



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. FY'2024-13

**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

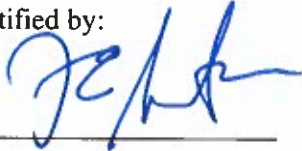
1 **NOW THEREFORE, BE IT RESOLVED**, by the Consolidated Commission on Utilities subject
2 to the review and approval of the Guam Public Utilities Commission, as follows:

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

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

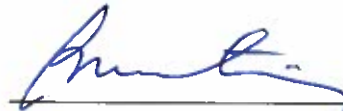
13 **DULY AND REGULARLY ADOPTED**, this 23rd day of **January 2024**.

14
15 Certified by:

16 

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18 **FRANCIS E. SANTOS**
19 Vice Chairperson

20 Attested by:

21 

22 **PEDRO ROY MARTINEZ**
23 Secretary

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

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

30 AYES:

31 4

32 NAYS:

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ABSTAIN:

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ABSENT:

1



**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