

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



APPLICATION OF GUAM POWER
AUTHORITY TO ISSUE
COMMERCIAL PAPER NOTES

DOCKET 94-04

Resolution

Whereas, on September 28, 2004 Guam Power Authority [GPA] petitioned the Commission for authorization to convert its tax-exempt commercial paper program into a taxable commercial paper program to fund short-term cash requirements. This transaction requires prior Commission approval under 12 GCA 12004.

Whereas, the Commission has review a proposed Order [copy enclosed], which was drafted by GPA's bond counsel and by which the Commission would approve the transaction.

Whereas, the proposed transaction has been examined by the Commission's independent regulatory consultant [Georgetown Consulting Group - GCG], whose counsel, by letter dated October 13, 2004 [copy enclosed], has recommended that regulatory approval be conditioned on: a) the deletion of a penalty provision in the Credit Agreement, which counsel asserts is unlawful; and b) the addition of language in the Credit Agreement to address withholding risks in the event a foreign lender becomes a participant in the facility. GPA's counsel has also raised substantive concerns with certain terms as The Credit Agreement, which are set forth in his October 14, 2004 email (copy enclosed).

Whereas, the Commission concludes that there has been insufficient time for GCG to confer with GPA and its bond counsel regarding these concerns.

Whereas, the Commission desires to act on GPA's petition at the earliest possible date.

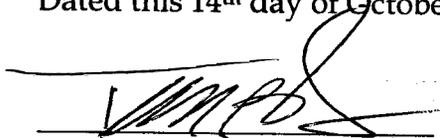
Now, therefore, after due deliberation and on motion duly made, seconded and carried by the vote of the undersigned commissioners, the Commission **HEREBY RESOLVES THAT:**

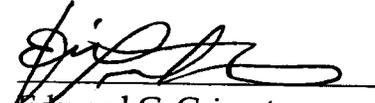
- 1 The Commission shall execute *but not date* the Order. The Commission's administrative law judge [ALJ] is authorized and empowered to date, stamp and release the Order, when:

- a. The transaction documents, as referenced in the Order as exhibits, are filed with the Commission in execution form;
- b. GCG's and GPA's counsel's concerns, as described above, are resolved to ALJ's reasonable satisfaction; and
- c. GCG provides comfort that the transaction documents, in execution form, are not materially different [except amendments made to address GCG's concerns] from those referenced in its counsel's October 13, 2004 opinion letter.

2. The Order shall be effective on the date of its release by ALJ.

Dated this 14th day of October 2004.


Terrence M. Brooks


Edward C. Crisostomo


Gerald M. Woo


Rowena E. Perez


Joseph M. McDonald


Richie T. Lim


Filomena M. Cantoria