

BOARD OF DIRECTORS

Francisco G. Santos, Chairman

Oscar A. Calvo, Vice Chairman

Timothy T. Kernaghan, Board Secretary



Resolution No. 2015-01

RELATIVE TO FILING THE ACCELERATED TARIFF PETITION TO THE PUBLIC UTILITIES COMMISSION IN SUPPORT OF THE PORT MODERNIZATION PROGRAM AND SUSTAINABILITY RELATED CAPITAL INVESTMENTS FOR PROJECTS IDENTIFIED IN THE PORT OF GUAM MASTER PLAN UPDATE 2013

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE JOSE D. LEON GUERRERO COMMERCIAL PORT:

WHEREAS, was created by Public Law 13-87 on October 31, 1975; and

WHEREAS, the Jose D. Leon Guerrero Commercial Port, through its Board of Directors, has the responsibility to ensure sustainable operations of the Commercial Port and improve upon services to the people of Guam; and

WHEREAS, on October 22, 2012, the Port filed its 20-Year Financial Plan and 5-Year Rate Plan describing certain near and long term sustainability projects with the Public Utilities Commission; and

WHEREAS, on July 19, 2013, the Port filed the Interim Tariff Petition with the Public Utilities Commission that was subsequently approved through Order of the Commission dated January 30, 2014, PAG Docket No. 13-01; and

WHEREAS, the Ordering Provisions of Public Utilities Commission PAG Docket No. 13-01 required the Port to file a revised interim tariff petition as well as seek approval of its 5-Year Rate Plan; and

WHEREAS, the Jose D. Leon Guerrero Commercial Port of Guam Master Plan Update 2013, was conditionally approved by the *I Mina Trentai Dos Na Liheslaturan Guahan* and signed into law on May 21, 2014 as Public Law 32-155 by the *I Magalahen Guahan*; and

WHEREAS, the Port reengaged its Owner's Agent/Engineer to Update the 5-Year Tariff Petition describing project components contained in the near term Port Modernization Program along with related financial schedules to support other direly needed sustainability investments; and

WHEREAS, the Port now seeks to adopt the findings contained in the 5-Year Accelerated Tariff Petition Analysis conducted by Parsons Brinkerhoff dated December 26, 2014; and

WHEREAS, it has been determined through the financial analysis that there be an adjustment in the Port's Terminal Tariff of a 7% annual increase in each year from 2016 through 2020, followed by the 3.95% future growth rate previously noted within the 2013 Master Plan Update Report; now therefore be it

RESOLVED, the Board of Directors hereby adopts the report analysis and hereby authorizes the filing of the 5-Year Accelerated Tariff Petition to the Public Utilities Commission, following adequate Public Notice; and be it further

RESOLVED, the Board of Directors further approve only a one time increase of 7% at this time of which shall take effect upon the approval of the Public Utilities Commission and the subsequent proposed annual increases for the remaining four year of the Petition shall be subjected to further financial review and approval of the Port Authority of Guam Board of Directors; and be it further

RESOLVED, the Board of Directors hereby authorizes release of the Public Notice on the 5-Year Accelerated Tariff Petition to support the financial needs of the Port; and be it further

RESOLVED, the Chairman certify to, and the Secretary attest to, the adoption hereof and that a copy of this resolution be sent to the Public Utilities Commission, the Honorable Judith B. Won Pat, Speaker of the 33rd Guam Legislature, and the Honorable Thomas C. Ada, Oversight Chair for the Committee on Transportation, Infrastructure, Lands, Border Protection, Veterans' Affairs and Procurement.

PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF DIRECTORS THIS 25th DAY OF MARCH, 2015.

**FRANCISCO G. SANTOS
CHAIRMAN, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM**

**TIMOTHY T. KERNAGHAN
BOARD SECRETARY, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM**

