

**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 (1<sup>st</sup>) 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. 2024-12, and by the PUC through Docket No. 24-12; 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 <sup>st</sup> ) Year	Second (2 <sup>nd</sup> ) Year	Third (3 <sup>rd</sup> ) Year	First (1 <sup>st</sup> ) Year	Second (2 <sup>nd</sup> ) Year	Third (3 <sup>rd</sup> ) Year
High Sulfur Fuel Oil (HSFO), 2.00% <sub>w</sub> Sulfur (Maximum)	1,500,000	500,000	0	0	0	0
Low Sulfur Fuel Oil (LSFO), 1.19% <sub>w</sub> Sulfur (Maximum)	500,000	0	0	0	0	0
Ultra-Low Sulfur Fuel Oil (ULSFO), 0.20% <sub>w</sub> 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.”

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### 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

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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:

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

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

**BID REFERENCE PRICE = \$ 214.640 per Metric Ton**

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

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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 <sup>st</sup> ) Year Base Period	Second (2 <sup>nd</sup> ) Year Base Period	Third (3 <sup>rd</sup> ) Year Base Period	First (1 <sup>st</sup> ) Year Extension	Second (2 <sup>nd</sup> ) Year Extension	Third (3 <sup>rd</sup> ) 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 <sup>st</sup> ) Year Base Period	Second (2 <sup>nd</sup> ) Year Base Period	Third (3 <sup>rd</sup> ) Year Base Period	First (1 <sup>st</sup> ) Year Extension	Second (2 <sup>nd</sup> ) Year Extension	Third (3 <sup>rd</sup> ) Year Extension
A. Bid Reference Price	\$214.640	\$214.64	\$214.64			
<u>B. Fixed Premium Fee</u>	\$124.690	\$124.690	\$124.690			
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 <sup>st</sup> ) Year Base Period	Second (2 <sup>nd</sup> ) Year Base Period	Third (3 <sup>rd</sup> ) Year Base Period	First (1 <sup>st</sup> ) Year Extension	Second (2 <sup>nd</sup> ) Year Extension	Third (3 <sup>rd</sup> ) Year Extension
A. Bid Reference Price	\$559.942	\$559.942	\$559.942	\$559.942	\$559.942	\$559.942
<u>B. Fixed Premium Fee</u>	\$ 79.000	\$ 79.000	\$ 79.000	79.000	75.000	75.000
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 6<sup>th</sup> day of MARCH 2024 by:

For the Guam Power Authority:

  
mw **JOHN M. BENAVENTE, P.E.**  
General Manager

**HYUNDAI CORPORATION**  
For Hyundai Corporation (Company Seal):

  
**Mong Hyuck Chung**  
**Chairman & C.E.O.**  
**MONG HYUCK CHUNG**  
Chairman & C.E.O.  


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