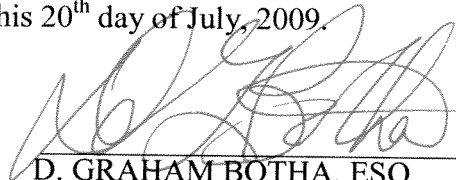


1 this Petition, GPA hereby provides the PUC with Consolidated Commission on Utilities (CCU)
2 Resolution No. 2009-31, which authorizes the General Manager to proceed with the procurement
3 for Supply of Diesel Fuel Oil to GPA. Said resolution and its exhibits are attached herein as
4 Exhibit A, and incorporated by reference herein as if fully set forth. The exhibits include a copy
5 of the draft Invitation for Bid, together with a CD setting forth additional information.

6 **CONCLUSION**

7 The PUC should approve GPA's request to proceed with the procurement for Supply of
8 Diesel Fuel to GPA for the Dededo Diesel units and the Combustion Turbines. The diesel fuel
9 oil is essential to the operation of the diesel power plants, and a contract is reasonable, prudent,
10 and necessary.

11 **RESPECTFULLY SUBMITTED** this 20th day of July, 2009.

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14 **D. GRAHAM BOTHA, ESQ.**
15 GPA Legal Counsel
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GUAM POWER AUTHORITY
ATURIDÁT ILEKTRESEDÁT GUAHAN
P.O. BOX 2977, HÂGATÑA, GUAM 96932-2977

TO: Guam Public Utilities Commission

FROM : Joaquin C. Flores, P.E.
General Manager, Guam Power Authority

DATE: July 17, 2009

SUBJECT: **Request for CCU Approval for the Development of Bid Documents and Procurement of a Contract for the Supply of Diesel Fuel Oil to the Dededo Diesel Power Generating Unit, and the Combustion Turbines (CTs) at Dededo, Macheche, Marbo, and Yigo.**

The three (3) year base period for the current Diesel Fuel Supply Contract under IFB GPA-034-06 will expire on September 30, 2009.

The Guam Power Authority wishes to solicit a new Invitation For Bid under IFB GPA-050-09 for the supply of diesel fuel oil to the Dededo Diesel Power Generating Unit, and the Combustion Turbines (CT's) at Dededo, Macheche, Marbo, and Yigo.

The Authority believes that a new bid will yield competitive bids of lower prices that will benefit the Authority and its customers. GPA is also requesting for Bid Offers for different methods, such as Pipeline Delivery and Tanker Truck deliveries. We have attached the draft documents relative to above mentioned Invitation for Bids.

GPA is seeking the approval of the Guam Public Utilities Commission to allow the Authority to proceed with the development of the bid documents and to procure a contract for the diesel fuel oil supply.

JOAQUIN C. FLORES, P.E.



**CONSOLIDATED
COMMISSION ON UTILITIES**

Guam Power Authority • Guam Waterworks Authority
P.O. BOX 2977 • Agana, Guam 96932

CONSOLIDATED COMMISSION ON UTILITIES

RESOLUTION NO. 2009-31

**AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY
TO PROCEED WITH THE PROCUREMENT OF A DIESEL FUEL OIL
SUPPLIER FOR DEDEDO DIESEL POWER GENERATING UNITS
AND THE COMBUSTION TURBINES POWER GENERATING UNITS AT
DEDEDO, MACHECHE, YIGO, AND MARBO**

WHEREAS, the three (3) year base period for the current supply contract with Shell Guam, Inc. for the Supply of Diesel Fuel Oil to the Dededo Diesel Power Generating Units and the Combustion Turbines Power Generating Units at Dededo, Macheche, Yigo, and Marbo will expire on September 30, 2009; and

WHEREAS, during GPA's discussions with the Shell Guam, Inc., an increase in the current price was indicated; and

WHEREAS, the Authority believes that premium fees should be reduced following lower prices of petroleum in the world market today compared with the prices of petroleum during the start of the current contract will translate to lower premium fee cost that would benefit for the best interest of GPA and its ratepayers and therefore recommends for the solicitation of a new bid; and

WHEREAS, the cumulative cost of the present diesel fuel oil contract thru May of the current fiscal year is \$4,335,582 as shown in Exhibit A indicates that the next contract will also exceed the GPA General Manager's procurement authority of \$250,000; and

WHEREAS, the cumulative cost of the present diesel fuel oil contract thru April of the current fiscal year is \$4,335,582 as shown in Exhibit A indicates that the next contract will also exceed the \$1,500,000 Guam Public Utilities Commission procurement protocol threshold to GPA, thus, GPA is required to seek authorization for this procurement from the Guam Public Utilities Commission; and

WHEREAS, Exhibit B represents the pre-final draft of the procurement documents for an Invitation For Bid (IFB GPA-050-09) for the procurement of diesel fuel oil; and

WHEREAS, GPA desires to issue an Invitation For Bid (IFB GPA-050-09) for the procurement of diesel fuel oil; and

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4 **NOW THEREFORE, BE IT RESOLVED**, by the Consolidated Commission on
5 Utilities, subject to the review and approval of the Guam Public Utilities Commission, as
6 follows:
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9 1. The Consolidated Commission on Utilities recognizes the continued reliance of
10 GPA on burning Diesel Fuel Oil for the generation of electricity to serve its custoemrs.
11 The CCU authorizes GPA to proceed with the development of bid documents, the issuance
12 of an invitation for bid and the procurement of Diesel Fuel Oil supplier for the Dededo
13 Diesel Power Generating Units and the Combustion Turbine Power Generating Units at
14 Dededo, Macheche, Yigo and Marbo..
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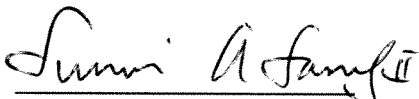
16 2. The Consolidated Commission on Utilities agrees that the solicitation of
17 competitive bids for the contract to supply GPA's Diesel Fuel Oil requirements is prudent
18 and in the best interest of GPA's customers.
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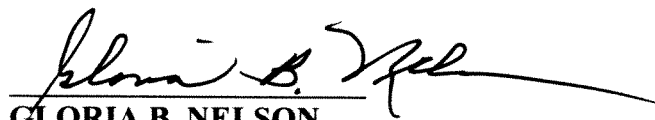
20 3. The Consolidated Commission on Utilities authorizes GPA to proceed with the
21 petition to the Guam Public Utilities Commission for the issuance of the Invitation for Bid
22 to procure diesel fuel oil.
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26 **SO RESOLVED AND DULY AND REGULARLY ADOPTED** this 23rd day of
27 June, 2009.
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29 **Certified by:**

Attested by:

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33 **SIMON A. SANCHEZ II**
34 Chairperson
35 Consolidated Commission on Utilities
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GLORIA B. NELSON
Secretary
Consolidated Commission on Utilities

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4 **SECRETARY'S CERTIFICATE**
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7 **I, Gloria B. Nelson**, Secretary for the Consolidated Commission on Utilities do
8 hereby certify that the foregoing is full, true, and correct copy of the resolution duly
9 adopted at a regular meeting of the members of Guam's Consolidated Commission on
10 Utilities, duly and legally held at the meeting place thereof on June 23, 2009, at which
11 meeting of all said members had due notice and at which at least a majority thereof were
12 present, and
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14 At said meeting said resolution was adopted by the following vote:
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16 Ayes: 3
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18 Nays: 0
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20 Absent: 2
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22 Abstain: 0
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24 As of the date of this certification, said original resolution has not been amended,
25 modified, or rescinded since the date of its adoption, and the same is now in full force and
26 effect.
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28 **SO CERTIFIED** this 23rd day of June, 2009.
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GLORIA B. NELSON

Secretary

Consolidated Commission on Utilities