



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority

P.O. Box 2977 Hagatña, Guam 96932 | (671) 648-3002 | guamccu.org

GPA RESOLUTION NO. 2025-15

AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY (GPA) TO ENTER INTO AN AGREEMENT EXTENSION TERM

WITH TRISTAR TERMINALS GUAM, INC.:

A. RFO PIPELINE LEASE AGREEMENT

B. RFO STORAGE LEASE AGREEMENT

WHEREAS, the Guam Power Authority (“GPA” or “Authority”) utilizes the services of Tristar Terminals Guam, Inc. (“Tristar” or “TTGI”) for the lease of the pipeline for the delivery and transport of Residual Fuel Oil No.6 (“RFO”) to and from GPA’s fuel storage facilities through a **Pipeline Agreement** under TTGI-PA-2013; and

WHEREAS, GPA utilizes the Tristar fuel storage facilities for GPA’s Residual Fuel Oil No.6 (“RFO”) storage requirements through an **RFO Storage Lease Agreement** under TTGI-SA-2013; and

WHEREAS, TTGI is the sole service provider for the **Pipeline Agreement and RFO Storage Lease Agreement** (or “2 Agreements”); and

WHEREAS, the current contracts for the **Pipeline Agreement and RFO Storage Lease Agreement** will expire on August 31, 2025; and

WHEREAS, GPA anticipates the need to continue the lease of the RFO tanks until the retirement of Cabras Units 1 & 2, to include the emptying out of the leased tanks and pipelines which is anticipated to be completed within a few months after the commissioning of the Ukudu Power Plant; and

WHEREAS, GPA and TTGI have negotiated for the extension of the 2 Agreements for one (1) years to commence on September 01, 2025 and to expire on August 31, 2026 with option to extend for an additional period of up to 2 years; and

32 **WHEREAS**, TTGI increased the fees for the 2 Agreements by 5% for the extension period as
33 shown in Exhibit A, citing increased operational cost. GPA has determined the fee increase to be
34 reasonable with current fee being maintained since 2022; and

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36 **WHEREAS**, the fee schedule for the **Pipeline Agreement** is increased to \$49,555.65 per
37 month or \$594,667.80 for the 1-year extension period year; and

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39 **WHEREAS**, for the **RFO Storage Agreement**, the Tank Lease Fee based on a contracted
40 storage capacity of 422,125 bbls is increased to \$169,209.26 per month or \$2,030,511.17 for the 1-year
41 extension period while the Plant Delivery Fee is estimated at \$656,640.00 per year for a total estimated
42 expenses of approximately \$2,687,151.17 for the 1-year extension period; and

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44 **WHEREAS**, GPA has determined that the contract extension period for the 2 Agreements will
45 serve the best interest of the Authority and its ratepayers by ensuring uninterrupted supply of fuel to
46 GPA through the use of Tristar's fuel handling facilities; and

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48 **WHEREAS**, GPA shall terminate the 2 Agreements after the retirement of Cabras Plant Units
49 I&2 which is anticipated to be completed within a few months after the commissioning of the Ukudu
50 Power Plant for a potential future annual savings of \$3,281,818.97 to benefit the ratepayers; and

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52 **WHEREAS**, GPA is requesting the approval of the CCU for the extension of the **Pipeline**
53 **Agreement and RFO Storage Lease Agreement** for one (1) year to commence on September 1,
54 2025.

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56 **NOW THEREFORE, BE IT RESOLVED**, by the CONSOLIDATED COMMISSION ON
57 UTILITIES as the governing body of GPA, and subject to the review and approval of the Public Utilities
58 Commission, as follows:

- 59
60 1. The General manager of the Guam Power authority is hereby authorized enter into a contract
61 extension with Tristar Terminal Guam, Inc. for the **Pipeline Agreement (TTGI-PA-2013)**, and
62 **Storage Lease Agreement (TTGI-SA-2013)** for one (1) year, commencing on September 01,
63 2025.

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

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Resolution.

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DULY AND REGULARLY ADOPTED AND APPROVED THIS 22ND DAY OF April

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2025.

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Certified by:

[Handwritten signature of Francis E. Santos]

FRANCIS E. SANTOS
Chairman

Attested by:

[Handwritten signature of Melvin F. Duenas]

MELVIN F. DUENAS
Secretary

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I, Melvin F. Duenas, Board Secretary for the Consolidated Commission on Utilities, as evidenced by my signature above do certify as follows:

The foregoing is a full, true, and accurate copy of the resolution duly adopted at a regular meeting of the members of 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:

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AYES: 5

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NAYS: 0

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ABSTENSTIONS: 0

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ABSENT: 0

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Exhibit A

Fee Schedule		Current Contract	Contract Extension	Variance	
RFO Pipeline Agreement	Ref	TTGI-PA-2013 Current Term 09/01/22-08/31/25	TTGI-PA-2013 1-Year Extn 09/01/25-08/31/26		
Pipeline Rental Fee (Pipeline from Dock to Navy tie-in)	\$/month	\$47,195.86	\$49,555.65	\$2,359.79	5% Increase
	\$/yr	\$566,350.32	\$594,667.80	\$28,317.48	5% Increase
RFO Storage Agreement (TTGI-SA-2013)	Ref	TTGI-SA-2013 Current Term 09/01/22-08/31/25	TTGI-SA-2013 1-Year Extn 09/01/25-08/31/26		
1. Storage Lease Fees (Based on 422,150 bbls capacity)	\$/month	\$161,151.68	\$169,209.26	\$8,057.58	5% Increase
	\$/yr	\$1,933,820.16	\$2,030,511.17	\$96,691.01	5% Increase
2. Plant Delivery Fee	Days/month	30	30		
	Hrs/day	12	12		
	\$/hr	38	38		
	Optrs	4	4		
	\$/month	\$54,720.00	\$54,720.00		
	\$/yr	\$656,640.00	\$656,640.00	\$0.00	0% Increase
Sub-Total (RFO Storage Agreement)	\$/yr	\$2,590,460.16	\$2,687,151.17	\$96,691.01	4% Increase
TOTAL FOR THE 2 AGREEMENTS		\$/yr	\$3,156,810.48	\$3,281,818.97	

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TTGI/ADMIN/APR/2025/002

April 8, 2025

John Benevente P.E.
 General Manager
 Guam Power Authority
 PO Box 2977 Hagatna
 Guam 96932-2977

Subject: Proposal and Offer Terms for RFO Storage and Pipeline Agreement for the period 2025-2026

Dear Mr. Benavente,
 Tristar Terminals Guam, Inc. (Tristar) hereby submits its proposed fee structure to renew the RFO Storage and Pipeline Agreement. This fee schedule will be applicable for one (1) year beyond the current agreement's term, expiring on August 31, 2025, with the option to extend an additional two (2) years.

While Tristar has successfully maintained our current storage rates for the past three years, significant and sustained operational cost increases require us to adjust our proposed rates. This adjustment is vital for Tristar to continue our partnership with the Guam Power Authority and deliver the reliable, high-quality service GPA.

For your reference, a breakdown of the revised rates is provided below and in the accompanying document.

Storage Agreement# TTGI-SA-2013.

Extended Period Year	Period	Monthly Fee	Annual Fee
1	September 2025 - August 2026	\$169,209.26	\$2,030,511.17

Pipeline Agreement# TTGI-PA-2013

Extended Period Year	Period	Monthly Fee	Annual Fee
1	September 2025 - August 2026	\$49,555.65	\$594,667.80

Contract amendments reflecting the fees above and extending the validity of the existing contract accompany this letter. Should you need further clarification regarding this letter please feel free to contact me at 565-2300.

Sincerely yours,

John Afneje,
 Terminal Manager
 Tristar Terminals Guam, Inc.

**AMENDED NO. 5
STORAGE AGREEMENT
TTGI-SA-2013**

This Amendment No. 5 to the Storage Agreement (“5th Amendment”) 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 (GPA)**, a public corporation of Guam, whose address is P.O. Box 2977, Hagatna, Guam 96932.

WHEREAS, a Storage Agreement with the reference “TTGI-SA-2013” between the parties dated 1st September, 2013 expires on 31st August, 2025, and the parties want to extend and continue the said Agreement.

NOW, THEREFORE, the parties agree:

1. Amendment No.5 to the Agreement shall be as follows:

SECTION 5. TERM

- a) The said Agreement is extended for 1 year to commence on September 01, 2025, and to expire on August 31, 2026.
- b) The customer shall have the option to extend on a year-to-year basis, upon expiration of the extended term on August 31, 2026, for a period not exceeding two (2) successive yearly extensions. In the event that an “Additional Extension Term” beyond the agreed optional two (2) successive yearly extensions is needed, the Terms and Conditions, including the storage fees shall be mutually agreed upon by both Parties prior to exercising the Additional Extension Term option.
- c) The customer shall provide in writing with a minimum notice period of 30 days prior to exercising the allowed extension.

SECTION 6. STORAGE FEE

The storage fee for the extended period will be:

Extended Period Year	Period	Monthly Fee	Annual Fee
1	September 2025 - August 2026	\$169,209.26	\$2,030,511.17

SECTION 7. TERMINATION

This Agreement may be terminated earlier than the term expiration under the following conditions:

- a) Upon agreement of the Parties, with a minimum notice period of two (2) months, either in writing or by email, 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 29 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) By a Party in accordance with Section 14 (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.

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

TRISTAR TERMINALS GUAM, INC.

By: 
Name: John Afilleje
Title: Terminal Manager
Date: 08 April 2025

GUAM POWER AUTHORITY

By: _____
Name: John Benavente, P.E.
Title: General Manager
Date: _____

**AMENDED NO. 3
PIPELINE AGREEMENT
TTGI-PA-2013**

This Amendment No. 3 to the Pipeline Agreement (“3rd Amendment”) 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 (GPA)**, a public corporation of Guam, whose address is P.O. Box 2977, Hagatna, Guam 96932.

WHEREAS, a Pipeline Agreement with the reference “TTGI-PA-2013” between the parties dated 1st September, 2013 expires on 31st August, 2025, and the parties want to extend and continue the said Agreement.

NOW, THEREFORE, the parties agree:

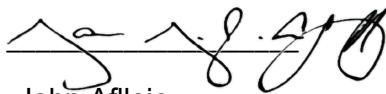
1. The said Agreement is extended for 1 year to commence on September 01, 2025, and to expire on August 31, 2026.
2. The customer shall have the option to extend on a year-to-year basis, upon expiration of the extended term on August 31, 2026, for a period not exceeding two (2) successive yearly extensions. In the event that an “Additional Extension Term” beyond the agreed optional two (2) successive yearly extensions is needed, the Terms and Conditions, including the fee shall be mutually agreed upon by both Parties prior to exercising the Additional Extension Term option.
3. The fee for the extended period will be:

Extended Period Year	Period	Monthly Fee	Annual Fee
1	September 2025 - August 2026	\$49,555.65	\$594,667.80

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

TRISTAR TERMINALS GUAM, INC.

GUAM POWER AUTHORITY

By: 

By: _____

Name: John Afleje

Name: John Benavente, P.E.

Title: Terminal Manager

Title: General Manager

Date: 08 April 2025

Date: _____