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8  
9 *Attorney for the Guam Power Authority*

10  
11 **BEFORE THE PUBLIC UTILITIES COMMISSION**

12  
13 IN THE MATTER OF ) DOCKET NO.94-04  
14 )  
15 GUAM POWER AUTHORITY'S )  
16 NOTICE OF INTENTION TO EXTEND )  
17 EXISTING PMC TEMES CONTRACT )  
18 )  
19 \_\_\_\_\_ )  
20

21 **COMES NOW**, GUAM POWER AUTHORITY and hereby gives notice to the Guam  
22 Public Utilities Commission that GPA intends to extend the existing PMC contract with TEMES  
23 from January 1, 2008 to June 30, 2008, to allow TEMES to complete the overhaul projects for  
24 Cabras 1 & 2, which were delayed as a result of the Cabras 4 fire.

25 **RESPECTFULLY SUBMITTED** this 14<sup>th</sup> day of November, 2007.

26  
27   
28 \_\_\_\_\_  
29 D. GRAHAM BOTHA, ESQ.  
Legal Counsel for the Guam Power Authority



1 and is in the process of soliciting proposals for the following works:

- 2 • 2A/2B Condenser Inspection and Cleaning
- 3 • Unit #2 Generator Rewinding;

4 and

5  
6  
7 **WHEREAS**, the current PMC contract was awarded to Taiwan Electrical & Mechanical  
8 Engineering Services (TEMES) in December 2002, which will expire on December 31, 2007;  
9 and

10 **WHEREAS**, the Authority is currently in the process of procuring a new PMC contract  
11 for the Cabras 1&2 power plant and anticipates award to be made in late December 2007; and

12  
13 **WHEREAS**, GPA believes that award of the PMC contract to a firm other than TEMES  
14 will result in further rescheduling and delay of the needed Cabras Power Plant Units 1&2  
15 maintenance and repair work while the new PMC transitions and undertakes to take over the  
16 requirements of the two major overhaul work projects; and

17  
18 **WHEREAS**, the Management believes that in recognition of TEMES' familiarity with  
19 the scope of work and the established relationships with the services and material contractors, it  
20 would be reasonable and prudent for GPA to allow TEMES to perform the overhauls of Cabras 1  
21 & 2 power plants;

22  
23  
24 **NOW, THEREFORE BE IT RESOLVED**, by the Consolidated Commission on  
25 Utilities as follows:

26  
27 The Consolidated Commission on Utilities hereby directs the GPA General Manager,  
28 subject to Public Utilities Commission's approval, to negotiate an extension of the  
29 Performance Management Contract (PMC) for Cabras 1&2 power plant with the Taiwan  
30 Electrical & Mechanical Engineering Services to complete the maintenance and repair  
31 overhauls for both plants for a period not to exceed six months from January 1, 2008 to  
32 June 30, 2008.

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

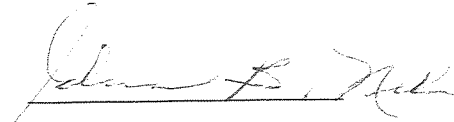
3  
4 **DULY AND REGULARLY ADOPTED AND APPROVED THIS 13<sup>th</sup> DAY OF**  
5 **NOVEMBER, 2007.**

7 Certified by:

7 Attested by:

8  
9 

10 **SIMON A. SANCHEZ, II**  
11 Chairperson

8  
9 

10 **GLORIA B. NELSON**  
11 CCU Board Secretary

12  
13 **SECRETARY'S CERTIFICATE**

14  
15 I, **Gloria B. Nelson**, Secretary for the Consolidated Commission on Utilities do  
16 hereby certify that the foregoing is a full, true, and correct copy of the resolution duly  
17 adopted at a regular meeting of the members of Guam's Consolidated Commission on  
18 Utilities, duly and legally held at the meeting place thereof on November 13, 2007, at  
19 which meeting of all said members had due notice and at which at least a majority thereof  
20 were present, and

21 At said meeting said resolution was adopted by the following vote:

22 Ayes: 4

23 Nays: 0

24 Absent: 0

25 Abstain: 0

26  
27 As of the date of this certification, said original resolution has not been amended,  
28 modified, or rescinded since the date of its adoption, and the same is now in full force and effect.

29 **SO CERTIFIED** this 13<sup>th</sup> day of November, 2007.

30  
31   
32 **GLORIA B. NELSON**

Secretary  
Consolidated Commission on Utilities



# GUAM POWER AUTHORITY

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

November 8, 2007

## MEMORANDUM

**TO:** GENERAL MANAGER  
**FROM:** AGMO  
**SUBJECT:** TEMES PMC Contract Extension Request

The boiler inspection and repairs and other miscellaneous repairs for Cabras Power Plant Units 1&2 were originally scheduled to be conducted on August 15 through September 18, 2007 for Unit #2, and October 18 through November 21, 2007 for Unit #1. TEMES has done extensive planning and preparations for these outages. TEMES has also solicited, negotiated and contracted the following services and material supply in preparation for these outages:

- HP-4 & LP-2 Heater Inspection for Unit #2
- Boiler Inspection for Unit 1&2
- Safety Valve Inspection for Unit 1&2
- Mark V Calibration & Tuning for Unit 1&2
- CWP Water Piping Replacement for Unit 1&2
- Piping Stress Relieving (Preheat and Heat Treatment) Services
- Welding services for the welding work during the outage
- Stack Refurbishment for Unit #2
- Upgrade Concrete Foundation of 2A FDF Motor
- Supply of Arch Tube Materials
- Preheat and Heat Treatment
- Replacement of Steam Drum Internals for Units 1&2
- Inspection and replacement of refractory's at the Penthouse/Vestibule area of Units 1&2.
- Boiler Casing Repairs for Unit 1&2

In addition TEMES is in the process of soliciting proposal for the following works:

- 2A/2B Condenser Inspection and Cleaning
- Unit #2 Generator Rewinding

Due to the incident at Cabras Unit #4 in mid-March this year, the outages were postponed in order for Cabras Units 1&2 to support the Island Power System. The inspection and repairs were rescheduled for January 12 through February 15, 2008 for Unit #2 and March 8 through April 11, 2008 for Unit #1. The rescheduled work goes beyond TEMES' PMC contract expiration of

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Memorandum to: General Manager  
Re: TEMES PMC Contract Extension Request

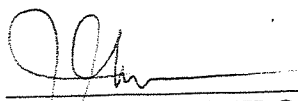
November 8, 2007  
Page 2 of 2

December 31, 2007. In view of this we would like to request that TEMES contract be extended until the inspection and repairs for Units 1&2 are completed. It would be prudent for GPA to allow TEMES to perform the work rather than having the new PMC Contractor take over the management and supervision of the repairs assuming TEMES is not awarded the contract. TEMES' familiarity with the scope of work and the established relationship with the services and material contractor will make management and coordination of the work more efficient.

Upon receipt of approval, we will provide the draft resolution for CCU approval and the draft filing for PUC review and approval.

Respectfully,

  
ANDRIANO E. BALAJADIA

APPROVED:   
JOAQUIN C. FLORES, P.E.  
General Manager

Date: 11/8/07