,664	\$ 1,211,423
Aggreko	6,450	\$ 769,366	22,102	\$ 2,843,099	105,087	\$ 12,358,233
Tenjo	2,395	\$ 248,605	7,525	\$ 761,025	30,577	\$ 3,299,284
TEMES (IPP)	30,383	\$ 3,564,128	80,634	\$ 10,021,547	359,481	\$ 42,138,695
GWA Generators	152	\$ 23,512	1,135	\$ 174,977	5,734	\$ 988,756
	70,635	\$ 8,332,175	231,668	\$ 29,216,521	1,035,726	\$ 121,515,194
Deferred Fuel Costs	0	\$ (2,134,347)	0	\$(8,011,886)	0	\$ 5,163,417
Adjustment	0	\$ -	0	\$ -	0	\$ 2,103,649
Fuel Handling Costs	0	\$ 2,522,349	0	\$ 7,836,090	0	\$ 30,006,415
TOTAL	237,451	\$ 29,875,890	718,237	\$ 89,729,890	2,717,789	\$ 373,713,891

Statement of operations Comparison-Budget versus Actual For the month and year to date ended December 31, 2023						
	Actual					
	Budget	December-23	Variance	YTD Budget	YTD Actual	Variance
KwH Sales-Civilian	104,967	102,438	2,528	313,872	304,730	9,142
Non-fuel yield	\$ 0.112966	\$ 0.109919	\$ 0.003046	\$ 0.112101	\$ 0.111129	\$ 0.000972
KwH Sales-Navy	26,311	26,976	(665)	78,659	81,564	(2,905)
Non-fuel yield	\$ 0.061970	\$ 0.059558	\$ 0.002412	\$ 0.061970	\$ 0.061765	\$ 0.000205
Operating revenue						
Civilian sales	\$ 11,858	\$ 11,260	\$ 598	\$ 35,185	\$ 33,864	\$ 1,321
Oil	30,344	29,905	439	90,731	89,759	973
Navy	1,631	1,607	24	4,875	5,038	(163)
DSM-Rebates	-	314	(314)	-	948	(948)
Other income	480	126	354	1,526	577	950
	<u>44,312</u>	<u>43,212</u>	<u>1,101</u>	<u>132,317</u>	<u>130,185</u>	<u>2,132</u>
Bad debts expense	104	104	-	311	311	-
Total operating revenues	\$ 44,209	\$ 43,108	\$ 1,101	\$ 132,006	\$ 129,874	\$ 2,132
Operating expenses:						
Production fuel	\$ 30,344	\$ 29,876	\$ 468	\$ 90,731	\$ 89,730	\$ 1,001
O & M expenses:						
Other production	1,535	1,467	68	4,659	4,743	(84)
Transmission distribution	1,315	1,102	213	3,936	3,214	723
Administrative expense	4,189	2,968	1,221	12,346	9,108	3,238
Customer accounting	434	726	(292)	1,394	1,619	(225)
	<u>7,473</u>	<u>6,262</u>	<u>1,211</u>	<u>22,335</u>	<u>18,684</u>	<u>3,651</u>
IPP costs	1,170	856	314	3,510	2,575	935
Depreciation	3,214	2,953	261	9,642	8,724	918
	<u>42,201</u>	<u>39,947</u>	<u>2,254</u>	<u>126,218</u>	<u>119,713</u>	<u>6,506</u>
Operating income	2,007	3,161	(1,153)	5,788	10,161	(4,373)
Other revenue (expenses):						
Investment income	85	453	(368)	239	1,031	(792)
Interest expense	(1,841)	(1,847)	7	(5,522)	(5,544)	22
Allowance for funds used during construction	-	-	-	-	-	-
Pandemic -COVID19	-	-	-	-	-	-
Losses due to typhoon	-	(342)	342	-	(1,503)	1,503
Bond issuance costs/Other expenses	(10)	28	(38)	(30)	84	(115)
	<u>242</u>	<u>1,452</u>	<u>(1,211)</u>	<u>475</u>	<u>4,229</u>	<u>(3,755)</u>
Net income before capital contribution	242	1,452	(1,211)	475	4,229	(3,755)
Grants from the U.S. Government	-	482	(482)	-	1,278	(1,278)
Increase (decrease) in net assets	\$ 242	\$ 1,935	\$ (1,693)	\$ 475	\$ 5,507	\$ (5,033)

**Sales
Budget versus Actual**

Category	YTD Budget (\$000)	YTD Actual (\$000)
Civilian sales	11,858	11,260
Oil	30,344	29,905
Navy	1,631	1,607
Other Income	480	126

**Expenses
Budget versus Actual**

Category	YTD Budget (\$000)	YTD Actual (\$000)
Fuel	30,344	29,876
Other prod	1,535	1,467
T&D	1,315	1,102
A&G	4,189	2,968
Customer Acctg	434	726
IPP costs	1,170	856
Depreciation	3,214	2,953
Interest	(1,841)	(1,847)

Guam Power Authority Debt service coverage December 31, 2023					
	Audited 2020	Audited 2021	Audited 2022	Unaudited 2023	YTD Unaudited 2024
Funds Available for Debt Service					
Earnings from Operations	\$ 27,703	\$ 33,341	\$ 38,494	\$ 40,560	\$ 10,161
Interest Income	\$836	(\$245)	(1,332)	6,484	\$779
Depreciation Expense	37,645	38,235	35,213	35,216	8,724
Balance Available for Debt Service	\$ 66,184	\$ 71,331	\$ 72,375	\$ 82,260	\$ 19,663
IPP - Capital Costs					
Principal	\$ 8,399	\$ 2,217	\$ -	\$ -	\$ -
Interest	531	28	-	-	-
Total IPP Payments	\$ 8,930	\$ 2,245	\$ -	\$ -	\$ -
Bond Debt Service					
Principal (1993 & 1999 Revenue Bond)	\$ -	\$ -	\$ -	\$ -	\$ -
Interest (1993 & 1999 Revenue Bond)	-	-	-	-	-
Principal and Interest (2010 Subordinate Bond)	-	-	-	-	-
Principal and Interest (2010 Senior TE Bond)	-	-	-	-	-
Principal and Interest (2012 Senior TE Bond)	35,232	35,232	20,746	-	-
Principal and Interest (2014 Senior TE Bond)	5,087	5,088	5,086	5,083	1,271
Principal and Interest (2017 Senior TE Bond)	7,418	7,416	7,733	11,452	2,861
Principal and Interest (2022 Bond)	-	-	8,745	31,467	5,353
Total	\$ 47,737	\$ 47,736	\$ 42,310	\$ 48,001	\$ 9,486
Debt Service Coverage (DSC) Calculation					
Existing DSC Methodology (Senior)	1.20 x	1.45	1.71	1.71 x	2.07 x
Existing DSC Methodology (Senior+Subordinate)	1.20 x	1.45	1.71	1.71 x	2.07 x
Bond Covenant DSC	1.39 x	1.49	1.71	1.71 x	2.07 x
Debt Service Coverage Requirements					
Existing Ratemaking DSC Target	1.75 x	1.75	1.75	1.75 x	1.75 x
Minimum Bond Covenant Requirement (Senior Bond)	1.30 x	1.30	1.30	1.30 x	1.30 x
Minimum Bond Covenant Requirement (Subordinate Bond)	1.20 x	1.20	1.20	1.20 x	1.20 x

Notes:

(1) Source: Guam Power Authority, 2017 - 2020 Audited Financial Statements and 2020-2021 Unaudited Financial Statements

(2) Interest income is net of interest earnings in the Construction Fund and the amortization of deferred credit

(3) Existing DSC Methodology (Rating Agency Method):
(Operating Earnings + Depreciation Expense - IPP Principal & Interest Payments)/ (Senior and Subordinate Bond Principal & Interest Payments)

(4) Bond Covenant DSC Methodology: (Operating Earnings + Depreciation Expense)/ (Senior and Subordinate Bond Principal & Interest Payments)

Month	Existing Methodology	Bond covenant calc	Target	Bond requirement
Jan-23	1.75	1.75	1.75	1.30
Feb-23	1.75	1.75	1.75	1.30
Mar-23	1.75	1.75	1.75	1.30
Apr-23	1.75	1.75	1.75	1.30
May-23	1.75	1.75	1.75	1.30
Jun-23	1.75	1.75	1.75	1.30
Jul-23	1.75	1.75	1.75	1.30
Aug-23	1.75	1.75	1.75	1.30
Sep-23	1.75	1.75	1.75	1.30
Oct-23	1.75	1.75	1.75	1.30
Nov-23	1.75	1.75	1.75	1.30
Dec-23	1.75	1.75	1.75	1.30

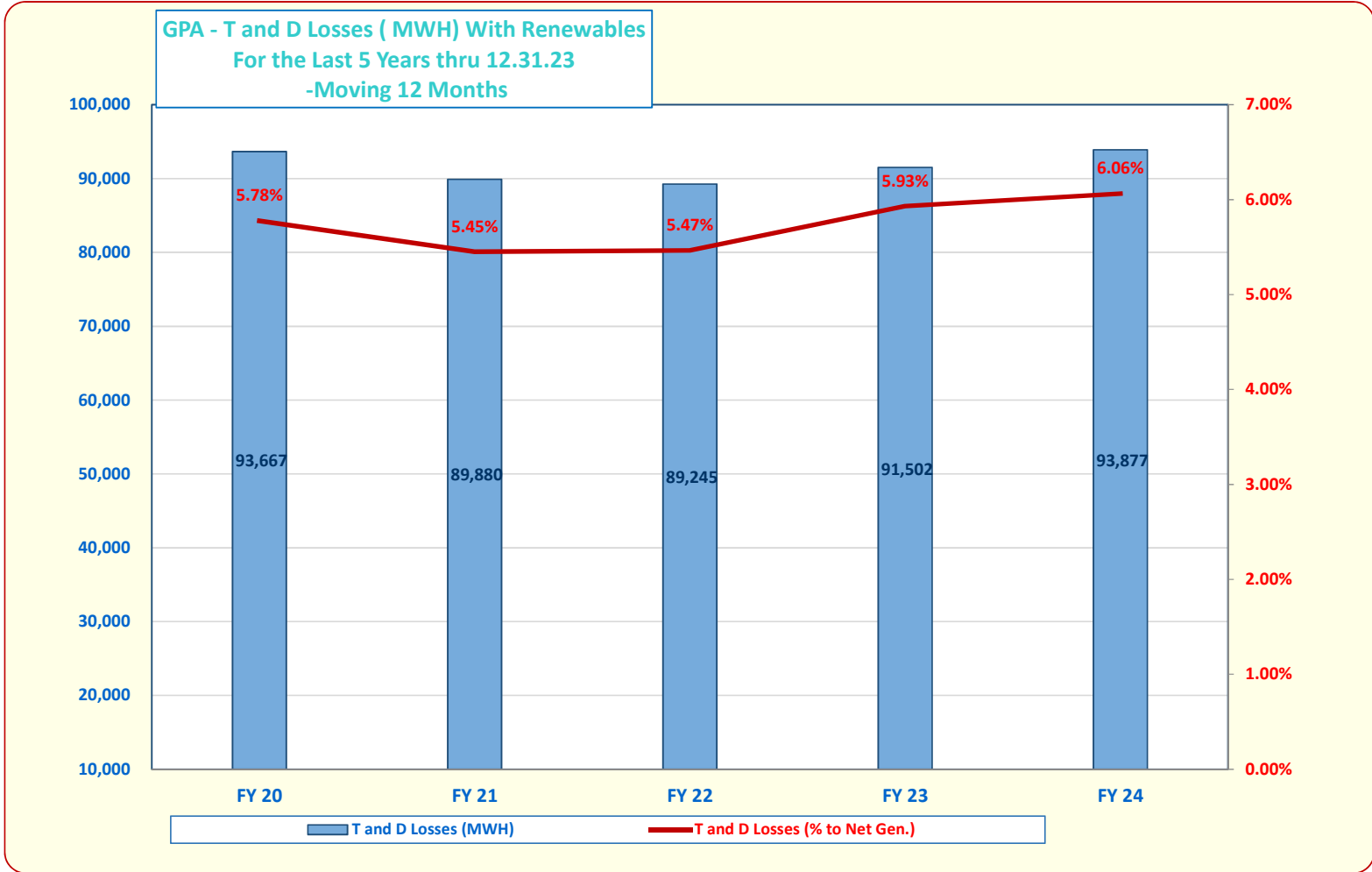
CCU Regular Board Meeting, January 23, 2024 - GPA

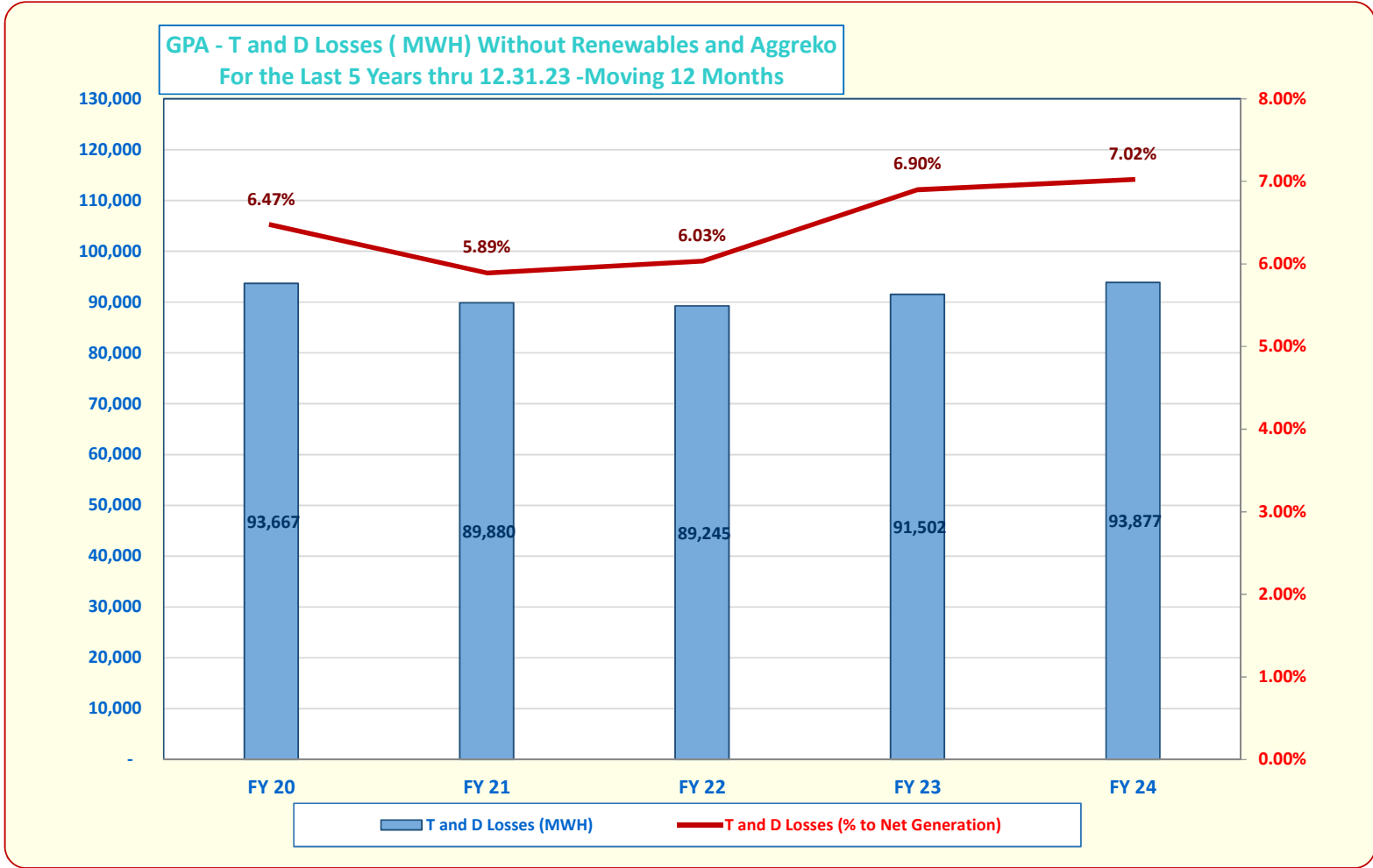
REVENUES-ACTUAL VS PROJECTIONS

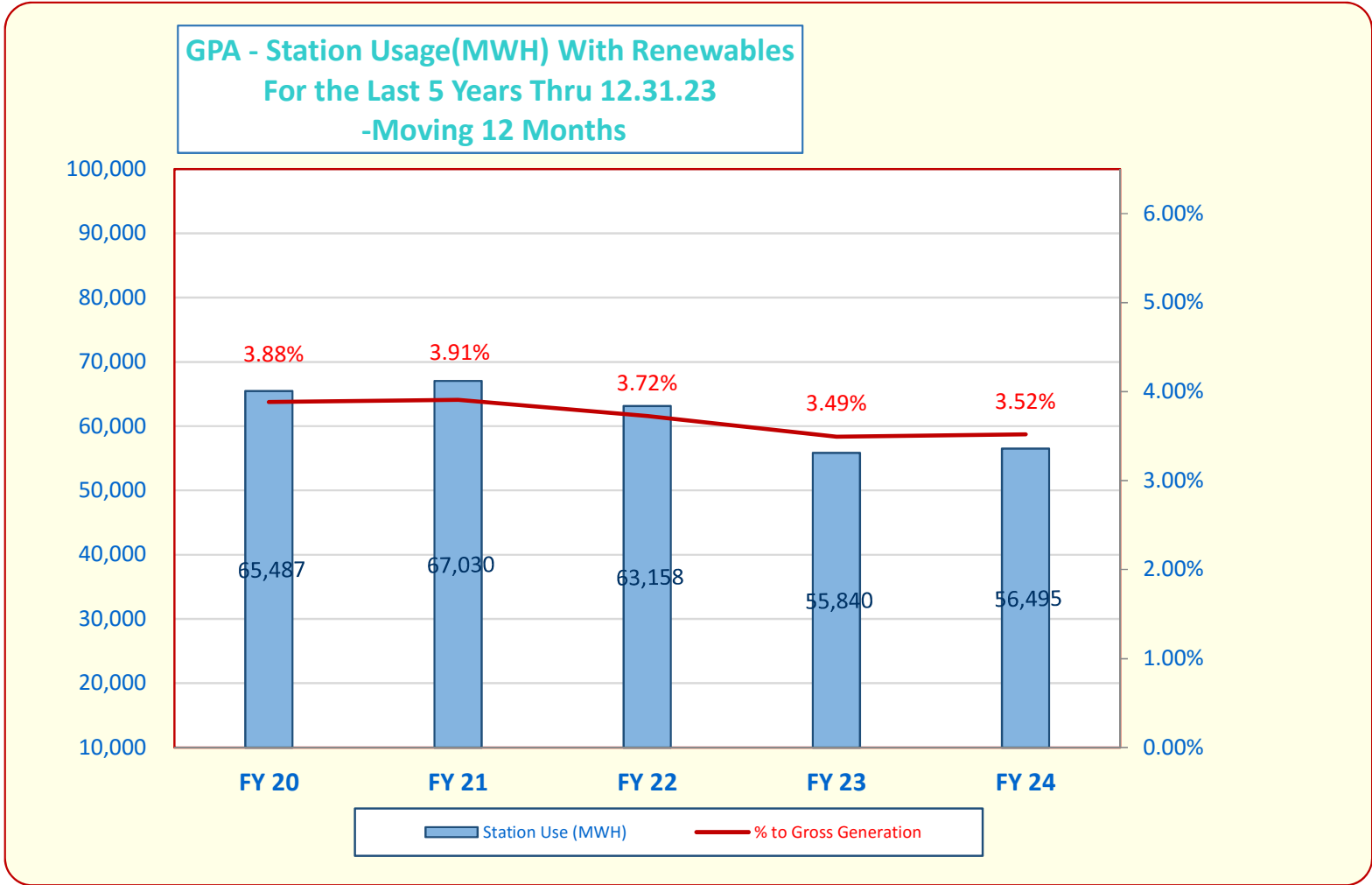
	MONTHLY - DECEMBER 2023				YTD THRU 12/31/2023			
	PROJECTIONS	ACTUAL	VARIANCE	% VARIANCE	PROJECTIONS	ACTUAL	VARIANCE	% VARIANCE
KWH								
Residential	44,372,670	43,624,295	(748,375)	-1.69%	132,191,459	130,744,229	(1,447,230)	-1.09%
Residential - Apt & Condo	640,695	574,211	(66,484)	-10.38%	1,951,266	1,715,805	(235,461)	-12.07%
Small General-Non-Demand	7,151,561	6,237,988	(913,573)	-12.77%	21,546,404	18,538,668	(3,007,736)	-13.96%
Small General-Demand	16,654,892	17,509,143	854,251	5.13%	51,366,186	52,106,077	739,892	1.44%
Large	19,338,562	19,729,372	390,811	2.02%	57,418,369	57,797,882	379,513	0.66%
Independent Power Producers	30,220	89,257	59,036	195.35%	98,014	257,185	159,171	162.40%
Private St. Lites	84,238	29,878	(54,360)	-64.53%	266,566	91,103	(175,463)	-65.82%
Sub-total	88,272,838	87,794,144	(478,694)	-0.54%	264,838,264	261,250,950	(3,587,314)	-1.35%
Government								
Small_Non Demand	2,082,485	1,111,838	(970,648)	-46.61%	6,174,842	3,343,868	(2,830,974)	-45.85%
Small-Demand	9,491,662	8,154,301	(1,337,361)	-14.09%	28,305,910	24,081,113	(4,224,797)	-14.93%
Large	4,645,531	4,772,684	127,153	2.74%	13,210,112	14,516,761	1,306,649	9.89%
Public St. Lites	474,004	605,372	131,368	27.71%	1,342,822	1,537,218	194,396	14.48%
Sub-total	16,693,682	14,644,195	(2,049,488)	-12.28%	49,033,686	43,478,960	(5,554,726)	-11.33%
Total-Civilian	104,966,520	102,438,339	(2,528,181)	-2.41%	313,871,950	304,729,910	(9,142,040)	-2.91%
USN	26,311,215	26,976,442	665,226	2.53%	78,658,830	81,563,648	2,904,818	3.69%
Grand Total	131,277,735	129,414,780	(1,862,955)	-1.42%	392,530,780	386,293,558	(6,237,222)	-1.59%
Non-Oil Yield								
Residential	0.099135	0.096568	(0.002567)	-2.59%	0.102199	0.096503	(0.005696)	-5.57%
Residential - Apt & Condo	0.082926	0.097337	0.014411	17.38%	0.089818	0.096517	0.006699	7.46%
Small General-Non-Demand	0.141172	0.141901	0.000729	0.52%	0.138354	0.141935	0.003581	2.59%
Small General-Demand	0.115155	0.114062	(0.001093)	-0.95%	0.105822	0.113719	0.007896	7.46%
Large	0.106448	0.097544	(0.008904)	-8.36%	0.101712	0.102525	0.000813	0.80%
Independent Power Producers	0.618904	0.119582	(0.499321)	-0.00%	0.618413	0.112913	(0.505500)	0.00%
Private St. Lites	0.125111	0.661269	0.536158	428.55%	0.121445	0.653586	0.532141	438.17%
Sub-total	0.103718	0.103718	0.000000	0.00%	0.104703	0.104703	0.000000	0.00%
Government								
Small_Non Demand	0.149315	0.153113	0.003798	2.54%	0.149315	0.153235	0.003920	2.63%
Small-Demand	0.129968	0.132831	0.002864	2.20%	0.129968	0.133685	0.003717	2.86%
Large	0.115036	0.122781	0.007745	6.73%	0.115036	0.122555	0.007518	6.54%
Public St. Lites	0.766961	0.828373	0.061413	8.01%	0.766961	0.790446	0.023486	3.06%
Sub-total	0.145364	0.159849	0.014484	9.96%	0.145826	0.154693	0.008867	6.08%
Total-Civilian	0.112303	0.111742	(0.000561)	-0.50%	0.112101	0.111836	(0.000265)	-0.24%
USN	0.061970	0.059558	(0.002412)	-3.89%	0.061970	0.061765	(0.000205)	-0.33%
Grand Total	0.102413	0.100864	(0.001549)	-1.51%	0.102055	0.101264	(0.000792)	-0.78%
Non-Oil Revenues								
Residential	4,550,183	4,212,718	(337,465)	-7.42%	13,509,871	12,617,203	(892,668)	-6.61%
Residential - Apt & Condo	55,541	55,892	351	0.63%	175,259	165,604	(9,655)	-5.51%
Small General-Non-Demand	1,001,673	885,175	(116,499)	-11.63%	2,981,034	2,631,291	(349,743)	-11.73%
Small General-Demand	1,802,292	1,997,133	194,840	10.81%	5,435,696	5,925,447	489,751	9.01%
Large	1,973,698	1,924,481	(49,217)	-2.49%	5,840,165	5,925,730	85,565	1.47%
Independent Power Producers	19,993	10,674	(9,320)	-46.61%	60,613	29,040	(31,573)	-52.09%
Private St. Lites	11,721	19,758	8,036	68.56%	32,373	59,544	27,171	83.93%
Sub-total	9,415,102	9,105,829	(309,273)	-3.28%	28,035,011	27,353,858	(681,154)	-2.43%
Government								
Small_Non Demand	310,946	170,237	(140,709)	-45.25%	921,997	512,398	(409,599)	-44.43%
Small-Demand	1,233,609	1,083,146	(150,463)	-12.20%	3,678,852	3,219,286	(459,567)	-12.49%
Large	534,405	585,996	51,591	9.65%	1,519,644	1,779,099	259,455	17.07%
Public St. Lites	363,542	501,474	137,932	37.94%	1,029,892	1,215,088	185,197	17.98%
Sub-total	2,442,503	2,340,853	(101,649)	-4.16%	7,150,384	6,725,871	(424,514)	-5.94%
Total-Civilian	11,857,605	11,446,683	(410,922)	-3.47%	35,185,396	34,079,729	(1,105,667)	-3.14%
USN	1,630,515	1,606,670	(23,844)	-1.46%	4,874,514	5,037,771	163,257	3.35%
Grand Total	13,488,120	13,053,353	(434,766)	-3.22%	40,059,910	39,117,499	(942,411)	-2.35%
% of Total Revenues	30.77%	30.36%			30.63%	30.36%		
Oil Revenues								
Residential	10,256,476	9,947,866	(308,610)	-3.01%	30,555,263	29,814,260	(741,002)	-2.43%
Residential - Apt & Condo	148,093	130,940	(17,153)	-11.58%	451,023	391,264	(59,759)	-13.25%
Small General-Non-Demand	1,653,040	1,422,480	(230,561)	-13.95%	4,980,322	4,227,465	(752,857)	-15.12%
Small General-Demand	3,849,678	3,989,741	140,063	3.64%	11,872,986	11,873,372	386	0.00%
Large	4,469,992	4,471,842	1,849	0.04%	13,271,911	13,099,689	(172,223)	-1.30%
Independent Power Producers	6,985	19,465	12,480	178.66%	22,655	56,476	33,821	149.29%
Private St. Lites	19,471	6,813	(12,658)	-65.01%	61,615	20,775	(40,840)	-66.28%
Sub-total	20,403,737	19,989,146	(414,590)	-2.03%	61,215,776	59,483,301	(1,732,475)	-2.83%
Government								
Small_Non Demand	481,354	253,538	(227,816)	-47.33%	1,427,278	762,519	(664,759)	-46.58%
Small-Demand	2,193,941	1,859,466	(334,475)	-15.25%	6,542,741	5,491,337	(1,051,405)	-16.07%
Large	1,073,787	1,073,327	(460)	-0.04%	3,053,438	3,267,203	213,765	7.00%
Public St. Lites	109,563	138,046	28,483	26.00%	310,385	350,539	40,154	12.94%
Sub-total	3,858,644	3,324,377	(534,268)	-13.85%	11,333,842	9,871,598	(1,462,244)	-12.90%
Total-Civilian	24,262,381	23,313,523	(948,858)	-3.91%	72,549,618	69,354,899	(3,194,719)	-4.40%
USN	6,081,680	6,591,089	509,409	8.38%	18,181,517	20,374,992	2,193,476	12.06%
Grand Total	30,344,061	29,904,612	(439,449)	-1.45%	90,731,135	89,729,891	(1,001,243)	-1.10%
	69.23%	69.61%			69.37%	69.64%		
Grand Total								
Residential	14,806,659	14,160,584	(646,075)	-4.36%	44,065,134	42,431,463	(1,633,671)	-3.71%
Residential - Apt & Condo	203,634	186,832	(16,801)	-8.99%	626,282	556,867	(69,415)	-11.08%
Small General-Non-Demand	2,654,714	2,307,654	(347,059)	-13.07%	7,961,356	6,858,756	(1,102,600)	-13.85%
Small General-Demand	5,651,971	5,986,873	334,903	5.93%	17,308,682	17,798,819	490,137	2.83%
Large	6,443,691	6,396,322	(47,368)	-0.74%	19,112,076	19,025,418	(86,658)	-0.45%
Independent Power Producers	26,978	30,138	3,160	11.71%	83,268	85,516	2,248	2.70%
Private St. Lites	31,192	26,571	(4,622)	-14.82%	93,988	80,319	(13,670)	-14.54%
Sub-total	29,818,839	29,094,976	(723,863)	-2.43%	89,250,787	86,837,158	(2,413,628)	-2.70%
Government								
Small_Non Demand	792,300	423,775	(368,525)	-46.51%	2,349,275	1,274,917	(1,074,358)	-45.73%
Small-Demand	3,427,550	2,942,612	(484,938)	-14.15%	10,221,594	8,710,622	(1,510,971)	-14.78%
Large	1,608,192	1,659,323	51,132	3.18%	4,573,082	5,046,302	473,220	10.35%
Public St. Lites	473,105	639,520	166,414	35.17%	1,340,277	1,565,628	225,351	16.81%
Sub-total	6,301,147	5,665,230	(635,917)	-10.09%	18,484,227	16,597,469	(1,886,758)	-10.21%
Total-Civilian	36,119,986	34,760,206	(1,359,780)	-3.76%	107,735,014	103,434,627	(4,300,386)	-3.99%
USN	7,121,194	8,197,759	1,076,565	6.30%	23,056,031	25,412,763	2,356,732	10.22%
Grand Total	43,241,180	42,957,965	(283,215)	-0.65%	130,791,044	128,847,390	(1,943,654)	-1.49%

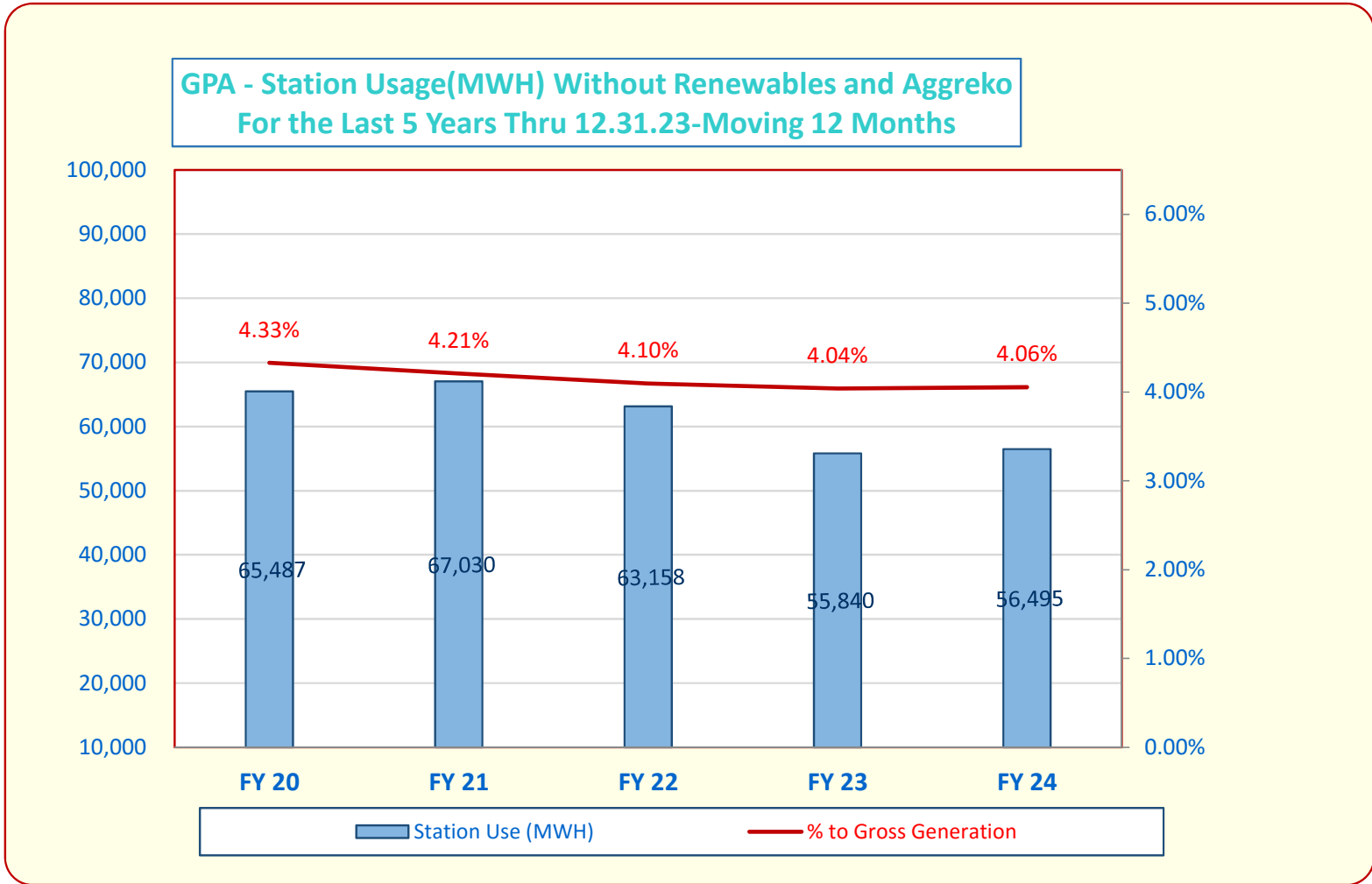
CCU Regular Board Meeting, January 23, 2024 - GPA

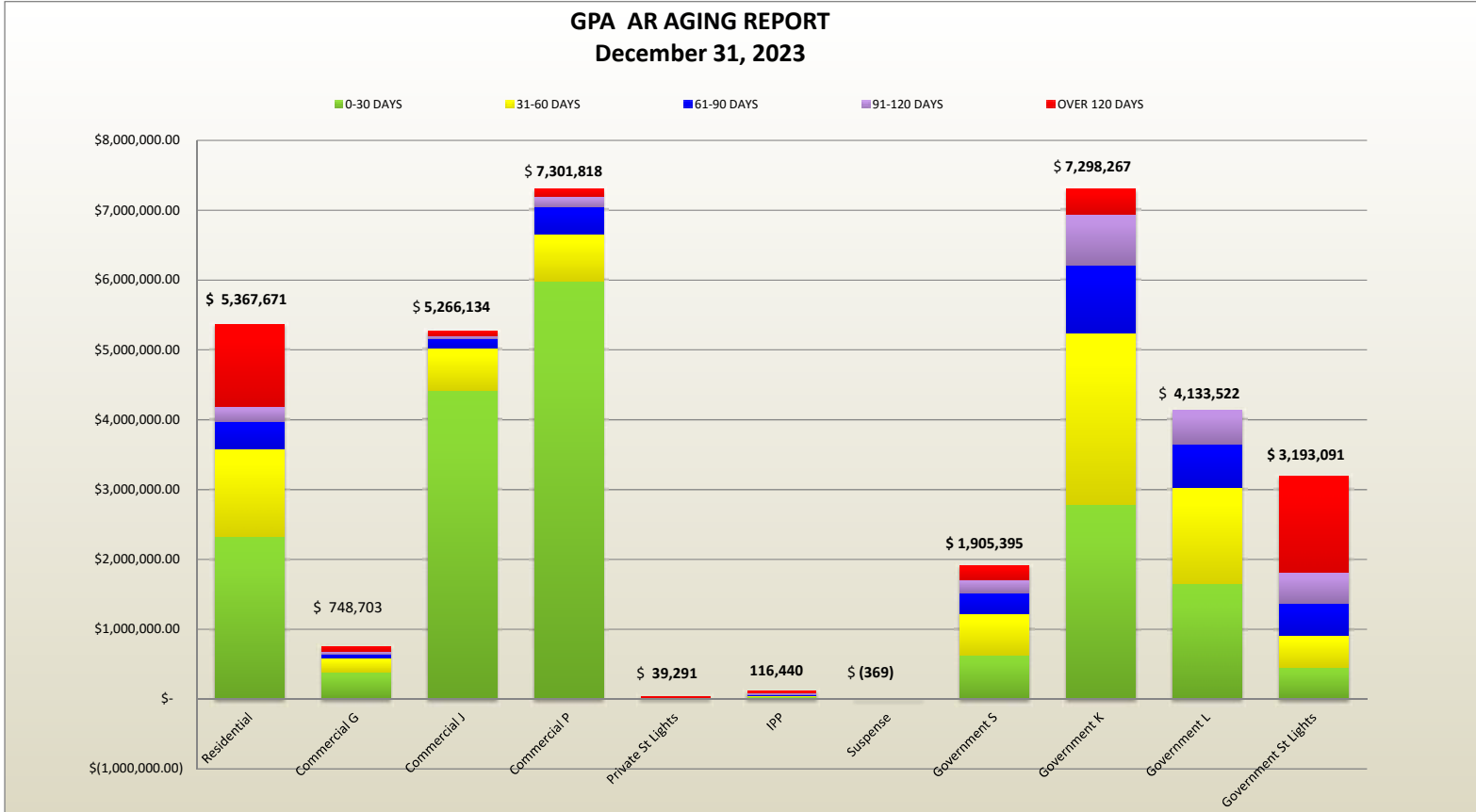
	YTD REVENUES - CURRENT YEAR VS PRIOR YEAR				MTD REVENUES - CURRENT YEAR VS PRIOR YEAR			
	ACTUALS - 3 MONTHS ENDED DECEMBER				ACTUALS - MONTH ENDED DECEMBER 2023			
	2023	2022	VARIANCE	% VARIANCE	2023	2022	VARIANCE	% VARIANCE
KWH								
Residential	130,744,229	129,825,167	919,062	0.71%	43,624,295	43,379,411	244,883	0.56%
Residential - Apt & Condo	1,715,805	1,636,230	79,575	4.86%	574,211	641,336	(67,125)	-10.47%
Small General-Non-Demand	18,538,668	21,593,197	(3,054,529)	-14.15%	6,237,988	7,240,621	(1,002,632)	-13.85%
Small General-Demand	52,106,077	47,786,995	4,319,083	9.04%	17,509,143	16,149,806	1,359,336	8.42%
Large	57,797,882	57,295,005	502,876	0.88%	19,729,372	19,538,055	191,317	0.98%
Independent Power Producers	257,185	301,073	(43,889)	-14.58%	89,257	105,298	(16,042)	-15.23%
Private St. Lites	91,103	93,467	(2,363)	-2.53%	29,878	29,921	(43)	-0.14%
Sub-total	261,250,950	258,531,135	2,719,815	1.05%	87,794,144	87,084,449	709,695	0.81%
Government								
Small_Non Demand	3,343,868	6,080,935	(2,737,066)	-45.01%	1,111,838	2,061,867	(950,029)	-46.08%
Small-Demand	24,081,113	28,026,756	(3,945,643)	-14.08%	8,154,301	9,351,392	(1,197,091)	-12.80%
Large	14,516,761	13,000,496	1,516,266	11.66%	4,772,684	4,436,992	335,692	7.57%
Public St. Lites	1,537,218	1,327,152	210,065	15.83%	605,372	466,769	138,603	29.69%
Sub-total	43,478,960	48,435,339	(4,956,378)	-10.23%	14,644,195	16,317,019	(1,672,824)	-10.25%
Total-Civilian	304,729,910	306,966,473	(2,236,563)	-0.73%	102,438,339	103,401,468	(963,129)	-0.93%
USN	81,563,648	76,221,967	5,341,680	7.01%	26,976,442	26,037,729	938,713	3.61%
Grand Total	386,293,558	383,188,441	3,105,117	0.81%	129,414,780	129,439,197	(24,417)	-0.02%
Non-Oil Yield								
Residential	0.096503	0.096260	0.000243	0.25%	0.096568	0.096103	0.000465	0.48%
Residential - Apt & Condo	0.096517	0.107111	-0.010595	-9.89%	0.097337	0.086602	0.010735	12.40%
Small General-Non-Demand	0.141935	0.138054	0.003881	2.81%	0.141901	0.138341	0.003560	2.57%
Small General-Demand	0.113719	0.111818	0.001901	1.70%	0.114062	0.111598	0.002464	2.21%
Large	0.102525	0.101931	0.000594	0.58%	0.097544	0.101018	-0.003474	-3.44%
Independent Power Producers	0.112913	0.107526	0.005388	5.01%	0.119582	0.111315	0.008267	7.43%
Private St. Lites	0.653586	0.648496	0.005090	0.78%	0.661269	0.668196	-0.006928	-1.04%
Sub-total	0.104703	0.104165	0.000539	0.52%	0.103718	0.103736	-0.000018	-0.02%
Government								
Small_Non Demand	0.153235	0.140373	0.012862	9.16%	0.153113	0.140249	0.012865	9.17%
Small-Demand	0.133685	0.129635	0.004050	3.12%	0.132831	0.129441	0.003390	2.62%
Large	0.122555	0.113759	0.008796	7.73%	0.122781	0.113695	0.009086	7.99%
Public St. Lites	0.790446	0.792450	-0.002004	-0.25%	0.828373	0.753936	0.074437	9.87%
Sub-total	0.154693	0.144883	0.009810	6.77%	0.159849	0.144389	0.015459	10.71%
Total-Civilian	0.111836	0.110590	0.001246	1.13%	0.111742	0.111051	0.001591	1.44%
USN	0.061765	0.060495	0.001270	2.10%	0.059558	0.059550	0.000009	0.01%
Grand Total	0.101264	0.100625	0.000639	0.63%	0.100864	0.099972	0.000892	0.89%
Non-Oil Revenues								
Residential	12,617,203	12,496,978	120,224	0.96%	4,212,718	4,168,885	43,833	1.05%
Residential - Apt & Condo	165,604	175,259	(9,655)	0.00%	55,892	55,541	351	0.63%
Small General-Non-Demand	2,631,291	2,981,034	(349,743)	-11.73%	885,175	1,001,673	(116,499)	-11.63%
Small General-Demand	5,925,447	5,343,431	582,015	10.89%	1,997,133	1,802,292	194,840	10.81%
Large	5,925,730	5,840,165	85,565	1.47%	1,924,481	1,973,698	(49,217)	-2.49%
Independent Power Producers	29,040	32,373	(3,334)	-10.30%	10,674	11,721	(1,048)	-8.94%
Private St. Lites	59,544	60,613	(1,069)	-1.76%	19,758	19,993	(236)	-1.18%
Sub-total	27,353,858	26,929,854	424,004	1.57%	9,105,829	9,033,804	72,026	0.80%
Government								
Small_Non Demand	512,398	853,599	(341,201)	-39.97%	170,237	289,175	(118,937)	-41.13%
Small-Demand	3,219,286	3,633,242	(413,956)	-11.39%	1,083,146	1,210,452	(127,306)	-10.52%
Large	1,779,099	1,478,920	300,179	20.30%	585,996	504,464	81,532	16.16%
Public St. Lites	1,215,088	1,051,703	163,386	15.54%	501,474	351,914	149,560	42.50%
Sub-total	6,725,871	7,017,463	(291,592)	-4.16%	2,340,853	2,356,004	(15,151)	-0.64%
Total-Civilian	34,079,729	33,947,317	132,412	0.39%	11,446,683	11,389,808	56,875	0.50%
USN	5,037,771	4,611,075	426,696	9.25%	1,606,670	1,550,540	56,130	3.62%
Grand Total	39,117,499	38,558,391	559,108	1.45%	13,053,353	12,940,349	113,004	0.87%
% of Total Revenues								
Oil Revenues								
Residential	29,814,260	40,471,236	(10,656,975)	-26.33%	9,947,866	13,684,773	(3,736,907)	-27.31%
Residential - Apt & Condo	391,264	508,379	(117,115)	-23.04%	130,940	202,320	(71,380)	-35.28%
Small General-Non-Demand	4,227,465	6,729,193	(2,501,728)	-37.18%	1,422,480	2,284,177	(861,697)	-37.72%
Small General-Demand	11,873,372	14,846,858	(2,973,486)	-20.03%	3,989,741	5,092,048	(1,102,307)	-21.65%
Large	13,099,689	17,604,375	(4,504,686)	-25.59%	4,471,842	6,127,649	(1,655,808)	-27.02%
Independent Power Producers	56,476	89,714	(33,238)	-37.05%	19,465	32,099	(12,634)	-39.36%
Private St. Lites	20,775	28,766	(7,991)	-27.78%	6,813	9,439	(2,626)	-27.82%
Sub-total	59,483,301	80,278,521	(20,795,220)	-25.90%	19,989,146	27,432,505	(7,443,359)	-27.13%
Government								
Small_Non Demand	762,519	1,871,176	(1,108,657)	-59.25%	253,538	650,451	(396,913)	-61.02%
Small-Demand	5,491,337	8,628,946	(3,137,609)	-36.36%	1,859,466	2,950,055	(1,090,589)	-36.97%
Large	3,267,203	3,941,942	(674,739)	-17.12%	1,073,327	1,376,378	(303,051)	-22.02%
Public St. Lites	350,539	408,838	(58,298)	-14.26%	138,046	147,250	(9,204)	-6.25%
Sub-total	9,871,598	14,850,901	(4,979,303)	-33.53%	3,324,377	5,124,134	(1,799,757)	-35.12%
Total-Civilian	69,354,899	95,129,422	(25,774,523)	-27.09%	23,313,523	32,556,639	(9,243,116)	-28.39%
USN	20,374,992	20,806,677	(431,685)	-2.07%	6,591,089	7,724,378	(1,133,289)	-14.67%
Grand Total	89,729,891	115,936,099	(26,206,208)	-22.60%	29,904,612	40,281,017	(10,376,405)	-25.76%
Grand Total								
Residential	42,431,463	52,968,214	(10,536,751)	-19.89%	14,160,584	17,853,658	(3,693,073)	-20.69%
Residential - Apt & Condo	556,867	683,638	(126,770)	-18.54%	186,832	257,861	(71,029)	-27.55%
Small General-Non-Demand	6,858,756	9,710,228	(2,851,471)	-29.37%	2,307,654	3,285,850	(978,196)	-29.77%
Small General-Demand	17,798,819	20,190,289	(2,391,471)	-11.84%	5,986,873	6,894,340	(907,467)	-13.16%
Large	19,025,418	23,444,540	(4,419,121)	-18.85%	6,396,322	8,101,347	(1,705,025)	-21.05%
Independent Power Producers	85,516	122,087	(36,571)	-29.96%	30,138	43,820	(13,682)	-31.22%
Private St. Lites	80,319	89,379	(9,060)	-10.14%	26,571	29,432	(2,861)	-9.72%
Sub-total	86,837,158	107,208,375	(20,371,216)	-19.00%	29,094,976	36,466,309	(7,371,333)	-20.21%
Government								
Small_Non Demand	1,274,917	2,724,774	(1,449,857)	-53.21%	423,775	939,626	(515,850)	-54.90%
Small-Demand	8,710,622	12,262,188	(3,551,565)	-28.96%	2,942,612	4,160,507	(1,217,895)	-29.27%
Large	5,046,302	5,420,862	(374,560)	-6.91%	1,659,323	1,880,842	(221,519)	-11.78%
Public St. Lites	1,565,628	1,460,540	105,088	7.20%	639,520	499,164	140,356	28.12%
Sub-total	16,597,469	21,868,364	(5,270,895)	-24.10%	5,665,230	7,480,139	(1,814,908)	-24.26%
Total-Civilian	103,434,627	129,076,738	(25,642,111)	-19.87%	34,760,209	43,946,448	(9,186,242)	-20.90%
USN	25,412,763	25,417,752	(4,989)	-0.02%	8,197,759	9,274,918	(1,077,159)	-11.61%
Grand Total	128,847,390	154,494,490	(25,647,100)	-16.60%	42,957,965	53,221,366	(10,263,401)	-19.28%











**ACCOUNTS RECEIVABLE BY RATE - ACTIVE
AR AGING REPORT
AS OF December 31, 2023**

GL ACCOUNT	RATE	TOTAL DUE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91-120 DAYS	OVER 120 DAYS
1000.142000.10	Residential - R	\$ 4,387,603.15	2,172,221.68	1,263,145.01	387,608.26	213,796.04	350,832.16
1000.142000.11	Residential - PP	\$ 829,816.20	(26.50)	-	-	-	829,842.70
1000.142000.17	Residential - D	\$ 150,252.04	150,252.04				
1000.142000.12	Commercial G	\$ 748,702.65	390,781.42	196,095.93	60,499.05	31,224.50	70,101.75
1000.142000.13	Commercial J	\$ 5,266,133.55	4,414,316.42	615,526.00	129,044.00	48,339.66	58,907.47
1000.142000.14	Commercial P	\$ 7,301,817.66	5,979,688.82	677,025.86	387,579.25	150,903.76	106,619.97
1000.142000.15	Private St Lights	\$ 39,290.89	18,700.32	3,684.41	2,773.09	2,613.00	11,520.07
1000.142000.16	IPP	\$ 116,440.09	30,674.73	17,792.16	18085.43	17571.73	32316.04
1000.142000.98	Suspense	\$ (369.10)	(369.10)				
TOTAL PRIVATE		\$ 18,839,687.13	\$ 13,156,239.83	\$ 2,773,269.37	\$ 985,589.08	\$ 464,448.69	\$ 1,460,140.16
1000.142000.19	Government S	\$ 1,905,395.33	\$ 633,666.61	\$ 585,195.27	\$ 302,260.60	\$ 192,340.65	\$ 191,932.20
1000.142000.20	Government K	\$ 7,298,266.74	\$ 2,781,906.28	\$ 2,461,133.31	\$ 963,555.41	\$ 740,111.57	\$ 351,560.17
1000.142000.21	Government L	\$ 4,133,522.27	\$ 1,647,818.59	\$ 1,386,679.65	\$ 617,177.60	\$ 481,846.43	\$ -
1000.142000.22	Government St Lights	\$ 3,193,090.74	\$ 455,234.83	\$ 463,040.36	\$ 457,993.79	\$ 435,581.75	\$ 1,381,240.01
TOTAL GOVERNMENT		\$ 16,530,275.08	\$ 5,518,626.31	\$ 4,896,048.59	\$ 2,340,987.40	\$ 1,849,880.40	\$ 1,924,732.38
GRAND TOTAL		\$ 35,369,962.21	\$ 18,674,866.14	\$ 7,669,317.96	\$ 3,326,576.48	\$ 2,314,329.09	\$ 3,384,872.54
		\$ 29,670,760.58					
Total Residential		\$ 5,367,671.39	\$ 2,322,447.22	\$ 1,263,145.01	\$ 387,608.26	\$ 213,796.04	\$ 1,180,674.86



GUAM POWER AUTHORITY

ATURIDÁT ILEKTRESEDÁT GUAHAN
P.O.BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

Issues for Decision

Resolution No. FY2024-10

**Relative to Authorizing Expenditure for the Procurement of
45 Foot Class B Concrete Power Poles**

What is the project's objective? Is it necessary and urgent?

This procurement is to replenish GPA stock 45' concrete power poles. 45' concrete power poles are required to replace damaged power poles, replace existing wooden power poles, and for line extensions to service new customers. GPA's current balance of power poles is 64 ea. The minimum safety stock amount is 189. GPA's current stock is below the minimum safety stock level of 189.

How much will it cost?

\$1,098,800.00

When will it be completed?

GPA anticipates delivery of power poles by August 2024.

What is its funding source?

Revenue Funds

The RFP/BID responses:

***Benson Guam Enterprises Inc.* submitted a bid for GPA's consideration. GPA's Evaluation Committee has determined *Benson Guam Enterprises Inc.* to be the lowest responsive bidder for the 45-foot Class B concrete power poles.**

27

28 **NOW, THEREFORE, BE IT RESOLVED, by the CONSOLIDATED COMMISSION**
29 **ON UTILITIES, the GOVERNING BODY of the GUAM POWER AUTHORITY as**
30 **FOLLOWS:**

- 31 1. After careful consideration, the Consolidated Commission on Utilities finds the procurement
- 32 of two hundred five (205) each 45-foot concrete power poles to be reasonable, prudent and
- 33 necessary for the maintenance and improvement of the GPA transmission & Distribution
- 34 system.
- 35 2. The General Manager of the Guam Power Authority is hereby authorized an increase in
- 36 obligating authority up to \$1,098,800.00 for the purpose of procuring two hundred five (205)
- 37 45-foot concrete power poles from Benson Guam Enterprises Inc.

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

40 **DULY AND REGULARLY ADOPTED AND APPROVED THIS 23RD DAY OF**
41 **JANUARY 2024.**

42 Certified by:

Attested by:

43
44
45
46
47
48
49

JOSEPH T. DUENAS

Chairperson
Consolidated Commission on Utilities

PEDRO ROY MARTINEZ

Secretary
Consolidated Commission on Utilities

50 **I, Pedro Roy Martinez**, Secretary for the Consolidated Commission on Utilities (CCU), as
51 evidenced by my signature above do certify as follows:

52 The foregoing is a full, true, and accurate copy of the resolution duly adopted at a regular meeting
53 of the members of Guam Consolidated Commission on Utilities, duly and legally held at a place
54 properly noticed and advertised at which meeting a quorum was present and the members who
55 were present voted as follows:

56
57
58
59
60
61
62
63

Ayes: _____

Nays: _____

Absent: _____

Abstain: _____

Buyer: Dan Reyes



GUAM POWER AUTHORITY
ATURIDAT ILEKTRESEDAT GUAHAN
P O BOX 2977, HAGATNA, GUAM 96932-2977

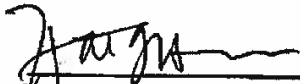
Memorandum

TO: Supply Management Administrator
FROM: Bid Evaluation Committee
DATE: October 23, 2023
SUBJECT: GPA-038-23

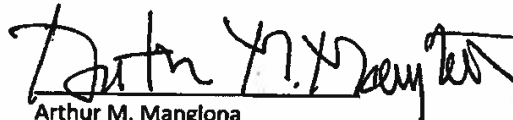
The Committee has reviewed and completed the evaluation for Bid No. GPA-038-23, Pole, Concrete, 45 Foot, Class B, today, October 23, 2023, and have determined that the sole bidder, **Benson Guam Enterprise, Inc.** meets GPA Specification.

The Committee therefore recommends to award this bid to the sole, responsive and responsible bidder.

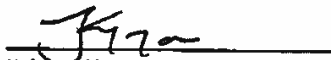
COMMITTEE MEMBERS:



Nanette G. Alger
Engineer III



Arthur M. Mangiona
Construction Inspector III

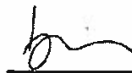


Kyle D. Siguenza
Line Electrician Leader



Jessie B. Delos Reyes
Line Electrician Leader

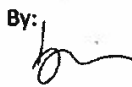
Concurred By:



Beatrice P. Limtiaco
Assistant General Manager of Administration

10/25/2023
Date

Approved Disapproved

By:


for John M. Benavente, P.E.
General Manager

10/25/2023
Date

NUMBER OF INVITATIONS ISSUED

NUMBER OF BIDS RECEIVED:



PROCUREMENT DIVISION

GUAM POWER AUTHORITY

ABSTRACT OF BIDS

INVITATION NUMBER:

EPA-038-23

OPENING DATE:

8/31/2023

OPENING TIME:

9:00A.M.

DESCRIPTION OF SUPPLIES OR SERVICES:
POLE, CONCRETE, 45 FOOT, CLASS B

	LINE ITEM 1	LINE ITEM 2	LINE ITEM 3	LINE ITEM 4	LINE ITEM 5
DESCRIPTION					
QTY.	<u>205</u>				
UNIT	<u>Each</u>				
DELIVERY	<u>8 WEEKS UPON COMPLETION OF INSPECTION TESTING</u>				
BASIC					
UNIT COST	<u>5,360.⁰⁰</u>				
PART NUMBER					
CATALOG NUMBER	<u>550PM1106</u>				
MANUFACTURER	<u>Samsung Industry</u>				
DELIVERY	<u>A/S</u>				
TOTAL LUMP SUM					
ALTERNATE					
UNIT COST					
PART NUMBER					
CATALOG NUMBER					
MANUFACTURER					
DELIVERY					
TOTAL LUMP SUM					

BIDDER

No.: 01 Vendor Name: Benson Guam Enterprises

Bound Paper Original Qty. 1
 Bound Paper Copies Qty. 1

BID GUARANTEE:

Bid Bond #: AGA-4903-B Amount: \$ 15% of total bid amount

Certificate of Authority Power of Attorney

Standby Letter of Credit # _____ Amount \$ _____

Letter of Credit # _____ Amount \$ _____

Cashier's or Certified Check # _____ Amount \$ _____

Wire Transfer

Affidavits (Original Form)

Affidavits (Copy Form): Originals submitted with GPA-045-23

Ownership & Interest Disclosure Non-Collusion No Gratuities or Kickbacks

Ethical Standards Wage Determination Restriction Against Sex Offenders

Business License Contractors License Contractor fee affidavit

Local Procurement Signed and Submitted

Literature

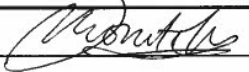
I hereby certify that all bids received in response to this invitation were opened under my personal supervision, and that the names of all bidders have been entered herein.

[Signature]
SIGNATURE

Basis For Award	
<input type="checkbox"/>	Lowest Responsive Bidder
<input type="checkbox"/>	Tie Bid
<input type="checkbox"/>	Only Bid
<input type="checkbox"/>	Other Than Lowest Responsive Bidder

TABULATED BY: [Signature] DATE: 8/31/2023

PAGE 1 OF 1

NAMES OF PERSONS PRESENT AT THE BID OPENING AND WHOM THEY REPRESENT			
PRINT NAME:	COMPANY NAME:	SIGNATURE:	DATE:
1 Monto Co	Benson Green Ent, Inc.		8/31/2023
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GUAM POWER AUTHORITY

ATURIDÁT ILEKTRESEDÁT GUAHAN
P.O.BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

Issues for Decision

GPA Resolution No. FY2024-11

Relative to the Approval for Relocation of Yigo Diesels

What is the project's objective? Is it necessary and urgent?

The Yigo Diesel units remain an essential part of GPA's generation capacity until the commissioning and operation of the Ukudu Power Plant by late 2025. These units however have significantly declined in capacity due to required repairs or replacement being held up by several procurement protests. The Yigo Diesel site was also determined to be the optimal site for permitting and commissioning the Temporary Power within the 100-day solicitation requirement. The Temporary Power's immediate siting would displace the Yigo Diesel units. An alternate site, adjacent to the Tenjo Vista Power Plant and owned by GPA, can temporarily accommodate up to 20 MWs of the Yigo Diesel units once repaired or replaced. GPA requires a contractor to restore 20 MW's of the Yigo Diesel units, relocate, install, commission and operate and maintain these units for 3-year base period with 2 optional one-year extensions.

Where is the location?

The Yigo Diesel units will be relocated to the lot adjacent to the Tenjo Vista Power Plant.

How much will it cost?

It is estimated that the capacity restoration through repair or replacement may cost up to \$7M and have annual operating costs of \$2-3M, totaling \$13M for a base term contract.

When will it be completed?

GPA expects units to be operational within 6-9 months with a base term for operation and maintenance for the 3-year base period with 2 optional one-year extensions.

What is its funding source?

Revenue funded

The RFP/BID responses:

To be solicited



CONSOLIDATED COMMISSION ON UTILITIES

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

GPA RESOLUTION NO. FY2024-11

RELATIVE TO APPROVAL FOR RELOCATION OF YIGO DIESELS

WHEREAS, generation capacity shortfall due to Typhoon damage and units requiring repair prompted GPA to solicit for 40 MW (Megawatts) of temporary power to bridge generation capacity support until the delayed commissioning of the Ukudu Power Plant by late 2025; and

WHEREAS, the Yigo Diesel site was determined to be the optimal site for permitting and commissioning the Temporary Power within the required 100 days; and

WHEREAS, the existing Yigo Diesel units remain an essential part of GPA’s generation capacity until the commissioning and operation of the Ukudu Power Plant; and

WHEREAS, the Temporary Power will displace 39 existing Yigo Diesel units which have significantly declined in operating capacity due to required major overhauls or replacement, which has been held up by procurement protest; and

WHEREAS, GPA intends to repair or replace 20 of the 39 1-MW Yigo Diesel units to provide critical generation capacity until the commissioning of the Ukudu Power Plant; and

WHEREAS, GPA owns property adjacent to the Tenjo Vista Power Plant which has access to transmission line which can accommodate an additional 20 MW of power to export to the grid, most especially to serve the southern villages and Naval Station Guam; and

WHEREAS, the repaired or new units will be temporarily located and operated on adjacent property to the Tenjo Vista Power Plant; and

1 **WHEREAS**, GPA estimates the total cost for this project to be over \$1.5M based on
2 estimated costs for overhauls or replacement exceeding \$5M-7M and estimated annual operating
3 costs of \$2-3M, totaling and estimated of \$13M for the base term; and

4
5 **WHEREAS**, this procurement will exceed the GPA General Manager procurement
6 authority.

7
8 **NOW, THEREFORE, BE IT RESOLVED**, by the **Consolidated Commission on**
9 **Utilities, the governing body of the Guam Power Authority and subject to the review and**
10 **approval of the Public Utilities Commission as follows:**

11
12 **1.** The GPA General Manager is authorized to procure the services for the repair or
13 replacement of up to 20 Yigo Diesel Units and relocation, installation, commissioning and the
14 operation and maintenance of these units adjacent to the Tenjo Vista Power Plant.

15
16 **RESOLVED**, that the Chairman of the Commission certifies and the Secretary of the
17 Commission attests to the adoption of this Resolution.

18
19
20 **DULY AND REGULARLY ADOPTED**, this day of 23rd of January, 2024.

21
22 Certified by:

23 Attested by:

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26 _____
27 **JOSEPH T. DUENAS**
28 Chairperson

29 _____
30 **PEDRO ROY MARTINEZ**
31 Secretary

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I, Pedro Roy Martinez, Secretary of the Consolidated Commission on Utilities (CCU)
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: _____

NAYS: _____

ABSTAIN: _____

ABSENT: _____



GUAM POWER AUTHORITY

ATURIDÁT ILEKTRESEDÁT GUAHAN
P.O.BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

Issues for Decision

GPA Resolution No. FY2024-12:

Relative to: Authorizing the Management of Guam Power Authority to Extend the Contract for the Supply of Residual Fuel Oil No.6 to **HYUNDAI CORPORATION**.

What is the project's objective? Is it necessary and urgent?

The first (1st) year extension of the contract with Hyundai Corporation for Supply of Residual Fuel Oil No.6 (RFO) for the Baseload Plants is expiring in August 31, 2024.

Extension of the contract for two (2) consecutive years is necessary to provide uninterrupted supply of RFO, considering that the Cabras plant operation will continue until 2026 with the delayed commissioning of the Ukudu plants.

Where is the location?

RFO will be supplied to the Cabras 1&2 baseload plants

How much will it cost?

The estimated total cost for the 2-year contract extension is approximately **\$213,686,333** (Exhibit A), requiring prior approval from the PUC.

The premium fee for the 2-year contract extension is reduced from \$79.000/MT to \$75.000 for a potential total savings of approximately \$1,000,000.

When will it be completed?

The 2-year contract extension shall commence on or about September 01, 2024 and to expire on August 31, 2026.

What is its funding source?

Fuel revenue funds



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. FY2024-12

AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO PETITION THE PUBLIC UTILITIES COMMISSION FOR THE TWO (2) CONSECUTIVE YEAR EXTENSION OF THE RESIDUAL FUEL OIL NO.6 SUPPLY CONTRACT WITH HYUNDAI CORPORATION

WHEREAS, the first (1st) year of the two (2) year extension option for the Residual Fuel Oil No.6 Supply Contract (GPA-050-20) between the Guam Power Authority (herein after referred to as "GPA") and Hyundai Corporation (hereinafter referred to as "CONTRACTOR") will expire on August 31, 2024; and

WHEREAS, GPA negotiated and the CONTRACTOR agreed to lower the contract fees for a 2 consecutive year contract extensions, considering that the Cabras plant operation will continue until 2026 with the delayed commissioning of the Ukudu plants; and

WHEREAS, GPA has evaluated the CONTRACTOR's proposal as summarized in **Exhibit A** and has determined that the \$4.000/MT premium fee reduction from \$79.000/MT to \$75.000/MT for a 2 consecutive year contract extension will generate a potential total savings of approximately **\$1,000,000.00** and will provide the best benefit for GPA and its ratepayers; and

WHEREAS, the estimated contract cost for the 2 consecutive year contract extension is approximately \$213,686,333.00; and

WHEREAS, CONTRACTOR also requested and GPA considered the Ship-to-Ship (STS) transfer at the loading port at no additional cost to GPA and subject to the conditions set forth in the proposed amendment to the contract (**Exhibit B**); and

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WHEREAS, GPA is requesting the approval of the CCU to amend certain provisions of the contract as provided in **Exhibit B** and to extend the Residual Fuel Oil No.6 Supply contract with Hyundai Corporation for two (2) consecutive years to commence on September 01, 2024 and to expire on August 31, 2026.

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 two (2) consecutive year contract extension with Hyundai Corporation for the supply of Residual Fuel Oil No.6 to commence in September 01, 2024 and to expire in August 31, 2026.
2. The General Manager of the Guam Power Authority is hereby authorized an increase of the estimated contract cost for the 2 consecutive year contract extension of approximately **\$213,686,333.00** and to execute such agreements and documents necessary for a contract extension with **Hyundai Corporation**.

RESOLVED, that the Chairman certified and the Board Secretary attests to the adoption of this Resolution.

DULY AND REGULARLY ADOPTED, this 23rd day of January 2024.

Certified by:

Attested by:

JOSEPH T. DUENAS
Chairperson

PEDRO ROY MARTINEZ
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: _____

NAYS: _____

ABSTAIN: _____

ABSENT: _____

EXHIBIT A- HYUNDAI PROPOSAL ANALYSIS

Table 1

2-YR EXTENSION		<u>FY2025</u>	<u>FY2026</u>	SUMMARY
a. Commodity Price (Avg MOPS)	\$/bbl	\$101.485	\$111.333	
b. Premium Fee	\$/bbl	<u>\$29.185</u>	<u>\$30.873</u>	
c. Unit Cost (Avg)	\$/bbl	\$130.670	\$142.207	\$133.55
d. Annual Quantity	bbl	<u>1,200,000</u>	<u>400,000</u>	1,600,000
e. Total Cost	\$/Yr	\$156,803,727	\$56,882,606	\$213,686,333
			Proposed	
		<u>Current</u>	<u>Extension</u>	<u>Savings</u>
f. Premium Fee ^b	\$/bbl	\$12.421	\$11.792	\$0.629
g. Savings				\$1,006,289

Table 2

2-YR EXTENSION		<u>FY2025</u>	<u>FY2026</u>	SUMMARY
a. Commodity Price (Avg MOPS) ^a	\$/MT	\$756.060	\$829.433	
b. Premium Fee	\$/MT	<u>\$75.000</u>	<u>\$75.000</u>	
c. Unit Cost (Avg)	\$/MT	\$831.060	\$904.433	\$849.40
d. Annual Quantity ^c	MT	<u>188,679</u>	<u>62,893</u>	251,572
e. Total Cost	\$/Yr	\$156,803,727	\$56,882,606	\$213,686,333
			Proposed	
		<u>Current</u>	<u>Extension</u>	<u>Savings</u>
f. Premium Fee	\$/MT	\$79.000	\$75.000	\$4
g. Savings				\$1,006,289

^a Conversion factor: 7.45 bbl/MT

^{b,c} Conversion factor: 6.36 bbl/MT

AMENDMENT NO. III
TO THE FUEL OIL SUPPLY CONTRACT
BETWEEN
THE GUAM POWER AUTHORITY
AND
HYUNDAI CORPORATION

EFFECTIVE DATE

THIS AMENDMENT NO. III, to the Fuel Oil Supply Contract under reference IFB GPA-050-20, hereinafter referred to as the “CONTRACT,” between the GUAM POWER AUTHORITY, hereinafter referred to as “GPA” and HYUNDAI CORPORATION, hereinafter referred to as “CONTRACTOR, shall become effective on September 01, 2024.

RECITALS

WHEREAS, the first (1st) year extension of the contract term set forth in Section 3 of the CONTRACT will expire at midnight on or about August 31, 2024; and

WHEREAS, GPA and Hyundai have agreed to extend the contract for two (2) additional contract years to commence on September 1, 2024 and to expire on August 31, 2026, as approved by the CCU through Resolution No. _____, and by the PUC through Docket No. _____; and

WHEREAS, the parties desire to amend the CONTRACT with changes to certain provisions of the CONTRACT; and

WHEREAS, Section 40 (Amendment and Waiver) of the CONTRACT authorizes amendment to the CONTRACT by an instrument in writing signed by the party against whom enforcement of the change, waiver, alteration, amendment, discharge, or termination is sought.

NOW THEREFORE, for and in consideration of the mutual covenants contained in the CONTRACT and herein, the parties hereto do hereby agree as follows:

SECTION 2. FUEL OIL TO BE SUPPLIED

Delete entire verbiage and replace with:

“**CONTRACTOR** agrees to furnish and **GPA** agrees to accept and pay for all of **GPA**'s fuel oil requirements for power generating plants in Guam for the term of the Contract. Fuel Oil to be supplied to **GPA** shall conform to the product quality requirements specified in [Schedule A](#) and shall come from reputable sources not sanctioned by the United States government.

The first delivery of fuel oil pursuant to the Contract is anticipated to be on or about **September 01, 2020**.

The estimated total fuel oil requirement is as follows:

Estimated Annual Requirement (Barrels per Year)						
Fuel Grade	3-Year Base Period			3-Year Extension Period		
	First (1 st) Year	Second (2 nd) Year	Third (3 rd) Year	First (1 st) Year	Second (2 nd) Year	Third (3 rd) Year
High Sulfur Fuel Oil (HSFO), 2.00% _w Sulfur (Maximum)	1,500,000	500,000	0	0	0	0
Low Sulfur Fuel Oil (LSFO), 1.19% _w Sulfur (Maximum)	500,000	0	0	0	0	0
Ultra-Low Sulfur Fuel Oil (ULSFO), 0.20% _w Sulfur (Maximum)	0	500,000 to 1,000,000	1,000,000	1,000,000	1,000,000 to 1,200,000	400,000 to 600,000

This information is provided as reference material only. Although every attempt has been made to ensure its accuracy, **GPA** makes no guarantees that these quantities will be achieved but they may be exceeded. **GPA** expressly disclaims any liability whatsoever arising from reliance or non-reliance of the data provided.”

SECTION 3. CONTRACT TERM

Delete entire verbiage and replace with:

“The Contract shall be for an initial term of THREE (3) years to commence at 0:00 hour on **September 01, 2020**, and shall be extended to continue for another THREE (3) years until 23:59 hour on **August 31, 2026**, as mutually agreed by both parties.”

SECTION 4. CONTRACT PRICE

Delete entire verbiage and replace with:

“The total contract price in U.S. Dollars per Metric Ton (\$/MT) for all residual fuel oil delivered D.E.S. Guam (discharge port) to **GPA** shall be inclusive of all costs and liabilities incurred prior to delivery at discharge port, Cabras Island, Guam.

DES (Delivered Ex- Ship) PROVISIONS:

Under this term, the **CONTRACTOR** quotes a price including the cost of the goods, the marine insurance, and all transportation charges to the designated point of destination (**GPA**). Under this quotation, the **CONTRACTOR** must:

- (1) provide and pay for transportation to named point of destination (**GPA**);
- (2) pay applicable taxes or charges levied on the cargo prior to passage of title to **GPA**;
- (3) provide and pay for marine insurance;
- (4) provide war risk insurance;
- (5) obtain and dispatch promptly to **GPA**, or its agent, copies from the original document of a clean bill of lading, and also insurance policy or negotiable insurance certificate;
- (6) provide **GPA** with copies from the original document of certificates of origin, or any documents issued in the country of origin, or of shipment, or both, which **GPA** may require for importation of goods and, where necessary, for their passage in transit into another country.
- (7) where received-for-shipment ocean bill of lading may be tendered, be responsible

for any loss or damage, or both, until the goods have been delivered into the custody of the ocean carrier to **GPA**;

(8) where on-board ocean bill of lading is required, be responsible for any loss or damage, or both, until the goods have been delivered on board the vessel to **GPA**;

The **CONTRACT PRICE** shall be the **BID PRICE OFFER** calculated as the **BID REFERENCE PRICE** plus the Contractor's **FIXED PREMIUM FEE** in U.S. dollars per Metric Ton (\$/MT) for all residual fuel oil delivered to **GPA** at the Port of Guam.

The **BID PRICE** is the sum of the **FIXED SERVICE FEE** (per Metric Ton) and the **BID REFERENCE PRICE** as of December 2, 2019 as posted in the Platts' Asia-Pacific Marketscan Oil Prices.

BID REFERENCE PRICE:

The **BID REFERENCE PRICE** shall be based on the Platt's Singapore Products Assessment for Fuel Oil Cargoes "HSFO 180 CST" for December 2, 2019.

Reference date: December 2, 2019

	<u>Low (\$/MT)</u>	<u>High (\$/MT)</u>
HSFO 180 CST	\$ 214.62	\$ 214.66

The following is a sample calculation of the mean price for HSFO 180 cst published in the **Platt's Marketscan, Singapore Products Assessments** for Fuel Oil Cargoes for December 2, 2019.

Mean Singapore Spot = Low + High Price Assessments:

$$= \frac{\$ 214.62 + \$ 214.66}{2} \text{ per Metric Ton (MT)}$$

$$= \$ 214.640 \text{ per Metric Ton (MT)}$$

BID REFERENCE PRICE = \$ 214.640 per Metric Ton

BID PRICE OFFERS (D.E.S. Ex-Ship Guam):

HSFO 2.00%w Sulfur Max	THREE (3)-YEAR CONTRACT BASE PERIOD US\$/MT (3 decimals)			THREE (3)-YEAR CONTRACT EXTENSION OPTION US\$/MT (3 decimals)		
	First (1 st) Year Base Period	Second (2 nd) Year Base Period	Third (3 rd) Year Base Period	First (1 st) Year Extension	Second (2 nd) Year Extension	Third (3 rd) Year Extension
A. Bid Reference Price	\$214.64	\$214.64	\$214.64			
<u>B. Fixed Premium Fee</u>	\$ 71.690	\$ 71.690	\$ 71.690			
BID PRICE (A+B)	\$286.330	\$286.330	\$286.330			

LSFO 1.19%w Sulfur Max	THREE (3)-YEAR CONTRACT BASE PERIOD US\$/MT (3 decimals)			THREE (3)-YEAR CONTRACT EXTENSION OPTION US\$/MT (3 decimals)		
	First (1 st) Year Base Period	Second (2 nd) Year Base Period	Third (3 ^d) Year Base Period	First (1 st) Year Extension	Second (2 nd) Year Extension	Third (3 rd) Year Extension
A. Bid Reference Price	\$214.640	\$214.64	\$214.64			
<u>B. Fixed Premium Fee</u>	<u>\$124.690</u>	<u>\$124.690</u>	<u>\$124.690</u>			
BID PRICE (A+B)	\$339.330	\$339.330	\$339.330			

ULSFO 0.20%w Sulfur Max	THREE (3)-YEAR CONTRACT BASE PERIOD US\$/MT (3 decimals)			THREE (3)-YEAR CONTRACT EXTENSION OPTION US\$/MT (3 decimals)		
	First (1 st) Year Base Period	Second (2 nd) Year Base Period	Third (3 ^d) Year Base Period	First (1 st) Year Extension	Second (2 nd) Year Extension	Third (3 rd) Year Extension
A. Bid Reference Price	\$559.942	\$559.942	\$559.942	\$559.942	\$559.942	\$559.942
<u>B. Fixed Premium Fee</u>	<u>\$ 79.000</u>	<u>\$ 79.000</u>	<u>\$ 79.000</u>	<u>79.000</u>	<u>75.000</u>	<u>75.000</u>
BID PRICE (A+B)	\$638.942	\$638.942	\$638.942	\$638.942	\$634.942	\$634.942

SECTION 11. QUANTITY AND QUALITY ASSURANCE

Delete entire verbiage and replace with:

“(a) Inspection of fuel oil cargo loading and discharge to determine quantity and quality shall be witnessed and or conducted by the appointed third party independent Inspector mutually acceptable to **GPA** and the **CONTRACTOR**. **CONTRACTOR** shall appoint

the independent inspector at the loadport. **GPA** shall appoint the independent Inspector at the discharge port. Such independent inspector shall also perform or witness the required sampling, gauging, and inspection of vessel and shore tanks before and after loading at load port as well as discharge port, Guam.

Ship-to-ship (STS) cargo loading may be allowed with prior consent from GPA for each shipment, not to be unreasonably withheld.

In the case of STS loading, the Bill of Lading figures shall be based on the discharging (mother) vessel quantity divided by the most recent Vessel Experience Factor (VEF) of the mother vessel, where applicable. Invoicing quantity shall be based on the vessel arrival figures at the discharge port divided by the most recent Vessel Experience Factor (VEF) of the daughter vessel, where applicable. If the vessel arrival figure (with VEF) is above the Bill of Lading figures, the invoicing quantity shall be based on the Bill of Lading figures. VEF shall not be applied for vessel(s) below twenty (20) most recent voyages and with less than ten (10) qualifying voyages.

STS loading may be terminated at any time at the sole discretion of GPA.

Final quantity and quality determination shall be based on the discharge port findings. All quantity calculations and correction to volume at sixty (60) degree (Fahrenheit) shall be in accordance with the ASTM-IP Petroleum Measurement Tables, Table 6- the latest edition published shall be applicable. All costs and charges for the inspections for the load port shall be borne by the **CONTRACTOR**, and costs at the discharge port shall be equally shared by **GPA** and the **CONTRACTOR**.

- (b) Load port samples from each individual shore loading tank shall be sampled by the independent inspector who shall perform or witness the required tests for quality certification prior to loading. Shore tank composite from each individual shore loading tank shall be separately tested and the quality must conform to the specifications under Section 10 and Schedule A of the contract.

In the case of STS loading, load port samples from each individual discharging (mother) vessel compartment shall be sampled by the independent inspector who shall perform or witness the required tests for quality certification prior to loading.

UMLB samples from each individual receiving (daughter) vessel compartment shall be

obtained by the inspector, and Composite samples shall be tested for quality certification after product loading.

Certificate of Quality shall be immediately provided to GPA and must conform to the specifications under Section 10 and Schedule A of the contract.

Vessel's composite samples from all vessel's cargo compartments shall also be obtained by the inspector for the consignee, **GPA**, in care of the ship's master. All Samples shall be equally divided into **THREE (3)** parts, sealed, properly identified, and designated with the required "Chain of Custody of Samples" documentations.

(c) The quality of the cargo to be delivered shall be determined by an independent inspector mutually acceptable to GPA and the **CONTRACTOR** and is to be based on the ship composite samples taken at the port of discharge in such a manner as to secure samples which are representative of the entire cargo delivery. Discharge tanks samples and ship's composite samples shall be divided into **THREE (3)** parts. One part shall be for **CONTRACTOR** and **TWO (2)** parts shall be for **GPA**, and **GPA** shall utilize one sample for recertification and reserve the other sample as a retained referee sample. All discharge port samples shall be presented by the inspector for **GPA** in care of the Master of the ship. All samples shall be retained for not less than **ONE HUNDRED TWENTY (120)** days after delivery. In the event of dispute as to quality, analysis of the samples taken at the discharge port shall be made by an independent inspector, which analysis shall be final and binding upon both parties.

GPA reserves the right to reject any or all deliveries that fail to conform to the quality requirements specified in [Schedule A](#).

GPA has the right to reject any cargo outside the specifications limits, as these are agreed in the context of this contract. In this respect, copies of the quality analysis certificate together with the other shipping documents (B/L, certificate of origin, cargo manifest, certificate of origin, certificate of quantity with shore tank measurement report, Loadport surveyor's report, etc.) must be transmitted by fax or e-mail to GPA immediately but no later than 3 days after completion of loading.

Copies of the originals of the ship's "certificate of cleanliness" issued before loading, and the other shipping documents for the consignee (B/L, Certificate of Origin, Cargo Manifest, certificate of Quality, Certificate of Quantity with tank measurement report, Loadport surveyor's report, etc.) to be marked for the consignee and handed over upon arrival of vessel at discharge port.

It is understood that any delay as may be incurred in discharge due to unavailability of copy of the Bill of Lading will be for **CONTRACTOR's** account. Furthermore, the correct documentation in original format is required in order to establish to the full satisfaction of GPA.

GPA has the right to reject any cargo outside the specification limits. GPA shall notify the Contractor of any rejected delivery by fax or e-mail. Contractor shall promptly deploy a replacement vessel carrying on-spec products to Guam within 12 days from the date of GPA's notice of rejection.

Notwithstanding the above conditions, Contractor shall not be relieved of any responsibilities or penalties provided for in the Contract. In addition, GPA shall impose all applicable penalties for failure of the Contractor to provide the replacement cargoes in a timely manner. Contractor shall be liable for all direct expenses as a result of the delayed arrival of the shipment beyond the last day of the original 5 days ETA date."

All other terms and condition of the Contract as amended shall remain unchanged.

SO AGREED this _____ day of _____ 2024 by:

For the Guam Power Authority:

For Hyundai Corporation (Company Seal):

JOHN M. BENAVENTE, P.E.
General Manager

MONG HYUCK CHUNG
Chairman & C.E.O.



25, Yulgok-ro-2-gil, Jongno-Gu, Seoul, 03143, Korea
T +82-2-390-1266 F +82-2-390-1054
www.hyundaicorp.com

Guam Power Authority
Gloria B. Nelson Public Service Building
688 Route 15, Mangilao, Guam 96913-6203

October 6, 2023

Attention: Mr. John M. Benavente P.E /General Manager

Subject: Extension of the Contract (GPA-050-20/Supply of Residual Fuel Oil No. 6 Contract)

Dear Mr. Benavente,

Further to our discussion on the extension of subject contract, kindly be advised that we would like to request the 2nd year extension of the contract as 2 years' extension (September 2024 to August 2026) with an additional discount of USD4/mt to the current premium fee during the extended period.

Futhermore, we kindly request the removal of the clause stating that "Ship to Ship(STS) cargo loading is not allowed" in Section 11 (Quantity and Quality Assurance) of the contract. This request stems from our supplier's repeated concerns about the efficiency of maintaining the shore tank on a long-term basis while with the reduced annual volume. Although we well understand the challenges posed by Covid19 and typhoon in Guam in this year, but the delivered volume in recent two years has been significantly lower comparing to earlier projected volume. While all the price comprising of ULSFO including blending component, tank fee and freight, have significantly increased following the war in Ukraine. We believe allowing STS loading can help us reduce the cargo costs without compromising on quality and quantity.

Your kind consideration on the above would be greatly appreciated.

Best Regards,

A handwritten signature in blue ink, appearing to be "MK Cha".

Myung Keun (M.K) Cha
SVP, Division Head
Petroleum & Petrochemical Products Division
Hyundai Corporation

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GUAM POWER AUTHORITY
ATURIDÁT ILEKTRESEDÁT GUAHAN
P.O. BOX 2977, HĀGATÑA, GUAM 96932-2977

December 27, 2023

Hyundai Corporation
140-2 Gye-dong,
Jongno-gu, Seoul 110-793
Korea
Tel: +822-390-1222

ATTN: MR. MYUNG KEUN CHA
General Manager (Petroleum Products Team)

SUBJECT : **2-Year Extension of the Contract**
Re: Residual Fuel Oil Supply Contract (GPA-050-20)

Dear Mr. Cha:

The first (1st) year extension period for the residual fuel oil supply contract under GPA-050-20 will expire on August 31, 2024, with option to extend with mutual agreement of both parties.

GPA has reviewed Hyundai's proposal for the extension options via e-mail correspondence followed by a formal letter dated October 06, 2023. The proposed option for the 2-year contract extension is hereby considered by the Authority.

With your concurrence, and subject to the approval of the Guam Consolidated Commission on Utilities (CCU) and the Public Utilities Commission (PUC), the contract shall be extended for two (2) consecutive years to commence on September 01, 2024 and to expire on August 31, 2026.

Attached is a copy of Amendment III to the contract revising certain provisions of the contract (Section 3: Contract Term; Section 4: Contract Price; and Section 11- Quantity and Quality Assurance). All other contract provisions as amended shall remain unchanged.

Kindly respond at your convenience but no later than January 03, 2024.

GPA is looking forward to continue the good business relationship with Hyundai Corporation.

Sincerely,


JOHN M. BENAVENTE, P.E.
General Manager

CONCURRED by (For Hyundai Corporation):



MYUNG KEUN CHA
General Manager (Petroleum Products Team)

Jan. 2nd, 2024

Date



25, Yulgok-ro-2-gil, Jongno-Gu, Seoul, 03143, Korea
T +82-2-390-1266 F +82-2-390-1054
www.hyundai.com

Guam Power Authority
Gloria B. Nelson Public Service Building
688 Route 15, Mangilao, Guam 96913-6203

October 6, 2023

Attention: Mr. John M. Benavente P.E /General Manager

Subject: Extension of the Contract (GPA-050-20/Supply of Residual Fuel Oil No. 6 Contract)

Dear Mr. Benavente,

Further to our discussion on the extension of subject contract, kindly be advised that we would like to request the 2nd year extension of the contract as 2 years' extension (September 2024 to August 2026) with an additional discount of USD4/mt to the current premium fee during the extended period.

Futhermore, we kindly request the removal of the clause stating that "Ship to Ship(STS) cargo loading is not allowed" in Section 11 (Quantity and Quality Assurance) of the contract. This request stems from our supplier's repeated concerns about the efficiency of maintaining the shore tank on a long-term basis while with the reduced annual volume. Although we well understand the challenges posed by Covid19 and typhoon in Guam in this year, but the delivered volume in recent two years has been significantly lower comparing to earlier projected volume. While all the price comprising of ULSFO including blending component, tank fee and freight, have significantly increased following the war in Ukraine. We believe allowing STS loading can help us reduce the cargo costs without compromising on quality and quantity.

Your kind consideration on the above would be greatly appreciated.

Best Regards,

A handwritten signature in black ink, appearing to be "MK Cha".

Myung Keun (M.K) Cha
SVP, Division Head
Petroleum & Petrochemical Products Division
Hyundai Corporation



GUAM POWER AUTHORITY

ATURIDÁT ILEKTRESEDÁT GUAHAN
P.O. BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

Issues for Decision

Resolution No. FY2024-13:

Relative to Authorizing the Management of Guam Power Authority for the Extension of the Ultra-Low Sulfur Diesel ("ULSD") Storage Agreement with Tristar Terminal Guam, Inc ("TTGI").

What is the project's objective? Is it necessary and urgent?

The extension of the ULSD Storage Agreement under TTGI-SA-2018-01 is set to expire on May 31, 2024 for Tank 1906 and on June 30, 2024 for Tank 1907, respectively.

With the delay in the completion of the refurbishment of GPA Tank 1934 and Tank 1935 for conversion to ULSD storage anticipated to be fully completed in year 2026, GPA needs to continue the lease of the TTGI tanks to ensure an uninterrupted supply of bulk ULSD by pipeline transfer to the power plants (Tenjo Vista, Piti 7, Piti 8, and Piti 9).

Where is the location?

The TTGI ULSD storage tanks are located at the TTGI Terminal in Agat.

How much will it cost?

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 June 1, 2024 thru June 30, 2026 is approximately \$2,450,000.00.

Tank 1907 lease cost for the extension period from July 1, 2024 thru June 30, 2026 is approximately \$2,352,000.00.

The aggregate total lease cost for both tanks thru June 30, 2026 is approximately \$4,802,000.00 (Exhibit A).

When will it be completed?

The contract extension will expire on June 30, 2026.

What is its funding source?

The ULSD Storage fees will be funded under the fuel revenue budget.

The RFP/BID responses:

TTGI is the sole source provider for the ULSD Storage Facility in Guam meeting GPA requirements.



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. FY2024-13

**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, Amendment 3 to the existing ULSD Storage Agreement with TTGI extending the lease of Tank 1906 and Tank 1907 will expire in May 31, 2024 and June 30, 2024, respectively; and

WHEREAS, with the refurbishment of GPA Tank 1934 and Tank 1935 for conversion to ULSD storage anticipated to be fully completed in year 2026, GPA need to continue the lease of the TTGI tanks to ensure uninterrupted supply of bulk ULSD by pipeline transfer to the power plants (Tenjo Vista, Piti 7, Piti 8, and Piti 9); and

WHEREAS, TTGI remains to be the sole provider of the tanks in Guam that is suitable for bulk storage of ULSD meeting GPA’s storage requirement; and

WHEREAS, GPA and TTGI has negotiated for the extension of the ULSD Storage Agreement for an additional term of two (2) years to expire on June 30, 2026 with provisions for tank substitution and early termination with prior notice; and

WHEREAS, the lease fee per tank of approximately 196,000 barrels of storage capacity is \$98,000.00 per month (excluding handling and throughput fees). The cost for the lease of Tank 1906 from June 01, 2024 thru June 30, 2026 is approximately \$2,450,000.00 and the cost for the lease of Tank 1907 from July 01, 2024 thru June 30, 2026 is \$2,532,000.00 for an aggregate total cost of \$4,802,000.00 for the 2-year extension period as reflected in Amendment 4 to the Agreement (**Exhibit A**); and

WHEREAS, GPA is seeking the approval of the CCU for Amendment 4 to the Agreement (**Exhibit A**) extending the lease of the ULSD storage tanks to expire in June 30, 2026; and

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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. GPA’s request to extend the lease of the ULSD storage tanks to ensure adequacy of supply to the power plants is reasonable and prudent.
2. GPA is authorized to enter into an agreement with Tristar Terminals Guam, Inc. for the extension of the lease of the ULSD storage tanks thru June 30, 2026.
3. The General Manager of the Guam Power Authority is hereby authorized an increase in obligating authority of \$4,802,000.00 and execute such agreements and documents necessary for the 2-year contract extension period with **TRISTAR TERMINALS GUAM, INC.**

RESOLVED, that the Chairman certified and the Board Secretary attests to the adoption of this Resolution.

DULY AND REGULARLY ADOPTED, this 23rd day of **January 2024**.

Certified by:

Attested by:

JOSEPH T. DUENAS
Chairperson

PEDRO ROY MARTINEZ
Secretary

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: _____

NAYS: _____

ABSTAIN: _____

ABSENT: _____

**AMENDED NO. 4 & ADDENDUM TO CONTRACT TTGI-SA-2018-01
STORAGE AGREEMENT**

This addendum to the Storage Agreement is made by and between **TRISTAR TERMINALS GUAM, INC.**, a Guam corporation whose address is P.O. Box 8210, Agat, Guam 96918, and **GUAM POWER AUTHORITY**, a public corporation of Guam, whose address is P.O. Box 2977, Hagatna, Guam 96932.

WHEREAS, a Storage Agreement with the reference “TTGI-SA-2018-01” between the parties dated 1st January, 2018 and consequently amended in December 2022, and the parties want to make the following addendums to the said Agreement applicable from 1st May, 2024 onwards.

NOW, THEREFORE, the parties agree:

E. CONSIDERATION

E.1 Fee:

e) Storage Rate for Tank 1906 and 1907 shall be as follows

Tank#	Period	Monthly Fee	Total Estimated Fees
1906	25 Months (June 2024 – June 2026)	\$ 98,000.00	\$ 2,450,000.00
1907	24 Months (July 2024 – June 2026)	\$ 98,000.00	\$ 2,352,000.00
		TOTAL	\$ 4,802,000.00

H. TERM OF THE AGREEMENT

H.1 Term:

The said Agreement is extended upon expiration of the original term and the term of the extended agreement shall end on June 30th, 2026 for Tank 1906 and June 30th, 2026 for Tank 1907, respectively.

The customer shall be given the option to extend the term on a month-to-month basis for a period up to two (2) years (“Additional Extended Term”) upon expiration of this contract amendment. The Terms and Conditions, including the storage fees for the Additional Extended Term shall be mutually agreed upon by both parties prior to the customer exercising the Additional Extended Term option. The customer shall provide in writing a minimum notice period of 30 days prior to any extension.

H.2 **Termination:**

This Agreement may be terminated prior to the Term expiration under the following conditions:

- a) upon written agreement of the Parties, which agreement shall provide, among other things, the effective date of termination; or
- b) by the Party not in default upon the occurrence of a material event of default, in accordance with the provisions of Section 16 of this Agreement; or

- c) upon closure of the Terminal or termination of any of Operator’s pipeline easements that is material for the provision of services hereunder; or
- d) compulsory acquisition, governmental requisition, expropriation, intervention by relevant authorities or any similar occurrence which results in the closure of Operator’s Terminal or termination of its pipeline easements, or which materially and adversely affects the ability of the Parties to continue with this Agreement or the ability of Operator to operate the Terminal and/or the related pipelines; or
- e) For Tank 1907, upon one (1) year’s notice by customer for the original term. In the event of early termination, customer shall pay operator an amount equivalent to six months of the storage fee defined in Section E.1 (e); or
- f) For Tank 1907, upon two (2) months’ notice by customer for the extension term. In the event of early termination, Customer shall pay operator an amount equivalent to two months of the storage fee defined in Section E.1 (e); or
- g) For Tank 1906, upon three (3) months’ notice by customer for the original term. In the event of early termination, Customer shall pay operator an amount equivalent to three months of the storage fee defined in Section E.1 (e)
- h) by Customer under Section 6 (Compliance with Laws and Regulations) of this Agreement; or
- i) by a Party in accordance with Section 15.5 (Force Majeure) of this Agreement

In the event of termination, the Parties shall in good faith and as soon as practicable endeavor to agree on the manner of winding down. Until the effective date of termination, the Parties shall continue to have and to carry out all their rights and obligations as stated in this Agreement. Termination of this Agreement for any reason shall not be deemed a waiver of any of the Parties’ rights and obligations existing before the effective date of termination.

Except as stated herein all other terms and condition of the Storage Agreement and Amendments thereto shall remain in effect.

TRISTAR TERMINALS GUAM, INC.

GUAM POWER AUTHORITY

By: _____

By: _____

Name: K.K. VIKRAMAN

Name: JOHN M. BENAVENTE, P.E.

Title: General Manager

Title: General Manager

Date: _____

Date: _____

Attachment 1

Estimated Expenses for the Extension Years

Storage Fees	Extension Period	No. of Months	Monthly Fee	Total Cost
Tk1906	06/01/2024-06/30/2026	25	\$98,000	\$2,450,000
Tk1907	07/01/2024-06/30/2026	24	\$98,000	\$2,352,000
Total thru June 30, 2026				\$4,802,000



GUAM POWER AUTHORITY
ATURIDÁT ILEKTRESEDÁT GUAHAN
P.O. BOX 2977, HĀGATÑA, GUAM 96932-2977

Issues for Decision

GPA Resolution No. FY2024-14:

Relative to: Authorizing the Management of Guam Power Authority to Procure Supply of Diesel Fuel Oil No. 2 to the Various GPA Plant Site Locations

What is the project's objective? Is it necessary and urgent?

The Guam Power Authority intends to procure a contractor for the Supply of Diesel Fuel Oil No. 2 to the various GPA plant site locations. The bulk fuel supply contract is necessary to provide uninterrupted supply of fuel to the plants.

Where is the location?

Diesel Fuel Oil No.2 will be supplied to the following plant site locations:
Site Location 1 (Yigo CT and Yigo Diesel)
Site Location 2 (Dededo CT and Macheche CT)
Site location 3 (Cabras 1&2 and Piti 7)
Site location 4 (Manengon and Talofof)

How much will it cost?

The three (3) year contract, with two (2) additional one-year extension options is estimated to exceed \$1.5M requiring prior approval from the PUC.

When will it be completed?

The contract is planned for an initial period of two years to commence on or about January 01, 2025 and to expire on December 31, 2027, with the option to extend for two (2) additional one-year terms.

What is its funding source?

Fuel revenue funds

The RFP/BID responses: The IFB solicitation will commence after the CCU & PUC approval.



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. FY2024-14

**AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO
PROCURE SUPPLY OF ULTRA LOW SULFUR DIESEL (ULSD) FOR THE VARIOUS
POWER GENERATING PLANT SITE LOCATIONS**

WHEREAS, the current contract for the Supply of Diesel Fuel Oil No.2 under GPA-008-18 will expire on December 31, 2024; and

WHEREAS, GPA intends to issue an Invitation for Bid (IFB) for the procurement of a contractor for the Supply of Diesel Fuel Oil No.2 for four (4) site locations as follows: **Site Location 1** (Yigo CT and Yigo Diesel), **Site Location 2** (Dededo CT and Macheche CT), and **Site Location 3** (Cabras 1&2 and Piti 7), **Site Location 4** (Manengon and Talofofu); and

WHEREAS, the new contract for the Supply of Diesel Fuel Oil No.2 shall be for a base period of three (3) years, to commence on or about January 01, 2025 through December 31, 2027, with two (2) additional one-year extension options; and

WHEREAS, the draft bid solicitation documents for the procurement of a new Diesel Fuel Oil No.2 supply contract is hereby attached as **Volume I and Volume II**; and

WHEREAS, the total cost for the new contract will exceed \$1.5M requiring GPA to seek authorization for this procurement from the PUC; and

WHEREAS, GPA is requesting the approval of the CCU to petition the PUC for the issuance of an Invitation for Bid for the Diesel Fuel Oil No.2 Bulk Supply Contract.

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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. GPA is authorized to issue a bid for Diesel Fuel Oil No.2 Supply contract for Site Locations 1, 2, 3, and 4 through a Multi-Step Bid process as it is reasonable, prudent and beneficial to its customers.

RESOLVED, that the Chairman certified and the Board Secretary attests to the adoption of this Resolution.

DULY AND REGULARLY ADOPTED, this 23rd day of **January 2024**.

Certified by:

Attested by:

JOSEPH T. DUENAS
 Chairperson

PETER ROY MARTINEZ
 Secretary

I, Peter 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: _____

NAYS: _____

ABSTAIN: _____

ABSENT: _____

Invitation For Multi-Step Bid

GPA- -24

**Supply of Diesel Fuel Oil No.2
To Various GPA Plant Site Locations**



Volume I

Commercial Terms and Conditions

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Volume I: Commercial Terms and Conditions

1. INTRODUCTION

The Guam Power Authority (GPA), hereinafter referred to as GPA, is a public utility corporation that provides electric power service throughout the entire island of Guam. GPA, in conjunction with Private Partners, operates and maintains power plants, with a total rated capacity of about 435 MW. The diesel-fueled power plants total capacity is about 215 MW.

GPA is inviting interested Firms to participate in a Multi-Step Bid for the Supply of Diesel Fuel Oil No.2.

The Supply Contract shall be for THREE (3) years to commence on or about **Three (3) months after the Guam Public Utilities Commission (PUC) approval**. GPA has the option to extend the Contract for TWO (2) years renewable annually upon mutual agreement of both parties.

All interested parties are hereby on notice that minority business enterprises will be afforded full opportunity to submit bids in response to the invitation and will not be discriminated against on the grounds of race, color and national origin in consideration for an award. The right is reserved to reject any or all bids and to waive any imperfection in the bids in the interest of the Guam Power Authority.

Table 1: Bid Milestones indicate the projected start and end dates for the milestones in the Bid Process. **GPA reserves the right to change the Bid Milestones at its sole discretion.** Bidders are encouraged to confirm with GPA any of the scheduled milestones via an official letter to GPA.

Volume I: Commercial Terms and Conditions

Table 1: Bid Milestones

Bid Process Milestones		From	To
Bid Announcement		03/04/2024	04/05/2024
Pre-Bid Conference (Non-mandatory)		03/21/2024	(10:00 am)
Site Visit (Non-mandatory)		02/21/2024	(1:30 pm)
Submit Questions		03/05/2024	04/05/2024
Cut Off Date for Receipt of Questions		04/05/2024	
GPA Review and Answer Questions		03/06/2024	04/19/2024
Vendor Prepare Bids		03/05/2024	05/03/2024
Cut Off Date for Receipt of Proposals (Technical and Price Proposals)		05/03/2024 2:00 PM Guam Time	
EVALUATION Step One:	Technical Proposal (Bid) Evaluation	05/20/2024	05/24/2024
	Notify Qualified Bidders	05/22/2024	06/07/2024
Price Proposal Opening		06/24/2024 2:00 PM Guam Time	
EVALUATION Step Two:	Price Proposal Evaluation	06/25/2024	06/28/2024
Approvals		TBD	
Notice of Intent To Award		TBD	
Contract Signing		TBD	
Contract Mobilization		TBD	
Contract Commencement		01/01/2025	

1.1. Invitation for Bid (IFB) Document Organization

Invitation for Bid (IFB) documents are organized into three separate volumes, as follows:

- Volume I — Commercial Terms and Conditions
- Volume II — Contract
- Volume III — Appendices

In addition, the IFB documents include two (2) sets of electronic spreadsheets (MS Excel Workbooks):

- Qualitative Proposal Scoring.xls
- Price Proposal Evaluation.xls

1.2. Overview and Scope

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The CONTRACTOR shall provide GPA with Diesel Fuel Oil No.2 Supply in compliance with the requirements specified in Volume II (CONTRACT) of this bid. The CONTRACTOR shall also provide qualified and trained personnel to safely, efficiently and legally supply as required by the Authority under this IFB.

The estimated total Diesel Fuel Oil No.2 requirement is provided in of Volume II (CONTRACT)- Section 2 and Schedule B of the solicitation package.

Product quality specification is prescribed in Volume II (Contract) - Section 9 and Schedule A of the solicitation package.

1.2.1. CONTRACT TERM

The Contract Term for the base period shall be for THREE (3) years and shall commence on or about after 0:00 hour on Three (3) months after the Guam Public Utilities Commission (PUC) approval. GPA has the option to extend the Contract for TWO (2) years renewable annually upon mutual agreement of both parties.

1.2.2. CONTRACT PRICE

The total contract price in U.S. Dollars per U.S Gallon for all Diesel Fuel Oil No.2 supplied to GPA shall be inclusive of all costs and liabilities incurred prior to supply. The contract price structure is described in detail in Volume II (Contract) – Section 4 of the solicitation package.

2. INSTRUCTIONS TO BIDDERS

2.1. Introduction

This is a Multi-step Bid Procurement. The **Technical and Price Proposals should both be submitted on or before the Cut-off Date of Receipt of Proposals.**

In Step One, only the submitted Technical Proposals will be evaluated and determined whether Acceptable or Unacceptable. BIDDERS whose Technical Proposals are determined to be Acceptable shall qualify for Step Two. BIDDERS whose Technical Proposals are Unacceptable shall be notified, and the unopened Price Proposal packages shall be returned.

In Step Two, the Price Proposals of the Bidders whose Technical Proposals that are determined to be Acceptable, either initially or as a result of discussions, will be considered for award.

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2.2. Language and Correspondence

The official language of Guam is English. The bid and all accompanying documents shall be in English. Any prospective BIDDER desiring an explanation or interpretation of the solicitation, commercial terms, Technical Specification, etc., must make a request in writing to GPA at the address listed below, referencing the Invitation for Bid No.

ATTENTION: JOHN M. BENAVENTE, P.E.
GENERAL MANAGER

GUAM POWER AUTHORITY
POST OFFICE BOX 2977
HAGATNA, GUAM 96932-2977

FAX: 1 (671) 646-3054 / 55

Attention: Supply Management Administrator

The written request may also be sent via-email by sending an electronic copy of the written request to the Procurement Officer handling the IFB.

Any information given to a prospective BIDDER concerning a solicitation will be furnished promptly to all parties recorded by Procurement as having received the Invitation for Bid as an amendment to the solicitation if that information is necessary in submitting bids or if the lack of it would be prejudicial to other prospective BIDDERS. Oral explanations or instructions given will not be binding.

2.3. Technical and Functional Requirements Examination

BIDDERS are required to carefully examine all tender documents inclusive of all technical and functional requirements and to inform themselves of all conditions and requirements of the solicitation in accordance with the laws and regulations of the Territory of Guam. Ignorance on the part of BIDDERS of any part of the tender documents and Technical and Functional Requirements will in no way relieve them of the obligations and responsibilities assumed under the contract.

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2.4. Facility Tours

All prospective BIDDERS shall, at their own expense, visit Guam and GPA's Fuel Receiving Facilities to study local conditions, facilities available, craft wages, roads, communications, and transport facilities available. BIDDERS should also acquaint themselves with the relevant laws, rules, and regulations of Guam.

For the purpose of familiarizing BIDDERS with the fuel receiving facilities, BIDDERS may request GPA for a scheduled Facility Tour. All requests must be submitted as specified in [Section 2.2](#). Upon approval and subject to the availability of the facility, GPA shall coordinate with the BIDDER regarding the tour details.

2.5. Solicitation Amendment

Any amendment, modification or addendum issued by the Guam Power Authority, prior to the opening of the proposals, for the purpose of changing the intent of the Technical and Functional Requirements, clarifying the meaning or changing any of the provisions of this Invitation for Bid, shall be binding to the same extent as if written in the tender documents. Any addendum issued will be made available to all BIDDERS via mail, fax, e-mail or posting to the ftp site.

Announcements regarding any Amendment shall also be posted at the GPA Website at http://www.guampowerauthority.com/gpa_authority/procurement/gpa_current_rfps.php. BIDDERS shall acknowledge receipt of the amendment by a signature on one copy, which is to be returned to the GPA Supply Management Administrator. Acknowledgement may also be made by fax or e-mail.

2.6. Familiarity With Laws

The BIDDER shall be familiar with all Federal (U.S.) and local laws, ordinances, rules and regulations of Guam that in any manner affect the work. Ignorance of law on the part of the BIDDER will not relieve the BIDDER from responsibility.

2.7. Cost of Bidding

BIDDERS shall bear all costs associated with the preparation and submission of its proposal. GPA will not be responsible or liable for those costs, regardless of the outcome of the IFB process.

2.8. Price/Cost Data

MS IFB GPA-24: SUPPLY OF DIESEL FUEL OIL NO.2 TO VARIOUS GPA PLANT SITE LOCATIONS

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BIDDERS shall provide prices/costs in U.S. Dollars. BIDDERS are required to furnish a **bid price for each year of the contract specified in the price proposal form of the IFB documents.**

Technical and Price Proposals shall be submitted on or before the Cut-off Date for Receipt of Proposals, with the Price Proposal on a separate sealed envelope marked "PRICE PROPOSAL" and indicating the date and time of bid package remittance.

2.9. Documents Executed Outside of Guam

The Power of Attorney, performance bond guarantee, and documents defining the constitution of the joint venture, consortium, company or firm, if executed outside Guam, whether required to be submitted with the proposals or after the award of the contract, must be authenticated by a Notary Public or other official authorized to witness sworn statements.

2.10. Proposal Submittal

This section outlines the requirements for proposal submittals, including the proposal package format and content required by GPA. The BIDDERS are advised to keep a copy of all documents submitted, including the Workbooks, and test electronic copies on disk prior to submission to GPA.

2.10.1. Technical Proposal Requirements

Each BIDDER's Technical Proposal Package shall include, but is not limited to, the following:

- Complete printed copies of the Technical Proposal;
- Complete printed responses and supporting information to the questions raised in the Qualitative Proposal Scoring Workbook;
- Complete printed and electronic copies of the Qualitative Proposal Scoring Workbook in a separate sealed envelope marked "TECHNICAL (UNPRICED) PROPOSAL";
- Checklist forms defined in Volume III- Appendix A;
- All other required forms defined in Volume III Appendices; and
- Supplementary information as described below.

The Technical Proposal Package shall be submitted in the format and quantities described below.

2.10.1.1 Technical Proposal

Each BIDDER's Technical Proposal shall include the following:

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a. Business Structure and Business Approach

The CONTRACTOR shall provide company information such as name, local address, corporate headquarters (if any) and affiliate company in support for the performance of its contractual obligations. The business structure and nature of services provided shall be provided together with the company information. A copy of the Articles of Incorporation and By-Laws or other applicable forms concerning the business organization is also requested. The CONTRACTOR shall outline business concepts to be used in order to perform, meet, and achieve the objectives of this solicitation.

b. Experience and Qualification

The contractor shall provide supporting information showing extensive and reliable experience in the supply of Diesel Fuel Oil No.2. The CONTRACTOR shall demonstrate its experience and expertise in the supply of Diesel Fuel Oil No.2 by providing the following:

- Supporting information outlining and/or illustrating past and current successful experience in the supply of Diesel Fuel Oil No.2. Include list of clients for the last five (5) years.
- Experience with Fuel Handling.

Contractor shall also provide documentary evidence of conformity with the Product Quality Specifications set in Volume II Section 9 and Schedule A for the types of fuel to be supplied.

c. Statement of Qualification/ Organizational Structure

The CONTRACTOR shall illustrate its approach in supplying Diesel Fuel Oil No.2 to GPA. The CONTRACTOR shall provide an organizational structure including the names and designations of personnel to be assigned in this contract, including a brief description of the qualifications and responsibilities of each personnel.

The contractor shall also provide its qualifications, and its affiliates' qualifications in the performance of the requirements of this contract.

d. Financial Information

The CONTRACTOR shall provide documentation to illustrate its financial position and capability.

Contractor shall submit Audited Financial Reports or Financial Statements (by Certified Public Accountant(s) or a qualified auditing/reviewing firm) on BIDDER'S firm for the last 3 years.

e. Federal and Regulatory Compliance

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The CONTRACTOR shall provide supporting documents showing knowledge and experience in complying with federal regulations and other applicable laws on Guam, such as OPA 90 and others, including documents showing compliance with all federal regulations and applicable laws.

f. Client references

At least three (3) client references for similar or larger contracts shall be submitted by the BIDDERS (include the Client Name, Position, Company and copies of contracts with the BIDDERS or AFFILIATES). At least three (3) client reference letters shall be provided, along with a letter describing the relationship with the BIDDER, and the BIDDER's contract performance.

g. Mobilization Capability

The BIDDER shall provide proof of capability to mobilize full support services no later than 30 days after contract signing.

2.10.1.2. Qualitative Proposal Scoring Workbook

The bidder shall submit copies of the Qualitative Proposal Scoring Workbook, prepared as instructed in the **Proposal Instructions** tab. Quantities shall follow the requirements specified in [Section 2.10.1.5](#) of this Volume. For each checklist item, the bidder shall provide references on the responses and supporting documents.

2.10.1.3. Required Forms

Submittal of required forms as specified in [Section 3](#) of this volume, as well as in Volume III Appendices, is mandatory. GPA shall automatically disqualify any proposal submitted without the supplementary information and required forms listed below:

1. A copy of the BIDDER's Articles of Incorporation or other applicable forms concerning business organization (i.e. partnership, sole proprietorship, etc.) and By-Laws;
2. Certificate of Good Standing to conduct business in jurisdiction of residence;
3. Information regarding outstanding claims against the BIDDER;
4. Affidavit of Disclosure of Major Shareholder (Appendix C);
5. Non-collusion Affidavit (Appendix D);
6. No Gratuities or Kickbacks Affidavit (Appendix E);
7. Ethical Standards Affidavit (Appendix F);

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8. Declaration of Compliance with the Iran Sanctions Act or ISA and Other US-Sanction Entities (Appendix G);
9. Declaration of Compliance with US DOL's Wage Determination (Appendix H);
10. Restriction Against Sex Offenders (Appendix I);
11. Bid Bond Form (Appendix J);
12. Local Procurement Preference Application (Appendix K);
13. Bidders Proposal (Appendix L); and,
14. A valid business license.

2.10.1.4. Marking and Packaging of Technical Proposal

The TECHNICAL PROPOSAL shall be submitted in a separate sealed package with the following information clearly marked on the outside of each side:

- 1) "TECHNICAL PROPOSAL";
- 2) "SUPPLY OF DIESEL FUEL OIL NO.2"
- 3) The BIDDER's Name;
- 4) Invitation for Bid Number;
- 5) Closing Date and Time (Guam Standard Time);
- 6) Addressed to, as follows:

ATTENTION: JOHN M. BENAVENTE, P.E.
GENERAL MANAGER

GUAM POWER AUTHORITY
POST OFFICE BOX 2977
HAGATNA, GUAM 96932-2977

If the BIDDER's proposal cannot fit within one box or chooses to submit more than one box, each box must be labeled with the following:

- 1) Box number within the Set of Submitted Boxes
- 2) The Total Number of Boxes Submitted

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2.10.1.5. Technical Proposal Submittal Quantity

BIDDERS are required to submit one (1) original and six (6) bound copies of their technical proposal including one (1) original and six (6) printed copies of the Qualitative Scoring Workbook. One (1) electronic copy of the Qualitative Scoring Workbook should also be submitted.

2.10.2. Price Proposal Requirements

The PRICE PROPOSAL shall be submitted in a separate sealed package with the following information clearly marked on the outside of each side:

- (1) "PRICE PROPOSAL";
- (2) "SUPPLY OF DIESEL FUEL OIL NO.2"
- (3) The BIDDER's Name;
- (4) Invitation for Bid Number;
- (5) Closing Date and Time (Guam Standard Time);
- (6) Addressed to, as follows:

ATTENTION: JOHN M. BENAVENTE, P.E.
GENERAL MANAGER

GUAM POWER AUTHORITY
POST OFFICE BOX 2977
HAGATNA, GUAM 96932-2977

If the BIDDER's proposal cannot fit within one box or chooses to submit more than one box, each box must be labeled with the following:

- 1) Box number within the Set of Submitted Boxes
- 2) The Total Number of Boxes Submitted

2.10.3. Non-Repudiation Issues

GPA has structured both its Manual and Electronic IFB submittal procedures to ensure non-repudiation of the submitted proposals. In this IFB, non-repudiation is strong and substantial evidence of the identity of the sender and owner of the proposal and of proposal's integrity in so far as it being unaltered from its original sent state, sufficient to prevent a party from successfully denying the origin, submission or Supply

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of the proposal and the integrity of its contents. Non-repudiation applies to both parties to this IFB transaction. It binds the sender as well as precludes the recipient from denying the exchange of information and material upon the receipt of secure acknowledgement from the recipient.

GPA and the BIDDER shall manage the Manual IFB Submittal Process to address non-repudiation, security and confidentiality inclusive but not limited to the following:

- Manually executed signatures and printed media documents;
- Chain of custody receipts;
- Manual time-stamps for receipt of IFB materials;
- Machine generated Fax confirmation reports;
- Secure notification e-mail;
- Physical Supply of printed material proposals;
- Physically secured area storage of IFB materials.

2.10.4. Signature of Bidder

A duly authorized person must sign the BIDDER's proposals. All names shall be typed or printed below the signature. A proposal submitted by a corporation must bear the seal of the corporation, be attested to by its Secretary, and be accompanied by necessary Power-of-Attorney documentation.

Associated companies or joint ventures shall jointly designate one Power-of-Attorney person authorized to obligate all the companies of the association or joint venture. A proposal submitted by a joint venture must be accompanied by the document of formation of the joint venture, duly registered and authenticated by a Notary Public, in which is defined precisely the conditions under which it will function, its period of duration, the persons authorized to represent and obligate it, the participation of the several firms forming the joint venture, the principal member of the joint venture, and address for correspondence for the joint venture. BIDDERS are advised that the joint venture agreement must include a clause stating that the members of the joint venture are severally and jointly bound.

Wherever a legal signature is required, receipt of an electronic signature will suffice to meet the submittal deadline for those electing to use the Electronic Proposal Submittal process. The original signed documents must be reproduced electronically and be placed in the submitted compressed archive file. However, the original documents must be sent to GPA via post or courier and post-marked no later than the bid-opening date. In addition, GPA will accept an electronic scanned copy of Notarized documents with the compressed

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archive submitted will suffice to meet the proposal deadline. However, the original documents must be sent to GPA via post or courier and post-marked no later than the bid-opening date.

2.10.5. Cut-Off Date for Receipt of Proposals

The Technical and Price Proposals have to be submitted on or before the GPA Cut-off Date for Receipt of Proposals specified in Table 1 (Bid Milestones).

Price Proposals shall be returned, unopened, to the BIDDERS whose Technical Proposals are deemed Not Acceptable.

2.10.6. Receipt and Handling of Proposals

Upon receipt, each Proposal submittal package will be time-stamped. The only acceptable evidence to establish the time of receipt at the GPA is the date/time stamp of the Guam Power Authority's procurement office on the wrapper or other documentary evidence of receipt maintained by GPA. Proposals will be stored in a secure place until the date and time set for proposal opening.

GPA procurement personnel and the BIDDERS must ensure that the outside of the sealed package is stamped received using the GPA Procurement Stamp. In addition, GPA procurement personnel must officially log the time and date that the BIDDER's sealed proposal package has been received. GPA makes no warranties on these submittal processes, manual or electronic.

2.10.7. Proposal Changes During Bid Process

Changes may be made by the BIDDERS to the Technical Proposal and Price Proposal prior to the Cut-off Date, and the proposals including corrections or changes made must be re-submitted on or before the Cut-off Date.

2.11. STEP ONE PROCEDURES

2.11.1. Evaluation of Technical Proposals

After the Close of the Proposal submission date, the GPA Evaluation Committee shall evaluate the Technical Proposals. Each of the responses and supporting information shall be evaluated and scored, in accordance with the scoring methodology described in the Qualitative Proposal Scoring Worksheet.

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2.11.2 Scoring of Technical Proposals

GPA will use the score from the Qualitative Scoring Workbook to evaluate the contents of Proposals and categorize the Proposals as:

- a. **Acceptable;**
- b. **Potentially Acceptable**, that is reasonable susceptible of being made acceptable; or
- c. **Unacceptable or Not Acceptable.** GPA shall record in writing the basis for finding an offer unacceptable and make it part of the procurement file.

GPA shall evaluate and score each BIDDER using the methodology as described in [Section 4](#) of this volume. At the conclusion of the evaluation, GPA shall establish a Qualified Bidders List (QBL), and the Procurement Officer or his designee may initiate Step Two if there are sufficient acceptable Technical (Unpriced) Proposals to assure effective price competition in the second phase without technical discussions. If the Procurement Officer or his designee finds that such is not the case, the Procurement Officer shall issue an amendment to this Invitation for Bid or engage in technical discussions with BIDDERS as set forth below.

2.11.3. Discussions of Proposals

The Procurement Officer or his designee may conduct discussions with any bidder who submits acceptable or potentially acceptable Technical Offer. During the course of such discussions, the Procurement Officer or his designee shall not disclose any information derived from one Unpriced Technical Proposal to any other BIDDER.

GPA may conduct discussions or request for additional information or documentation with any BIDDER to determine such BIDDER's qualifications for further consideration and explore with the BIDDER the scope and nature of the required services, method of performance and the relative utility of alternative methods of approach. BIDDERS are required to provide the responses within the time period specified at that time by GPA. **If GPA does not receive any response by the deadline specified, GPA shall consider the lack of a response as the BIDDER's response.** During the course of such discussions, the Procurement Officer shall not disclose any information derived from a technical offer to any other BIDDER.

Each BIDDER is requested not to contact GPA on any matter relating to its proposal, from the time of submission of the Proposals to the time the contract is awarded, except to respond to inquiries by GPA.

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2.11.4. Notice of Unacceptable Proposal

A notice of unacceptability will be forwarded to the BIDDER upon completion of the Technical Proposal evaluation and final determination of unacceptability. When the Procurement Officer or his designee determines a BIDDER's Technical Proposal to be unacceptable, such BIDDER shall not be afforded an additional opportunity to supplement its technical offer.

2.12. STEP TWO PROCEDURES

Upon completion of evaluation of Technical Proposals, qualified bidders will be notified and GPA will proceed with Step Two of the multi-step bid. GPA shall return the Price Proposal Packages submitted by BIDDERS whose Technical Proposals did not qualify for Step Two.

2.12.1. Opening of Price Proposals

Each selected BIDDER from the Qualified Bidders list will be notified of the Price Proposal Opening date. BIDDERS may be present during the Bid Opening.

2.12.2. Proposal Changes During Bid Process

No changes may be made between Notification of Acceptable Proposal and Price Proposal Opening date.

2.12.3. Proposal Validity

All price/cost data submitted with the BIDDERS' proposals shall remain firm and open for acceptance for a period of not less than six (6) months after the Price Proposal Opening Date and thereafter shall be subject to renewal by mutual agreement between the BIDDER and GPA. BIDDER shall state the actual date of expiration in their proposal.

2.12.4. Preliminary Examination of Price Proposal

GPA will examine the Price Proposal on the opening date to determine whether they are complete, whether any computational errors have been made, whether required sureties have been furnished, whether the documents have been properly signed, and whether the Priced Offers are generally in order.

Arithmetical errors will be rectified on the following basis:

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- If there is discrepancy between the unit price and the total price, including any discounts, that is obtained by multiplying the unit priced and quantity, the unit price shall prevail and the total price shall be corrected.
- If the Bidder does not accept the correction of the error, its bid will be rejected. If there is a discrepancy between words and figures, the amount in words will prevail.

2.12.5. Evaluation Criteria and Comparison of Priced Offers

GPA will evaluate and compare the Priced Offers for Bidder's Technical Proposals that were determined during Step One to be responsive to the tender document requirements. The Scoring Mechanism is further explained in [Section 4](#).

2.13. Award of Contract

The contract will be awarded to the BIDDER evaluated as being qualified and with the best-priced proposal for the THREE (3) year contract base period.

The successful BIDDER will be notified by GPA through official written correspondence of the intent to award the contract (Notice of Intent to Award). The written correspondence may be sent by GPA either via official letter, e-mail and fax.

The BIDDER will be required to send to Guam, within fourteen (14) days of the date of receipt of such notice, a representative or representatives with proper Power-of-Attorney for the purpose of executing a contract with such alterations or additions thereto as may be required to adopt such contract to the circumstances of the proposal. The successful BIDDER shall provide the required Performance Bond and other requirements within fourteen (14) working days of receipt of the GPA Notice of Intent to Award.

CONTRACTOR shall not commence work until all insurance required under Section 23 (Contractor's Insurance) in Volume II (Contract) has been submitted and approved by GPA

The CONTRACTOR shall provide a copy of their Insurance Policy to GPA within the period prescribed by GPA. All updates or revisions after contract commencement shall also be forwarded to GPA.

Failure on the part of the successful BIDDER to provide a Performance Bond and/or other requirements to enter into a contract with GPA within the prescribed period shall be sufficient grounds for the annulment

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of the award. GPA may determine the bidder to be non-responsive to the bid, and may proceed with sending a Notice of Intent to Award to the next most qualified BIDDER.

2.14. Bid Bond and Performance Bond Requirements

2.14.1. Performance Bond Form, Amount and Duration

The required performance bond shall be in the form as prescribed in Volume III- Appendix B. At the beginning of the CONTRACT and at the beginning of each GPA Fiscal Year during which the CONTRACT is in effect, the CONTRACTOR shall provide and maintain a performance bond in the amount **equivalent to fifteen percent (15%) of the annual contract cost** for that full or partial fiscal year within the term of the contract. If the CONTRACTOR is declared by GPA to be in default under the CONTRACT, GPA may exercise any or all rights and remedies it possesses under the provisions of the performance bond. The GPA Fiscal Year begins on October 1 and ends on September 30 of the following calendar year.

2.14.2. Performance Bond Execution by a Guam Licensed Surety Company

The CONTRACTOR shall provide a Performance Bond executed by a surety company licensed to do business on Guam.

2.14.3. Bid Bond Form and Amount

A bid bond for an amount of **no less than Five Hundred Thousand Dollars (US\$500,000.00)** is required and may be in the following form:

- a. Cash, Bank Draft or Certified Check made payable to the Guam Power Authority;
- b. By wire transfer to Guam Power Authority. Account information shall be sent to the bidders upon request.
- c. Letter of Credit;
- d. Surety Bond – valid if accompanied by:
 - (1) Current Certificate of Authority to do business on Guam issued by the Department of Revenue and Taxation;
 - (2) Power of Attorney issued by the Surety to the Resident General Agent
 - (3) Power of Attorney issued by two (2) major officers of the Surety to whoever is signing on their behalf.

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Bonds submitted as Bid Guarantee without signatures and supporting documents are invalid and bids will be rejected. If a BIDDER desires to submit a bid bond with an acceptable bonding company, the BIDDER must submit original copies of Volume III- Appendix J.

2.15. General Proposal Guidelines and Requirements

2.15.1. Amendments to the Bid Documents

GPA may elect to change the IFB documents in whole or part. GPA shall send all Amendments to the IFB documents via fax and/or e-mail. In addition, GPA will make all Amendments available on the Internet at: <http://www.guampowerauthority.com/procurement/index.html>.

2.15.2. Proprietary Data

For the purposes of this solicitation and submitted proposals, the laws, rules and regulations of Territory of Guam governing confidentiality shall govern. BIDDERS may designate those portions of the Proposal that contain trade secrets or other proprietary data that are to remain confidential.

The Procurement Officer or his designee shall examine the proposals to determine the validity of any request for nondisclosure of trade secrets and other proprietary data identified in writing. If the BIDDER and GPA do not agree as to the disclosure of data, the Procurement Officer or his designee shall inform the BIDDER in writing and in e-mail within five working days of the closing date for Proposal submittal what portions of the Proposal will be disclosed and that, unless the BIDDER protests under the Conditions of Contract Disputes clause the information will be so disclosed.

The proposal shall be opened to public inspection subject to any continuing prohibition of the disclosure of confidential data.

2.15.3. Acceptance of Proposals

GPA reserves the right to reject any or all proposals and to waive minor informalities if it appears in GPA's best interest to do so. Any effort by a BIDDER to influence GPA in the proposal evaluation, proposal comparison or contract award decisions may result in the rejection of the proposal. Once GPA has arrived at a decision regarding the award of the contract, it will notify promptly the successful BIDDER through official written correspondence, and shall include information advising the proponents of the timing of the

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bid milestones such as Contract Finalization, Awarding and Mobilization. Potential Bid Awardees shall await this notification from GPA prior to commencement of any Contract Terms Finalization.

2.15.4. Solicitation Cancellation or Delay

The Guam Power Authority reserves the right to delay award or to cancel the Invitation for Bid, or to reject all proposals or any individual proposal in whole or in part, at any time prior to the final award. When a bid is canceled or rejected prior to final award, notice of cancellation or rejection shall be sent to all BIDDERS and all proposal materials will be promptly returned. The reasons for cancellation or rejection shall be made a part of the procurement file that is available for public inspection.

After opening, but prior to award, all proposals may be rejected in whole or in part when the Procurement Officer or his designee determines that such action is in the Territory's best interest for reasons including but not limited to:

- a) The supplies and services being provided are no longer required;
- b) The solicitation did not provide consideration of other factors of significance to the Territory;
- c) All otherwise acceptable proposals received have clearly unreasonable price/cost data;
- d) There is reason to believe that the proposals may not have been independently arrived at in open competition, may have been collusive and may have been submitted in bad faith;

Any individual proposal may be rejected in whole or in part when in the best interest of the Territory.

2.15.5. Disqualification of BIDDER

When, for any reason, collusion or other anticompetitive practices are suspected among BIDDERS, a notice of the relevant facts shall be transmitted to the Guam Attorney General. BIDDERS suspected of collusion or other anticompetitive practices may be suspended or debarred from participating in future procurement opportunities for a specified period.

2.15.6. False Statements In Proposal

BIDDERS must provide full, accurate, and complete information as required by this solicitation and its attachments. The penalty for making false statements in any proposal or bid is prescribed in 18 U.S.C. 1001 and Title 9, Guam Code Annotated. Note, by use of a digital signature to sign the proposal, the BIDDER agrees that this act legally binds the BIDDER to his proposal.

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2.15.7. Prohibition Against Gratuities, Kickbacks, and Favors to the Territory

Pursuant to GCA 5 Section 5630 (c), this clause is conspicuously set forth to alert all parties in this procurement that *Guam Public Law Title 5 § 5630. Gratuities and Kickbacks* prohibits against gratuities, kickbacks and favors to the Territory.

2.15.8. Restriction against Contractors Employing Convicted Sex Offenders from Working at Government of Guam Venues

GCA 5 §5253(b) restricts the PROPONENT against employing convicted sex offenders from working at Government of Guam venues. It states:

All contracts for services to agencies listed herein shall include the following provisions:

(1) warranties that no person providing services on behalf of the contractor has been convicted of a sex offense under the provisions of Chapter 25 of Title 9 GCA or an offense as defined in Article 2 of Chapter 28, Title 9 GCA, or an offense in another jurisdiction with, at a minimum, the same elements as such offenses, or who is listed on the Sex Offender Registry; and

(2) that if any person providing services on behalf of the contractor is convicted of a sex offense under the provisions of Chapter 25 of Title 9 GCA or an offense as defined in Article 2 of Chapter 28, Title 9 GCA or an offense in another jurisdiction with, at a minimum, the same elements as such offenses, or who is listed on the Sex Offender Registry, that such person will be immediately removed from working at said agency and that the administrator of said agency be informed of such within twenty-four (24) hours of such conviction.

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3. REQUIRED FORMS AND SUPPLEMENTAL INFORMATION

GPA shall automatically disqualify any proposal submitted without the supplementary information and required forms listed below:

- A copy of the BIDDER's Articles of Incorporation or other applicable forms concerning business organization (i.e. partnership, sole proprietorship, etc.) and By-Laws;
- ~~Audited financial information on BIDDER's firm for the last 3 years.~~ Audited Financial Reports or Financial Statements (by Certified Public Accountant(s) or a qualified auditing/reviewing firm) on BIDDER'S firm for the last 3 years.
- Certificate of Good Standing to conduct business in jurisdiction of residence;
- Information regarding outstanding claims against the BIDDER;
- Required affidavits (Major Shareholders Disclosure; Non-Collusion; No Gratuities or Kickbacks; Ethical Standards Affidavit)
- Proposal Checklist
- Bid Bond
- A current Business License. Although it is not required in order to provide a Bid for this engagement, obtaining a Business License is a pre-condition for entering into a contract with the Authority.

The following forms and workbooks will be available on the GPA Website's Procurement Page, in *Volume III Appendices*. Appendices A, C, D, E, F, G, H, I, J, K, and L and the MS EXCEL Workbooks Qualitative Proposal Worksheet.xls and Price Proposal must be completed:

- Appendix A: Proposal Checklists
- Appendix B: Performance Bond
- Appendix C: Major Shareholders Disclosure Affidavit
- Appendix D: Non-collusion Affidavit
- Appendix E: No Gratuities or Kickbacks Affidavit
- Appendix F: Ethical Standards Affidavit
- Appendix G: Declaration of Compliance with Iran Sanctions Act (ISA) and Other U.S.-Sanctioned Entities
- Appendix H: Declaration of Compliance with U.S. DOL's Wage Determination
- Appendix I: Restriction Against Sex Offenders
- Appendix J: Bid Bond Form and Instructions
- Appendix K: Local Procurement Preference Application

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- Appendix L: Bidders Proposal
- Qualitative Proposal Worksheet.xls
- Price Proposal

3.1. Technical Proposal Forms

The following referenced forms shall be completed and submitted with the Proposal.

3.1.1. Proposal Checklists

The BIDDER shall complete Form A-1 by acknowledging the receipt of the Invitation For Bid Documents received from Guam Power Authority, including the latest IFB Amendments received. Acknowledgement of receipt shall be given by signing or putting an initial beside each line item received. This Form is an acknowledgement of receipt, review and understanding of the IFB documents.

During the submission of the Proposals, the BIDDER shall complete Form A-2. This Form provides an inventory of documents submitted by the BIDDER in response to the Proposal requirements.

3.1.2. Major Shareholders Disclosure Affidavit

The BIDDER shall fill out the Major Shareholders Disclosure Affidavit form in Appendix C and submit it with its Proposal.

3.1.3. Non-collusion Affidavit

The BIDDER shall fill out the Non-collusion Affidavit form in Appendix D and submit it with its Proposal.

3.1.4. No Gratuities or Kickbacks Affidavit

The BIDDER shall fill out the No Gratuities or Kickbacks Affidavit Form in Appendix E and submit it with its Proposal.

3.1.5. Ethical Standards Affidavit

The BIDDER shall fill out the Ethical Standards Affidavit Form in Appendix F and submit it with its Proposal.

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3.1.6. Declaration of Compliance with The Iran Sanctions Act (ISA) and Other U.S.-Sanctioned Entities

The BIDDER shall provide a Declaration of Compliance with the Iran Sanctions Act (ISA) and Other U.S.-Sanctioned Entities using its own Affidavit Form under Appendix G and submit it with its Proposal.

3.1.7. Declaration of Compliance with U.S. DOL's Wage Determination

The BIDDER shall fill out the Declaration of Compliance with U.S. DOL's Wage Determination Affidavit Form in Appendix H and submit it as part of the Technical Proposal .

3.1.8. Restriction Against Sex Offenders

The BIDDER shall complete the form, *Restriction against Sex Offenders Employed by Service Providers to Government of Guam from Working on Government of Guam Property* (Appendix I) and submit it as part of the Technical Proposal.

3.1.9. Bid Bond Form

As stated in [Section 2.14.3](#), if a BIDDER desires to submit a bid bond with an acceptable bonding company, the BIDDER must submit original copies of Volume III- Appendix J.

3.1.10. Local Procurement Preference Application

The BIDDER shall fill out and sign the Local Procurement Preference Application in Appendix K and submit it with the Technical Proposal.

3.1.11. Bidders Proposal

The BIDDER shall fill out and sign the Bidders Proposal in Appendix L and submit it with the Technical Proposal.

3.2. Qualitative Proposal Workbook

The BIDDER shall complete the Qualitative Proposal Workbook in accordance with the instructions given in the workbook's Instructions tab. The workbook shall be submitted as part of the Technical Proposal.

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3.3. Price Proposal Form

The qualified BIDDERS shall provide prices/costs in U.S. Dollars. BIDDERS are required to furnish a BID PRICE OFFER as specified in the PRICE PROPOSAL FORM. BID PRICE OFFER for optional contract years may also be provided; doing so allows GPA to calculate the cost of the contract should it be extended.

4. PROPOSAL SCORING MECHANISM

4.1. Overview

GPA will use the Proposal Scoring Mechanism described in this Section of the Invitation for Bid (IFB) to qualify BIDDERS for the participation in the final bid stage. The Proposal Scoring Mechanism provides the BIDDERS the opportunity to highlight their qualifications to bid in terms of their resources, skills, operating philosophy and commitments to perform specific tasks and originality. The IFB proposal evaluation shall be based on such specifications and based on the relative ranking of each BIDDER's qualifications.

4.2. Qualitative Proposal Evaluation

The qualitative proposal scoring is designed to assess the quality of the BIDDER's resources, skills, comprehensiveness and responses to specific questions or requirements. GPA may elect to have up to five (5) evaluators for this IFB. Each evaluator shall assess and review the Bidder's Technical Proposal documents. Each GPA evaluator shall score each BIDDER separately under a point system to determine the acceptability of each Proposal. The majority of the determinations of GPA evaluators shall prevail in the decision to Qualify or not Qualify a BIDDER for Step 2 – Price Proposal.

The instructions for filling out the Qualitative Proposal Scoring Workbook are listed in the **Proposal Instructions** tab in the Workbook. The BIDDER must complete all entries in the **Part 1- Qual Support References** tab of the Workbook. The tab, **CONTRACTOR Qualifications Checklist** is automatically populated once BIDDER completes all entries in **Part 1- Qual Support References**. Each GPA evaluator will be provided a copy of Part 1 – Qual Support References as well as the BIDDER's technical proposal materials. Evaluators shall review and evaluate BIDDER responses in **Part 1- Qual Support References** worksheet tab, and fill out the **Part 2 – Qual Eval Scoresheet** tab using the following steps:

- 1) Each evaluator shall review BIDDER's response to each question on the CONTRACTOR Checklist Items. The Evaluator shall be guided by information provided by the bidder regarding location of responses to each question in Part 1 – Qual Support References tab.

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- 2) In **Part 2 – Qual Eval Scoresheet tab**, Evaluator shall assign a Raw Rating Score for each BIDDER’s response to each question. The Evaluator shall be guided by the Checklist Weight and Proposal Scoring Information provided in the **Proposal Scoring Information tab**.
- 3) Each evaluator shall determine BIDDER’s weighted average raw score using pre-specified weights for each question. Part 2 – Qual Eval Scoresheet tab has been formatted to automatically populate the Evaluated CONTRACTOR Qualifications Score.

The evaluators will use the supporting information on Price Proposal Worksheet. The Total Qualitative Points for a 100% Score is specified in the **Proposal Scoring Information tab** and **CONTRACTOR Qualifications Checklist tab**. Each GPA evaluator will analyze the contents of the Proposals and categorize the Proposals as:

- o Acceptable: Score \geq 80%
- o Potentially Acceptable, that is reasonably susceptible of being made Acceptable: $80\% >$ Score \geq 75%
- o Unacceptable: Score $<$ 75%.

A percent score of less than 75% indicates that a GPA evaluator has determined that the BIDDER has not supplied sufficient evidence of qualifications and should not be allowed to participate in Step 2 – Price Proposal.

After each GPA evaluator has completed the evaluation and scoring of BIDDERS, GPA shall complete the Table below. The Procurement Officer will enter for each GPA evaluator and BIDDER one and only one of the following in the appropriate table cell below:

- Acceptable
- Potentially Acceptable
- Unacceptable.

The Procurement Officer or his designee may initiate Step Two if there are sufficient acceptable Unpriced Technical Proposals to assure effective price competition in the second phase without technical discussions. If the majority of the GPA evaluators rate the BIDDER as Acceptable , that BIDDER is determined to be Qualified and will be allowed to participate in Step 2– Price Proposal.

If the Procurement Officer or his designee finds that such is not the case, the Procurement Officer or his designee shall issue an amendment to this Invitation for Bid or engage in technical discussions with BIDDERS

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who are rated by a majority of the GPA evaluators as Acceptable or Potentially Acceptable. During the course of such discussions, the Procurement Officer or his designee shall not disclose any information derived from one Technical Proposal to any other BIDDER.

Once discussions are begun, any BIDDER who has been notified that its Offer has been finally found acceptable may submit supplemental information amending its Technical Proposal at any time. Such submission may be made at the request of the Procurement Officer or upon the BIDDER's own initiative.

BIDDERS who are rated by the majority of the GPA evaluators as Unacceptable is determined to be Not Qualified and will not be allowed to participate in Step 2– Price Proposal. The Procurement Officer shall record in writing the basis for finding a Bidder Not Qualified and make it part of the procurement file.

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Table 1. Final Evaluation of Bidder Qualification

GPA Evaluator	BIDDER 1	BIDDER 2	BIDDER 3	BIDDER 4	BIDDER 5
1					
2					
3					
4					
5					

4.3. Price Proposal Evaluation

The contract will be awarded to the BIDDER evaluated as being qualified and with the best-priced proposal for the THREE (3) year contract base period. GPA reserves the right to make multiple awards, partial awards, award by site location, or award in whole, whichever may be most advantageous to the Authority.

5. CONDITIONS OF CONTRACT

5.1. Definitions

Wherever used in these General Conditions or in the other Contract Documents, the terms used have the meanings indicated which are applicable to both the singular and plural thereof.

5.2. Accounting

For accounting purposes and for use in establishing property records, GPA may require CONTRACTOR to provide a reasonable price breakdown of the total price into separate prices applying to the individual items supplied under the Agreement.

5.3. Documentation

GPA shall have the right to reproduce any prints, or other data or documents received from CONTRACTOR.

5.4. Language and Trade Terms

All communications, documents, and execution of services hereunder, unless otherwise designated, shall be in the English language. INCOTERMS (International Rules for the Interpretation of Trade Terms) published

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by the International Chamber of Commerce in 1980 and any subsequent revisions thereto shall govern interpretation of trade terms in the Contract Documents

5.5. Release of Information

The CONTRACTOR shall not release any information including the contract price concerning this project or any part thereof in any form, including advertising, news releases, or professional articles, without written permission of GPA.

5.6. Limitations of Clause

Nothing herein contained shall excuse the CONTRACTOR from compliance with any rules of law precluding GPA and its officers and any CONTRACTORS from acting in collusion or bad faith in issuing or performing change orders that are clearly not within the scope of the contract.

Invitation For Multi-Step Bid

No. GPA- -24

**SUPPLY OF DIESEL FUEL OIL NO.2
TO VARIOUS GPA PLANT SITE LOCATIONS**



Volume II

CONTRACT

(CONTRACTOR)

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CONTRACT

(CONTRACTOR)

GUAM POWER AUTHORITY

2024

IFB No. GPA- -24

SUPPLY OF DIESEL FUEL OIL NO.2 TO VARIOUS GPA PLANT SITE LOCATIONS

FORMAL CONTRACT

This Agreement and Formal Contract (“Contract”), is made and entered into on the ____ day of ____, 2024 by and between:

(CONTRACTOR), hereinafter referred to as CONTRACTOR, duly organized, licensed, registered and qualified to do business in Guam with its principal address at

- And -

GUAM POWER AUTHORITY, hereinafter referred to as the “**Authority**” or “**GPA**”, a Public Corporation with its office located at the Gloria Nelson Public Service Complex, Fadian, Mangilao Guam;

RECITALS

WHEREAS, GPA desires to maintain uninterrupted supply of Diesel Fuel Oil No.2 to its Power Plant site locations;

WHEREAS, the Third (3rd) year and final extension of the current contract for the supply of Diesel will expire on December 31, 2024; and

WHEREAS, GPA seeks to procure a new Diesel Fuel Oil No.2 Supply Contractor; and

WHEREAS, the Consolidated Commission on Utilities has determined that the (CONTRACTOR) is a preferred option for **GPA** to supply the Diesel Fuel Oil No.2 requirements for the Authority;

WHEREAS, the Guam Public Utilities Commission has ordered **GPA** to proceed with the procurement of a CONTRACTOR for the Supply of Diesel Fuel Oil No.2;

WHEREAS, **GPA** has issued an Invitation For a Multi-Step Bid for the Supply of Diesel Fuel Oil No.2 under IFB GPA- -24 for Site Location 1 (Yigo CT and Yigo Diesel); Site Location 2 (Macheche CT and Dededo CT); Site Location 3 (Cabras 1&2 and Piti 7); and Site Location 4 (Manengggon Diesel Plant and Talofofo Diesel Plant) on "As Needed" basis; and

WHEREAS, **CONTRACTOR** submitted a bid in response to the Invitation for Bid for the Supply of Diesel Fuel Oil No.2;

WHEREAS, **GPA**, upon evaluation of the submitted bid proposals, determined that **CONTRACTOR** is the lowest responsive and responsible bidder for (Site Location); and

WHEREAS, the Guam Consolidated Commission on Utilities (CCU) and the Guam Public Utilities Commission (PUC) has determined that the **CONTRACTOR** is the preferred option for **GPA** to supply the Diesel Fuel Oil No.2 requirements for the Authority.

NOW, THEREFORE, in consideration of the above premises and the mutual promises set forth herein and the terms and conditions hereinafter set forth and for other good and valuable consideration, receipt of which is hereby acknowledged; **CONTRACTOR** and **GPA** hereby agree as follows:

SECTION 1. DEFINITIONS

"Diesel Fuel Oil No.2" or "Diesel Fuel Oil" or "Fuel Oil" or "Diesel" or "ULSD" means a liquid hydrocarbon product satisfying the specifications in [Schedule A](#)

"\$" shall refer to currency in U.S. dollars.

"ASTM" shall mean the American Society for Testing and Materials.

- “API”** shall mean the American Petroleum Institute.
- “Gallon”** shall mean a U.S. standard gallon of 231 cubic inches at sixty degrees Fahrenheit.
- “Barrel”** shall mean a volume equivalent to 42 U.S. gallons.
- “Contract”** shall mean the Diesel Fuel Oil No.2 Supply Contract executed as a result of this IFB.
- “Contract Agreement (Agreement)”** shall mean the written agreement between **GPA** and **CONTRACTOR** covering the Supply of Diesel Fuel Oil No.2 any other Contract Documents either attached to the Agreement or made a part thereof by reference therein.
- “Contract Documents”** shall mean the Contract Agreement, Bonds (where required), these General Conditions, any Supplementary Conditions, the Specifications, and any other documents specifically identified in the Contract Agreement, together with all Modifications issued after execution of the Contract Agreement.
- “Contracting Officer”** shall mean the General Manager of the Guam Power Authority and shall include his authorized representatives.
- “CONTRACTOR”** shall mean the party or parties who or which shall have duly entered into a contract with the Guam Power Authority to perform the work herein contemplated or his or their authorized assignee.
- “Day”** shall mean a calendar day of twenty-four (24) hours measured from midnight to the next midnight.
- “Delivery Time”** shall mean the total number of days or the dates stated in the Agreement for furnishing the product.
- “General Manager”** shall mean the General Manager is the Chief Executive Officer of the Guam Power Authority. The office and title of General Manager shall apply to

any person acting in a regular or in an acting capacity as the Chief Executive Officer of the Guam Power Authority.

“Notice” shall mean and include all written notice demands, instructions, claims, approvals and disapprovals required to obtain compliance with contract requirements. Any written notice by either party to the contract shall be sufficiently given if delivered to or at the last known business address of the person, firm, or corporation constituting the other party to the contract, or to his, their, or its duly authorized agent, representative, or officers, or when enclosed in a postage prepaid envelope addressed to such last known business address and deposited in a United States mail box. The CONTRACTOR must provide and maintain a post office address within Guam and file the same with the Contracting Officer.

“Procurement Officer” shall mean the General Manager of the Guam Power Authority or the General Manager’s designee.

“PURCHASER” shall mean the Guam Power Authority with whom CONTRACTOR has entered into the Contract Agreement.

“Seller” shall mean the CONTRACTOR.

“Territory” shall mean the Territory of Guam.

“OPA’90” shall mean the Oil Pollution Act of 1990 by the U.S. Congress.

“Platt’s Asia-Pacific/ Arab Gulf Marketscan” shall mean the reference source document for the fuel Contract pricing.

“Receiving facility” shall mean the GPA plant receiving facility at the site location identified in [Schedule B](#).

SECTION 2. FUEL OIL TO BE SUPPLIED

GPA has installed a new pipeline network to some of the plants for receiving Diesel Fuel Oil No.2 by pipeline transfer from the GPA bulk storage facility(ies). In the event that such pipeline or facility is not available or becomes unavailable, Diesel Fuel Oil must be supplied and delivered by the CONTRACTOR on an “As Needed” basis.

CONTRACTOR agrees to furnish and **GPA** agrees to accept and pay for all of **GPA's** diesel fuel oil requirements for power generating plants in Guam for the term of the Contract.

Fuel Oil to be supplied to **GPA** shall conform to the product quality requirements specified in [Schedule A](#) and shall come from reputable sources not sanctioned by the United States government.

Fuel Oil must be delivered from the **CONTRACTOR** storage to the various GPA plant sites covered in this Contract. The **CONTRACTOR** shall be available to deliver the Fuel Oil to the point of delivery as designated by **GPA** within twelve (12) hours of receiving a request. **CONTRACTOR** must be available to receive and accept delivery requests daily, including weekends and holidays.

The **CONTRACTOR** shall provide transfer pumps and/or whatever else may be necessary to deliver Fuel Oil to **GPA** plant storage tanks to the height of 45 feet. Fuel Oil deliveries shall be on an "As Needed" basis. **CONTRACTOR** must closely coordinate with the plants and shall exercise its best efforts to deliver Fuel Oil to **GPA** to meet operational requirements regardless of the estimates provided by **GPA**.

CONTRACTOR must also be able to provide sufficient fleet to deliver the quantities as required by GPA.

- i. Estimated annual consumption based on historical data is provided in [Schedule B](#). Actual delivery quantities may vary from day to day depending on the dispatching of the plants.
- ii. Consumption at maximum plant capacities is listed [Schedule C](#). Actual delivery quantities may vary from day to day depending on the dispatching of the plants.

GPA reserves the right to nominate quantities each month and will not guarantee equal amounts of volume every month. Fuel oil deliveries may be low or not needed one month and increase the next month.

SECTION 3. CONTRACT TERM

The Contract Term shall be for THREE (3) years and shall commence on or about after 0:00 hour on **January 01, 2025**, and shall continue until midnight of **December 31, 2027**. GPA shall have the right to extend the Contract **for additional TWO (2) years, renewable annually, with mutual agreement of both parties.**

Extension.

Prior to the expiration of the three-year Contract term, GPA may, at its election, extend the Contract for up to two additional one-year terms. GPA and CONTRACTOR may renew this agreement upon the mutual agreement of the parties.

Notice of Extension.

GPA shall notify CONTRACTOR in writing or by email its intent to extend the Contract for any extension no later than six months before the contract termination date. GPA shall give appropriate notice of its intentions regarding its option to exercise contract extension. The notification will include the number of years GPA intends to extend the Contract, not to exceed two (2) years.

At the beginning of the 3rd Contract year GPA and the CONTRACTOR shall negotiate the Contract extension terms based on the optimum requirements of GPA. These requirements shall be considered as starting negotiation points between GPA and the CONTRACTOR, should GPA elect to exercise the optional Contract extension. Final confirmation by mutual agreement between GPA and the CONTRACTOR for Contract extension shall be given after completion of negotiation no later than six months before Termination Date. However, GPA may elect to reverse its decision without penalty at any time within six months of the end of the Contract period based on the CONTRACTOR's poor performance during this period and Contractor's failure to cure.

SECTION 4. CONTRACT PRICE

The **CONTRACT PRICE** in U.S. dollars per Gallon (\$/gal) for all Fuel Oil delivered to **GPA** shall be inclusive of all costs and liabilities required to fulfill the contract.

The **CONTRACT PRICE** is the sum of the **REFERENCE PRICE** plus the **FIXED SERVICE FEE**.

The **CONTRACT PRICE** shall increase or decrease on a cent-for-cent basis with the **REFERENCE PRICE**.

The **REFERENCE PRICE** for the Fuel Oil supplied and delivered by CONTRACTOR from the **CONTRACTOR's** storage into the GPA Plants shall be the mean average of the previous month's daily Mid-of-Platts (MOPS) price postings. MOPS is the average of high and low price assessments reported in the Platt's Asia-Pacific/Arab Gulf Marketscan FOB Singapore Price Assessment for Gasoil 10 ppm.

The **FIXED SERVICE FEE** for all Fuel Oil supplied and delivered by **CONTRACTOR** to the **GPA Plants** at the site locations and estimated quantities identified on [Schedule B](#) hereto shall be as follows:

CONTRACT FIXED SERVICE FEE	THREE (3) YEAR BASE PERIOD			TWO (2) YEAR EXTENSION OPTION	
	1 st year \$/gal (in 3 decimals)	2 nd year \$/gal (in 3 decimals)	3 rd year \$/gal (in 3 decimals)	1 st yr Extn \$/gal (in 3 decimals)	2 nd yr Extn \$/gal (in 3 decimals)
SITE LOCATION 1: Yigo CT and Yigo Diesel					
SITE LOCATION 2: Macheche CT and Dededo CT					
SITE LOCATION 3 : <u>Cabras 1&2 and</u> <u>Piti 7</u>					
SITE LOCATION 4 : Manengon and Talofofo					

SECTION 5. INVOICE PRICE DETERMINATION

Sample Delivery Month: **August 2023**

(1) Sample Calculation of **REFERENCE PRICE**:

REFERENCE PRICE= Average of Previous Month's Daily MOPS

Previous Month: July 2023

Average of the Daily MOPS for July 2023: \$101.756 per Barrel

Average Price: \$2.4228 per Gallon (rounded to four decimal places)

REFERENCE PRICE for August 2023: \$2.4228 per Gallon

(2) Sample **FIXED SERVICE FEE**:

FIXED SERVICE FEE= \$0.2000 per Gallon (sample price)

(3) **CONTRACT PRICE**

CONTRACT PRICE = Reference Price + Fixed Service Fee

CONTRACT PRICE = (\$2.4228 + \$0.2000) per gallon

CONTRACT PRICE = \$2.6228 per gallon

This is the **CONTRACT PRICE** for fuel oil supplied and delivered by **CONTRACTOR** to GPA for the sample month.

For invoice calculation purposes, quantity shall be reported in barrels and gallons at standard sixty degrees Fahrenheit (60°F) as declared in the Bill of Lading.

SECTION 6. TITLE, CUSTODY AND RISK OF LOSS

Title and custody to the Fuel Oil supplied by **CONTRACTOR** and delivered to the **GPA** plants thereof shall pass from the **CONTRACTOR** to **GPA** when:

- a. The Fuel Oil has passed the GPA pipeline flange at the GPA plant storage tanks connecting the **CONTRACTOR's** hose if delivered by tanker truck.
- b. The Fuel Oil has passed the **GPA** meter flange or pipeline flange at the **GPA** plant storage tanks connecting the **CONTRACTOR's** pipeline flange if delivered by pipeline.

All risk of loss, cost and liabilities prior to the time of passage of title of the fuel oil shall be on the **CONTRACTOR**.

SECTION 7. TERMS OF PAYMENT

Invoices for Fuel Oil delivered pursuant to quantity (Fuel Oil receipts) and quality prescribed under the terms of this contract shall be submitted no more frequently than weekly, based on the number of Gallons of Fuel Oil delivered to **GPA** during the preceding period. The invoices must be supported by Fuel Oil receipts or receiving tickets including a receipt acknowledgement from a **GPA** representative. The payment terms are 30 days (net) beginning on the date the invoice is received by the **GPA** accounts payable section. All payments shall be based on the delivered quantity, corrected to volume (net) at 60 °F.

SECTION 8. PAYMENT OF TAXES AND OTHER GOVERNMENT CHARGES

All fuels under the terms of this Contract are exempt from the Government of Guam Liquid Fuel Tax and the Government of Guam Gross Receipts Tax as provided by 12 G.C.A., Section 8115.

In the event that any cargoes shall be liable to the payment of Import Duty, such Import Duty shall be to the CONTRACTOR's account.

CONTRACTOR shall be responsible for filing appropriate tax returns or other filings and requesting rebates, credits, drawbacks or exemptions.

CONTRACTOR shall be solely responsible for filings and payment of income tax or taxes measured on net income.

CONTRACTOR shall be solely responsible for filings and payment of income tax or taxes measured on net income.

SECTION 9. WARRANTY AND CLAIMS

CONTRACTOR warrants that it has the facilities and resources sufficient to meet CONTRACTOR's obligations under this Contract. Cost for the use of such resources shall be borne by the CONTRACTOR.

CONTRACTOR agrees, represents and warrants as follows:

a. Ability to Supply.

CONTRACTOR warrants that the fuel oil shall meet the specification prescribed herein under Schedule A, and other pertinent sections. If the fuel oil fails to meet the specifications herein, CONTRACTOR shall be liable for any direct damages resulting therefrom.

b. Ability to Deliver to the GPA Plants

CONTRACTOR shall own, lease, sub-lease, or have the right to use tanker trucks, storage tanks, loading racks and gantries and other facilities sufficient to meet CONTRACTOR's obligations for delivering the fuel oil to the GPA plants under this Contract.

CONTRACTOR shall be solely responsible for any damages caused by the CONTRACTOR or its agents during the process of oil shipment and delivery.

Claims against the CONTRACTOR for direct costs incurred on account of their non-performance or negligent actions shall be given in writing together with all supporting documents, invoices and

correspondence by GPA within thirty days (30) from date of delivery of fuel oil as specified in Section 4.

SECTION 10. PRODUCT AND QUALITY

The fuel oil delivered hereunder shall have the physical and chemical characteristics as described in [Schedule A](#).

The Authority reserves the right to require the supplier to add and to conduct additional tests as may be required.

SECTION 11. QUANTITY AND QUALITY ASSURANCE

GPA has installed a new pipeline network to some of the plants for transferring fuel from the GPA bulk storage facility(ies). In the event that such pipeline or facility is not available or becomes unavailable, Fuel Oil must be supplied by the CONTRACTOR on an "As Needed" basis either by roadtanker deliveries or by pipeline transfer from the CONTRACTOR storage to the various GPA plant sites covered in this Contract.

a. Delivery by Tanker Truck.

CONTRACTOR, at its sole expense, shall utilize its terminal truck loading rack and metering system to determine the quantity of Diesel Fuel Oil No.2 delivered by tanker truck to GPA. Quantity of product delivered by CONTRACTOR at CONTRACTOR's nominated tanker truck(s) to the GPA plants shall be determined at the time of each delivery by CONTRACTOR, converted in each instance to volume at 60 degrees Fahrenheit by the automated rack control system and shall be the basis for the Bill of Lading (BOL).

Contractor at its sole expense, shall provide a pump and unload the product from the tanker truck into the GPA fuel receiving facility.

CONTRACTOR shall have such meters calibrated no less than annually and shall furnish GPA a copy of the certificate of newly calibrated meter(s) within 10 days after the calibration date.

In the event of a dispute over the accuracy of the CONTRACTOR's meters, an independent third party mutually agreeable to both parties will be brought in to perform a recalibration. In

the event of a miscalibration, the costs shall be borne by the CONTRACTOR. Any loss incurred by GPA as a result of miscalibration of meters shall be negotiated and returned to the AUTHORITY.

CONTRACTOR is required to install security seals on valves and compartments of the delivery tanker trucks after Fuel Oil loading is completed. Seals shall remain intact upon inspection by the GPA receiving facility. Seal numbers shall be recorded in the delivery receipt and initialed by an authorized terminal representative. GPA reserves the right to reject deliveries with tampered or missing seals.

b. Delivery By Pipeline Transfer

Quantity of product delivered by the CONTRACTOR by pipeline transfer to GPA shall be determined utilizing the meter installed at the pipeline into the GPA plant storage tank.

- i. In the event that a meter is not installed or is defective, quantity of the product delivered by the CONTRACTOR shall be determined by the CONTRACTOR meter. CONTRACTOR shall have such meters calibrated no less than annually and shall furnish GPA a copy of the certificate of newly calibrated meter(s) within 10 days after the calibration date. In the event of a dispute over the accuracy of the meter, an independent third party mutually agreeable to both parties will be brought in to perform a recalibration. In the event of a miscalibration, the costs shall be borne by the CONTRACTOR. Any loss incurred by GPA as a result of miscalibration of meters shall be negotiated and returned to GPA.
- ii. In the event that the CONTRACTOR meter is defective or is not installed, quantity of the product delivered by the CONTRACTOR shall be determined by an Independent Third Party Inspector by gauging the receiving tanks before and after delivery. Cost shall be borne by the CONTRACTOR.

Quantity shall be corrected to the volume at sixty degrees Fahrenheit. Conversion shall be made in accordance with the ASTM-IP Petroleum Measurement Tables (IP-200), Table 6B (latest edition).

Appropriate Certificate of Quality (COQ) reports shall also accompany each delivery and must be presented to the GPA receiving facility. Quality must conform with the requirements specified in [Schedule A](#) as a condition for acceptance of delivery.

In the event of a dispute over the quality of Fuel Oil received by **GPA**, an inspection of Fuel Oil will be conducted by an appointed third party inspector mutually acceptable to **GPA** and the **CONTRACTOR**.

CONTRACTOR shall provide a comprehensive summary of the Fuel Oil delivery reports. **CONTRACTOR** shall tailor its reports to **GPA's** needs. **CONTRACTOR** shall submit copy(ies) of all Certificates of Quality (COQ) for the delivery month. Reports shall be submitted to the **GPA** weekly and monthly, within five (5) working days after each report month. **CONTRACTOR** shall also submit other reports and/or documentations that is relevant to the contract as may be required by the Authority.

SECTION 12. QUANTITY DETERMINATION

GPA reserves the right to require the intervention of a third party independent inspector for quantity determination. Such inspector shall be mutually acceptable to **GPA** and the **CONTRACTOR**. Cost shall be borne by the **CONTRACTOR**. All quantities shall be corrected to volume at sixty degrees Fahrenheit (60 °F) in accordance with the ASTM-IP Petroleum Measurement Table, Table 6B, the latest edition published shall be applicable.

Quantity certification prepared by independent inspector shall be final and binding upon both parties. Inspection report shall be submitted by **CONTRACTOR** to **GPA** no later than two (2) calendar days after completion of inspection and shall provide **GPA** unrestricted access to records or reports as may be required.

In the event of the variances between the B/L quantity and the discharge port (shore tanks) receipts, The AUTHORITY shall pay (absorb) a quantity shortfall up to ONE-FOURTH PERCENT (0.25 %) of the barrel established quantity; shortages beyond the 0.25% shall be covered by the **CONTRACTOR**.

SECTION 13. SECURITY OF SUPPLY

CONTRACTOR reserves the right to supply fuel oil meeting **GPA** quality requirements specified in [Schedule A](#) and may come from any sources not sanctioned by the United States government. In the event that supplies are taken from such other places, then the price to Guam will remain the same as established in [Section 4](#) above.

CONTRACTOR is required to maintain a minimum of thirty (30) days inventory at the **CONTRACTOR**'s storage facility. A list of the **GPA** plant requirements is listed in [Schedule B](#).

For security of supply in the event of unexpected, unplanned or forced baseload outages, severe typhoon or other calamities. **CONTRACTOR** shall prioritize delivery to the **GPA** plants and guarantee uninterrupted supply and delivery of Fuel Oil during the recovery period. **CONTRACTOR** must also be able to provide sufficient fleet to deliver the quantities listed in [Schedule C](#) as may be required by **GPA**.

CONTRACTOR must submit weekly and monthly fuel inventory and delivery report to **GPA**.

GPA reserves the right to audit the **CONTRACTOR** for safety fuel inventory stock compliance. Such audit shall be in accordance with generally accepted accounting practices.

SECTION 14. GOVERNMENT LAWS AND REGULATIONS

(a) If at any time during the term of the Contract the Government of the United States or the Territory of Guam enacts laws or issues regulations which would prevent **GPA** from burning the type of fuel oil to be supplied hereunder, **GPA** shall use its best efforts to obtain an exemption. In the event **GPA** cannot obtain an exemption from such laws and regulations, **CONTRACTOR** shall use his best efforts to furnish **GPA** substitute fuel oil which complies with such governmental laws and regulations at the same price set out herein, or if unreasonable, at a price to be renegotiated by the parties. If the substitute fuel oil causes an increase or decrease in **CONTRACTOR**'s cost of performance of the Contract, an equitable adjustment shall be made and the Contract modified in writing accordingly. Any claim of **CONTRACTOR** for adjustment under this section must be asserted in writing within thirty (30) days from date of receipt by **CONTRACTOR** of the notification of substitute fuel oil in compliance with Government laws, rules and regulations. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this Contract entitled "Governing Law and Disputes" ([Section 22](#)). However, nothing in this clause shall excuse the **CONTRACTOR** from proceeding with the Contract fuel oil specifications as changed in order to comply with Government laws, rules and regulations. Only in the event that the parties cannot mutually agree upon the price at which **CONTRACTOR** is to furnish such substitute fuel oil, and **CONTRACTOR** refuses to provide such substitute fuel oil at the Contract price set out herein shall **GPA** then have the option of purchasing from other sources fuel oil at a lower price than that offered

by **CONTRACTOR** in such negotiations which complies with such laws and regulations, but in any event, the **CONTRACTOR** shall have no recourse, other than those specified herein.

(b) **CONTRACTOR** shall at all times comply with all applicable laws and regulations of the Territory of Guam and the Federal Government and their respective agencies.

SECTION 15. PERMITS AND RESPONSIBILITIES

The **CONTRACTOR** shall, without additional expense to **GPA**, be responsible for obtaining any necessary licenses and permits, and for complying with any applicable Federal and Territorial laws, codes and regulations necessary for performance of the Contract by **CONTRACTOR**.

SECTION 16. FORCE MAJEURE

No failure or omission by either party to carry out or to observe any of the terms, provisions or conditions of the Contract shall, except in relation to obligations to make payments under the Contract, give rise to any claim by one party against the party in question or be deemed to be a breach of the Contract if such failure or omission arises from any cause reasonably beyond the control of the party, including but without prejudice to the generality of the foregoing:

(a) War, etc. War, hostilities, acts of public enemy or belligerents, sabotage, blockade, revolution, insurrection, riot or disorder;

(b) Restraints. Arrest or restraint of princes, rulers or peoples;

(c) Confiscation. Expropriation, requisition, confiscation or nationalization;

(d) Rationing. Embargoes, export or import restrictions or rationing or allocation, whether imposed by law, decree or regulation or by voluntary cooperation of industry at the insistence or request of any governmental authority or person purporting to act therefore;

(e) Regulations. Interference by restriction or onerous regulations imposed by civil or military authorities, whether legal or de facto and whether purporting to act under some constitution, decree, law or otherwise;

(f) Acts of God. Acts of God, fire, frost or ice, earthquake, storm, lightning, tide, tidal wave, or peril of the sea, accident of navigation or breakdown or injury of vessels;

- (g) Loss for Tankers. Loss of tanker tonnage due to sinking by belligerents or to governmental taking whether or not by formal requisition;
- (h) Accidents. Accidents to or adjuncts of shipping navigation;
- (i) Strikes. Epidemics, quarantine, strikes or combination of workmen, lockouts, or other labor disturbances;
- (j) Explosions. Explosion, accidents by fire or otherwise to wells, pipes, storage facilities, refineries, installations, machinery;
- (k) Taking by Government. Unavailability of fuel because of the election of the government of the country of its origin to take royalty product in kind;
- (l) Other Events. Any event, matter or thing wherever occurring and whether or not of the same class or kind as those set forth, which shall not be reasonably within the control and without the fault or negligence of the party affected thereby.

No failure or omissions to carry out or to observe any of the terms, provisions or conditions of the Contract shall give rise to any claim by one party against the other, or be deemed to be a breach of the Contract from the time of and to the extent occasioned by the Force Majeure, not from the date of notice of the Force Majeure is received.

SECTION 17. NOTICE TO OTHER PARTY

Either party whose obligations may be affected by any of the forces or causes set out in [Section 16](#), supra, shall promptly notify the other party in writing, giving full particulars thereof as soon as possible after the occurrence of such force or cause. Such party shall exercise due diligence to remove such cause with all reasonable dispatch and to resume performance at the earliest practicable time.

SECTION 18. PAYMENT REQUIRED

Notwithstanding the provisions of [Section 16](#), supra, GPA shall not be relieved of any obligation to make payments for any fuel delivered to Guam dock/GPA tanks hereunder; however, during the

force majeure condition the obligation shall be suspended, except for fuel oil deliveries made prior to the force majeure condition.

SECTION 19. PRORATION OR EQUITABLE ALLOCATION

If any of the events enumerated in [Section 16](#), supra, have occurred, **CONTRACTOR** shall prorate or otherwise allocate in a fair and equitable manner among its customers, including **GPA**, the supplies of fuel oil **CONTRACTOR** has available for delivery at the time of the occurrence or for the duration of such event taking into account **GPA**'s unique situation as Guam's total dependence on fuel oil. **CONTRACTOR** shall also seek an alternative source of fuel oil to fulfill its contractual obligations.

SECTION 20. ~~(INTENTIONALLY DELETED)~~ ALTERNATE SUPPLY

In the event **CONTRACTOR** is unable to fulfill its obligations under this Contract as a result the events enumerated in [Section 16](#), supra or of any negligence on part of the Contractor, **GPA** may at its sole discretion seek an alternative source of fuel oil so long as such condition of force majeure or negligence shall exist. If the cost of fuel during such period of force majeure or negligence shall exceed the Contract price as provided in Section 4, the **CONTRACTOR** shall be liable to **GPA** for the difference.

SECTION 21. RESUMPTION OF PERFORMANCE

If **CONTRACTOR** is prevented from delivering or **GPA** is prevented from receiving all or any fuel to be sold under the Contract for the reasons which fall within the provisions of [Section 16](#), supra, then the party so prevented shall, as to the remainder of the fuel not affected thereby, promptly resume performance of the Contract. No curtailment or suspension of deliveries or payment under the causes listed in [Section 16](#), supra, shall operate to extend the term of or terminate the Contract unless the occurrence of force majeure will materially impair, for an indefinite period of time, the parties' ability to perform the Contract.

SECTION 22. GOVERNING LAW AND DISPUTES

This CONTRACT shall in all respects be governed by the Laws of Guam. The provisions of the United Nations Convention on Contracts for the International Sale of Goods are expressly excluded.

This CONTRACT shall not be construed to confer any benefit on any person not being a party to this Contract not shall it provide any rights to such person to enforce any of its provisions. The provisions of the English Contracts (Rights of Third Parties) Act 1999 are expressly excluded.

In the event of any controversies, dispute or difference of any nature (a "Dispute") between the parties arising from or in connection with this Contract, either party may give notice to the other in writing of the existence of such dispute specifying its nature and the points at issue. If the dispute shall not have been amicably resolved within thirty (30) days from the date of the said notice, then the same shall be exclusively and definitely resolved through final and binding arbitration in Guam, by the AMERICAN ARBITRATION ASSOCIATION ('AAA'), in accordance with the rules of arbitration of such institution in effect as of the date the existence of the controversy is notified by one of the parties. The arbitration shall be conducted by three arbitrators, unless all parties to the dispute agree to a sole arbitrator within thirty (30) days after the filing of the arbitration. Each party to the dispute shall appoint one arbitrator within thirty (30) days of the filing of the arbitration, and the two arbitrators so appointed shall select the presiding arbitrator within thirty (30) days after the latter of the two arbitrators have been appointed by the parties to the dispute. If a party to the dispute fails to appoint its party-appointed arbitrators or if the two party-appointed arbitrators cannot reach an agreement on the presiding arbitrator within the applicable time period, then LCIA shall appoint the remainder of the three arbitrators. The arbitration proceedings shall be conducted in English and the arbitrator(s) shall be fluent in the English language. The award of the arbitral tribunal shall be final and binding. Judgment on the award of the arbitral tribunal may be entered and enforced in any court having jurisdiction thereof. The cost of the arbitration proceedings, including attorneys' fees, shall be borne in the manner determined by the arbitral tribunal. Any right to appeal or challenge any arbitral decision or award is hereby waived. The parties may seek a preliminary injunction or other preliminary judicial relief, if in its judgment such action is necessary to avoid irreparable damage. It is expressly agreed that indirect, special, punitive and consequential damages shall not be awarded.

SECTION 23. CONTRACTOR'S INSURANCE

CONTRACTOR shall not commence work under this Contract until he has obtained all insurance required under this section and such insurance has been approved by **GPA**, nor shall the

CONTRACTOR allow any Subcontractor to commence work on his subcontract until all similar insurance required of the Subcontractor has been so obtained and approved.

The **CONTRACTOR** shall provide a copy of their Insurance Policy to **GPA** within the period prescribed by **GPA**. All updates or revisions after contract commencement shall also be forwarded to **GPA**.

Failure on the part of the **CONTRACTOR** to provide the required documents and/or to enter into a contract with **GPA** shall be sufficient grounds for the annulment of the award. **GPA** may determine the bidder to be non-responsive to the bid, and may proceed with sending a Notice of Intent to Award to the next most qualified BIDDER.

A. WORKMEN'S STATUTORY COMPENSATION INSURANCE AND EMPLOYER'S LIABILITY INSURANCE: The **CONTRACTOR** shall take out and maintain during the life of this Contract the applicable statutory Workmen's Compensation Insurance with an insurance company authorized to write such insurance and in the applicable State or Territory including the Territory of Guam covering all his employees, and in the case of any work sublet, the **CONTRACTOR** shall require the Subcontractor similarly to provide statutory Workmen's Compensation Insurance for the latter's employees. The **CONTRACTOR** shall secure and maintain, during the life of this Contract, Employer's Liability Insurance with a limit of \$1,000,000 with an insurance company authorized to write such insurance in all states or territories including the Territory of Guam where the Contractor will have employees located in the performance of this Contract. **CONTRACTOR** shall provide a Waiver of Subrogation in favor of **GPA** via endorsement to the Workers Compensation policy. This coverage shall be on a primary and non-contributory basis.

B. COMMERCIAL GENERAL LIABILITY:

1. The **CONTRACTOR** shall maintain, during the life of this Contract, such Commercial General Liability as shall protect him against claims for damages resulting from (a) bodily injury, including wrongful death, and (b) property damage, which may arise from operations under this Contract whether such operations be by himself or by any Subcontractor or anyone directly or indirectly employed by either of them. The minimum acceptable limits of liability to be provided Liability Insurance shall be as follows:

Bodily Injury Limits:	\$ 1,000,000 Each Person
Property Damage Limits:	\$ 1,000,000 Each Occurrence

\$ 2,000,000 Aggregate

2. The Commercial General Liability required by the preceding Subparagraph 1 shall include the following extensions of coverage:

- i. The property damage coverage shall include a Broad Form Property Damage Endorsement.
- ii. Contractual Liability coverage shall be included.
- iii. Protective Liability coverage shall be included to protect the **CONTRACTOR** against claims arising out of operations performed by his Subcontractors.
- iv. Products Liability and/or Completed Operations coverage shall be included.
- v. **GPA** shall be an additional insured on the Commercial General Liability policy.
- vi. This coverage shall be on a primary and non-contributory basis.
- vii. **CONTRACTOR** shall grant Waiver of Subrogation in favor of **GPA**.

C. AUTOMOBILE LIABILITY INSURANCE:

The **CONTRACTOR** shall take out and maintain during the life of the Contract, such Automobile Liability insurance as shall protect him against claims for damages resulting from (a) bodily injury, including wrongful death, and (b) property damage, which may arise from the operations of any owned, hired or non-owned automobiles used by or for him in any capacity in connection with the carrying out of this Contract. **GPA** shall be an additional insured on Auto Liability policy. **CONTRACTOR** will grant Waiver of Subrogation in favor of **GPA**. The minimum acceptable limits of liability to be provided by such Automobile Liability Insurance shall be as follows:

Bodily Injury Limits:	\$ 1,000,000 Each Person
	\$ 1,000,000 Each Occurrence
Property Damage Limits:	\$ 1,000,000 Each occurrence

This coverage shall be on a primary and non-contributory basis.

D. POLLUTION LIABILITY INSURANCE:

The **CONTRACTOR** shall take out and maintain during the life of the Contract, Pollution Liability Insurance with minimum limits of \$5,000,000 that provides coverage for third party bodily injury, third party property damage, and clean-up cost whether ordered by a government entity or not ordered by a government entity. Grant waiver of subrogation in favor of **GPA**. **GPA** is to be an additional insured.

This coverage shall be on a primary and non-contributory basis.

E. EXCESS LIABILITY

Excess Liability with limits of \$5,000,000 over the General Liability, Auto Liability, and workers compensation policies. **GPA** shall be named as an additional insured. **CONTRACTOR** shall grant Waiver of Subrogation in favor of **GPA**. This coverage shall be on a primary and non-contributory basis.

Cancellation Clause:

All policies above shall contain the following Cancellation clause:

The insurance company shall notify in writing the Guam Power Authority (insured) a minimum of 60 days prior to any material changes or cancellation of coverage.

F. CERTIFICATE OF INSURANCE:

The **CONTRACTOR** shall furnish **GPA** with two (2) copies of a Certificate of Insurance evidencing policies required in Paragraphs A, B, C, D, and E above. Such certificates shall specifically indicate that the Commercial General Liability Insurance includes all extensions of coverage required in Paragraph B., Subparagraph 2. above. Such certificate shall specifically state that the insurance company or companies issuing such insurance policies shall give **GPA** at least sixty (60) days written notice in the event of cancellation of or material change in any of the policies. If coverage on said certificate(s) is shown to expire prior to completion of all terms of this Contract, the **CONTRACTOR** shall furnish a Certificates of Insurance evidencing renewal of such coverage to **GPA**. The Certificates of Insurance shall clearly show this Contract number.

The **CONTRACTOR** shall provide a copy of their Insurance Policy to **GPA** as part of the bid requirements. All updates or revisions after contract commencement shall also be forwarded to **GPA**.

G. SUBCONTRACTOR'S INSURANCE:

The **CONTRACTOR** shall require each of his Subcontractors to take out and maintain during the life of his Subcontract, the same insurance coverage required of the **CONTRACTOR** under Paragraphs A, B, C, D, and E above, including the extensions of coverage required under Paragraph B., Subparagraph 2, above. Each Subcontractor shall furnish to the **CONTRACTOR** two (2) copies of a Certificate of Insurance and such certificate shall contain the same information

required in Paragraph B. above. The **CONTRACTOR** shall furnish one (1) copy of the certificate to **GPA**.

H. INSURANCE COMPANY AND AGENT:

All insurance policies herein required of the **CONTRACTOR** shall be written by a company duly authorized to do business in the Territory of Guam and where supply under this Contract is being performed and be executed by some agent thereof duly licensed as an agent in said State or Territory.

SECTION 24. INDEMNITY

CONTRACTOR shall indemnify and hold **GPA** harmless from all damages to persons or property or to receiving facilities and delivery facilities, regardless of ownership, including the cost of enforcement of the indemnity, actually and proximately caused by **CONTRACTOR** or its agents in making deliveries hereunder. **CONTRACTOR** shall be responsible for cleaning up any oil spillage caused by it or its agent or **CONTRACTORS** during the process of oil delivery. **CONTRACTOR** shall carry at all times appropriate levels of insurance as determined by **GPA** to cover any such damage. The **CONTRACTOR** shall ensure that any vessel owned or chartered by the Contractor for deliveries under this agreement shall meet the requirements of the U.S. Oil Pollution Act of 1990 (OPA 90).

SECTION 25. TRANSPORTATION

CONTRACTOR shall arrange for the transportation of the Fuel Oil to the **GPA** storage facilities. All risk of loss, cost and liabilities prior to the time of passage of title of the Fuel Oil shall be on the **CONTRACTOR**.

CONTRACTOR's and **GPA**'s rights and duties under [Section 24](#) and [Section 25](#) do not supersede or control the provisions of [Section 16](#) Force Majeure.

SECTION 26. FAILURE TO SUPPLY

If the **CONTRACTOR** refuses or fails to perform any of the provisions of this Contract with such diligence as will ensure the timely delivery of fuel oil supply or commits any other substantial breach or non-performance of this Contract, **CONTRACTOR** must provide **GPA** at least five (5) days prior notice of its inability to supply and/or deliver fuel to **GPA**. **GPA** reserves the right to procure fuel oil

supply from another source immediately upon issuance of such notification or whenever it deems appropriate for a period to be determined solely by GPA. If the cost of fuel supply and/or delivery during such period shall exceed the Contract price as provided in Section 4, the CONTRACTOR shall reimburse GPA for the difference and other damages, which may be taken from the Performance Bond or applied as a deduction to payments due from current and future invoices.

If not cured within THIRTY (30) days of the date of notification, GPA may terminate the Contract in whole or such part of the Contract as to which there has been a delay or a failure to properly perform. In the event of termination in whole or in part, GPA reserves the right to procure fuel oil supply from another source.

SECTION 27. FAILURE TO PAY

Failure to pay an invoice and any late penalties, if any, within a period of THIRTY (30) days from the due date of such invoice, shall be a default and should such a default not be cured within THIRTY (30) days of default, **CONTRACTOR** may, at its option, do either of the following:

- (a) Terminate the Contract forthwith or forthwith suspend delivery under the contract until further notice, on notifying **GPA** orally or by notice in writing; or
- (b) Continue to supply fuel oil and bring suit in the Superior Court of Guam for amounts past due and as they become due.

SECTION 28. FAILURE TO COMPLY WITH LAWS

In the event the **CONTRACTOR** or any person or entity identified as principals in the offer submitted in connection with the bid shall be found by any court or administrative agency having jurisdiction over the subject matter of the violation, to have violated any law, rule or regulation in connection with **CONTRACTOR** 's performance of the obligations under the Contract in any manner whatsoever directly or indirectly which violation shall constitute a breach of the peace, or an act involving moral turpitude or otherwise constitute endangerment of the health, safety and welfare of the citizens of the Territory of Guam, **GPA** may at its sole discretion terminate this Contract upon THIRTY (30) days written notice.

SECTION 29. PENALTY CLAUSES

(a) Quality Outside Contractual Specifications

In the event that any fuel, according to the analysis results has one or more quality characteristics outside the contractual specifications set in Schedule A, then in addition to any other rights or remedies available to the GPA under this contract a penalty will be imposed according to the following:

(1) If the bottom sediment and water exceeds the specification limit, then a price reduction shall be made for all water and non-petroleum sediment in excess of maximums specified in Schedule A multiplied by the Bill of Lading Quantity.

(2) If the heating value is less than the specification limit, then there will be a price reduction calculated as the ratio of the Out-of-Specification heating value and the Guaranteed Heating Value specified in Schedule A, multiplied by the Bill of Lading Quantity. If any other quality parameter (besides the ones stated in) exceeds the specifications' limits, then a penalty will be agreed between GPA and CONTRACTOR.

It is expressly agreed that the present penalty clauses shall be imposed regardless of whether damages were or not suffered by the GPA due to the delay in delivering the fuel and fuel quality outside contractual specifications, and that the GPA reserves the right to claim cumulatively both the amount of the penalty clauses and indemnification for every direct damage suffered by him due to CONTRACTOR non-contractual actions or omissions.

If during the period of this contract the GPA is forced to purchase fuel oil in order to maintain the GPA's Power Stations on full commercial load as a result of failure on the part of the CONTRACTOR to supply and/or deliver fuel oil in accordance with the terms of this contract (save for events of Force Majeure) any additional cost borne by the GPA over and above the price provided for in this Contract, CONTRACTOR will be liable to refund GPA either by payment of the CONTRACTOR or by way of reduction from GPA debts to the CONTRACTOR or deduction from the CONTRACTOR's Good Performance Bond of the Contract, or partially from both.

GPA reserves the right to retain the amount of the penalty clauses from his debts to the CONTRACTOR or from the Good Performance Bond of the Contract, or partially from both.

(b) **Quality Outside Contractual Specifications**

In the event that any fuel, according to the analysis results has one or more quality characteristics outside the contractual specifications set in [Schedule A](#), then in addition to any other rights or remedies available to the GPA under this contract a penalty will be imposed according to the following:

- (1) If the bottom sediment and water exceed the specification limit, then a price reduction shall be made for all water and non-petroleum sediment in excess of maximums specified in [Schedule A](#) multiplied by the Bill of Lading Quantity.
- (2) If the heating value is less than the specification limit, then there will be a price reduction calculated as the ratio of the Out-of- Specification heating value and the Guaranteed Heating Value specified in [Schedule A](#), multiplied by the Bill of Lading Quantity.

If any other quality parameter (besides the ones stated in) exceeds the specifications' limits, then a penalty will be agreed between GPA and CONTRACTOR.

It is expressly agreed that the present penalty clauses shall be imposed regardless of whether damages were or not suffered by the GPA due to the delay in delivering the fuel and fuel quality outside contractual specifications, and that the GPA reserves the right to claim cumulatively both the amount of the penalty clauses and indemnification for every direct damage suffered by him due to CONTRACTOR non-contractual actions or omissions. If during the period of this contract the GPA is forced to purchase fuel oil in order to maintain the GPA's Power Stations on full commercial load as a result of failure on the part of the CONTRACTOR to supply and/or deliver fuel oil in accordance with the terms of this contract (save for events of Force Majeure) any additional cost borne by the GPA over and above the price provided for in this Contract, CONTRACTOR will be liable to refund GPA either by payment of the CONTRACTOR or by way of reduction from GPA debts to the CONTRACTOR or deduction from the CONTRACTOR's Good Performance Bond of the Contract, or partially from both.

GPA reserves the right to retain the amount of the penalty clauses from his debts to the CONTRACTOR or from the Good Performance Bond of the Contract, or partially from both.

SECTION 30. DEFAULT

If the PARTY refuses or fails to perform any of their obligations under this agreement, non-breaching PARTY shall notify the PARTY either by e-mail or in writing within thirty (30) days of the breach. If the PARTY does not remedy the breach within thirty (30) days after the date of notification, non-breaching PARTY may by giving notice to the other PARTY terminate the Agreement in whole or suspend taking of delivery under the Contract.

In the event of partial termination or suspension under this provision, **GPA** reserves the right to procure fuel supply from another source upon notification to CONTRACTOR either by e-mail or in writing. Fuel to be procured shall be at the prevailing market price at the time of partial termination or suspension.

The CONTRACTOR shall be liable for the difference between the contract price and the prevailing market price at the time of termination.

SECTION 31. ATTORNEYS FEES

Should a default by either party result in litigation, the successful party shall be entitled to recover its reasonable attorney's fees from the defaulting party.

SECTION 32. TERMINATION FOR CONVENIENCE

(a) **Termination.**

The delivery of fuel oil supply under this Contract may be terminated by **GPA** in accordance with this clause in whole, or from time to time in part.

Any such termination shall be effected by delivery to the **CONTRACTOR** of a written Notice of Termination specifying the extent to which supply of fuel oil under the Contract is terminated.

In the case of termination of this Contract, **GPA** shall reimburse the **CONTRACTOR** of all the expenses related to the period of the Performance Bond that were not used.

(b) **CONTRACTOR's Obligations.**

The **CONTRACTOR** shall incur no further obligations in connection with the terminated fuel oil supply delivery and on the date set in the Notice of Termination the **CONTRACTOR** will stop delivery of fuel oil to the extent specified. The **CONTRACTOR** shall also terminate outstanding orders and Contracts, if any, as they relate to the terminated Contract for fuel oil supply. The **CONTRACTOR** shall settle the liabilities and claims arising out of the termination of orders and Contracts, if any, connected with the terminated fuel oil supply delivery. **GPA** may direct the **CONTRACTOR** to assign the Contractor's right, title and interest under the terminated orders or Contracts to **GPA**. The **CONTRACTOR** must still deliver fuel oil supply not terminated by the Notice of Termination and may incur obligations as are necessary to do so.

(c) **Right to Supplies.**

GPA may require the **CONTRACTOR** to transfer title of fuel oil cargo in transit to Guam at the time of receipt by Contractor of **GPA**'s Notice of Termination.

(d) **Compensation.**

- (1) The **CONTRACTOR** shall submit a termination claim specifying the amounts due because of the termination for convenience. If the **CONTRACTOR** fails to file a termination claim within ONE (1) year from effective date of termination, **GPA** may pay the **CONTRACTOR**, if at all, an amount set in accordance with subparagraph (3) of this paragraph.
- (2) **GPA** and the **CONTRACTOR** may agree to a settlement provided the **CONTRACTOR** has filed a termination claim supported by cost or pricing data to the extent required by Section 3-403 (Cost or Pricing Data) of the Guam Procurement Regulations and that the settlement does not exceed the total Contract price plus settlement costs reduced by payments previously made by **GPA**, the proceeds of any sales of supplies and manufacturing materials under the Guam Uniform Commercial Code, and the Contract price of the fuel oil supply not terminated.
- (3) Absent complete agreement under subparagraph (1) of this paragraph, **GPA** may pay the **CONTRACTOR** the following amounts, provided payments agreed to under subparagraph (2) shall not duplicate payments under this subparagraph:

(i) Fuel oil Contract prices for supplies or services accepted under the Contract by **GPA**;

(ii) Costs incurred in preparing to perform and performing the terminated portion of the delivery of fuel oil plus a fair and reasonable profit on such portion of the delivery (such profit shall not include anticipatory profit or consequential damages) less amounts paid or to be paid for accepted fuel oil supplies or services; provided, however, that if it appears that the **CONTRACTOR** would have sustained a loss if the entire Contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss;

(iii) Costs of settling and paying claims arising out of the termination of Contracts or orders pursuant to paragraph (2) of this clause. These costs must not include costs paid in accordance with subparagraph (3)(ii) of this paragraph;

(iv) The reasonable settlement costs of the **CONTRACTOR** including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the Contract for the termination and settlement of Contracts thereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of property allocable to the terminated portion of this Contract. The total sum to be paid the **CONTRACTOR** under this subparagraph shall not exceed the total Contract price plus the reasonable settlement costs of the **CONTRACTOR** reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under the Uniform Commercial Code.

SECTION 33. REMEDIES CUMMULATIVE

Each and all remedies available to a party in the event of the other party's failure to comply timely with any or all the terms and conditions of the Contract may be exercised independently or in combination (such rights being nonexclusive one with the other). The remedies set forth in the Contract are in addition to, and not in lieu of, all of the remedies available at law or in equity.

SECTION 34. COVENANT AGAINST CONTIGENT FEES

The **CONTRACTOR** warrants no person or selling agency has been employed or retained to solicit or secure the Contract upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agency maintained by the **CONTRACTOR** for the purpose of securing business. For breach or violation of this warranty, **GPA** shall have the right to annul the Contract without liability or, in its discretion, to deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

SECTION 35. NOTICE

Except as otherwise expressly specified herein, any notice to be given hereunder by either party to the other shall be deemed sufficiently given if in writing and enclosed in an envelope properly stamped and addressed to the party at the address set forth in this section, and deposited in the United States mail. Either party may change its address by giving FIFTEEN (15) days prior written notice to the other party. Such address until further notice shall be:

GPA: General Manager
Guam Power Authority
Post Office Box 2977
Hagatna, Guam 96932-2977
TELEFAX: (671) 648-9225

CONTRACTOR: _____

SECTION 36. INTEREST OF OTHER PARTIES

CONTRACTOR warrants that no member of the governing body of **GPA**, and no other officer, employee, or agent of **GPA** who exercises any functions or responsibilities in connection with the work to which the Contract pertains, and no employee, agent or member of the Guam Legislature or other public official of the Government of Guam, has or shall have any personal economic or financial interest, direct or indirect, in the Contract.

SECTION 37. ASSIGNMENT

CONTRACTOR declares that the only persons or parties interested in the Contract as principals are named herein and that the Contract is made without participation by or benefit to any other person, firm or corporation, except as specified herein.

CONTRACTOR agrees that it will not assign to nor permit Contract participation in whole or in part by any other person, firm or corporation not specified as a principal without the prior written consent of **GPA**. If such assignment is permitted, **CONTRACTOR** will guarantee the performance of all terms and obligations of the Contract, and such assignment shall not alter **CONTRACTOR**'s obligations hereunder. No assignee of **CONTRACTOR** shall have the right to assign the Contract without **GPA**'s consent which may be given or refused at **GPA**'s absolute discretion.

SECTION 38. TIME

Time is of the essence in the Contract and in every part hereof.

SECTION 39. AMENDMENT AND WAIVER

Neither the Contract nor any provision hereof may be changed, waived, altered, amended, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, alteration, amendment, discharge or termination is sought. For purposes of this Contract, the signature of the Chairman or his designee, of the Consolidated Commission on Utilities is required to bind the **AUTHORITY**.

Failure by either party to object to any failure of performance by the other party of any provision of the Contract shall not constitute a waiver of, or estoppel against, the right of such party to require such performance by the other. Nor shall any such failure to object constitute a waiver or estoppel with respect to any succeeding failure of performance.

SECTION 40. DESCRIPTIVE HEADINGS

The descriptive headings of the several Sections and Subsections in this Invitation are inserted for convenience only and shall not be deemed to affect the meaning or construction of any provision hereof.

SECTION 41. RELATIONSHIP OF PARTIES

Nothing contained in the Contract shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of any association between **CONTRACTOR** and **GPA**, and no provisions contained in the Contract nor any acts of the parties shall be deemed to create any relationship between **GPA** and **CONTRACTOR**, other than the relationship of buyer and seller.

SECTION 42. NUMBER AND GENDER

In the Contract the masculine gender includes the feminine and neuter, the singular number includes the plural, and the word "person" includes corporation, partnership, firm or association wherever the context so requires.

SECTION 43. SUCCESSORS IN INTEREST

Each and all of the covenants, conditions, and restrictions in the Contract shall inure to the benefit of and shall be binding upon the permitted assignees and successors in interest of either party.

SECTION 44. PARTIAL INVALIDITY

Should any part of the Contract for any reason be declared to be invalid, such decision shall not affect the validity of any remaining portion thereof, which remaining portion shall remain in force