EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

Office of the Governor Of Guam

DEC 0 5 2017

34-17-1295
Speaker Benjamin J.F. Cruz

DEC 0 5 2017
Time: 350 [ ] AM [ ] PM File No. _____
Received By: _____

Honorable Benjamin J.F. Cruz
Speaker
I Mina'trentai Kuåttro Na Liheslaturan Guåhan
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

Dear Mr. Speaker:

Transmitted herewith is Substitute Bill No. 139-34 (COR), **"AN ACT TO APPROVE THE TERMS AND CONDITIONS OF GUAM POWER AUTHORITY REVENUE BONDS TO REFUND OUTSTANDING GUAM POWER AUTHORITY REVENUE BONDS,"** which was signed on December 5, 2017, as **Public Law 34-69.**

Senseramente,

RAY TENORIO
I Maga'låhen Guåhan, para pa'go
Acting Governor of Guam

2017 DEC -5 PM 4:11 CS

I MINA'TRENTAI KUÅTTRO NA LIHESLATURAN GUÅHAN
2017 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'LÅHEN GUÅHAN*

This is to certify that **Bill No. 139-34 (COR), "AN ACT TO APPROVE THE TERMS AND CONDITIONS OF GUAM POWER AUTHORITY REVENUE BONDS TO REFUND OUTSTANDING GUAM POWER AUTHORITY REVENUE BONDS,"** was on the 5th day of December 2017, duly and regularly passed.

Benjamin J.F. Cruz
Speaker

Attested:

Thomas c. Ada
Acting Legislative Secretary

This Act was received by *I Maga'låhen Guåhan* this 5th day of Dec, 2017, at 12:13 o'clock P.M.

Assistant Staff Officer
Maga'låhi's Office

APPROVED:

RAYMOND S. TENORIO
Acting Governor of Guam

Date: December 5, 2017

Public Law No. 34-69

I MINA'TRENTAI KUÅTTRO NA LIHESLATURAN GUÅHAN
2017 (FIRST) Regular Session

Bill No. 139-34 (COR)
As amended in the Committee
of the Whole.

Introduced by:

Telena Cruz Nelson
William M. Castro
Fernando Barcinas Esteves
Thomas C. Ada
FRANK B. AGUON, JR.
B. J.F. Cruz
James V. Espaldon
Régine Biscoe Lee
Tommy Morrison
Louise B. Muña
Dennis G. Rodriguez, Jr.
Joe S. San Agustin
Michael F.Q. San Nicolas
Therese M. Terlaje
Mary Camacho Torres

AN ACT TO APPROVE THE TERMS AND CONDITIONS OF GUAM POWER AUTHORITY REVENUE BONDS TO REFUND OUTSTANDING GUAM POWER AUTHORITY REVENUE BONDS.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. (a) *I Liheslaturan Guåhan* finds that § 8203 of Article 2, Chapter 8, Title 12, Guam Code Annotated, provides that the Guam Power Authority (GPA) is authorized to incur indebtedness by the issuance of revenue bonds with the approval of *I Maga'låhi* (the Governor) to raise

funds for the purpose of establishing the electric power system of GPA, or of acquiring lands for the system, or of acquiring, constructing, improving, equipping, maintaining, repairing, renewing, replacing, reconstructing, or insuring the system, or any part thereof, or for the purpose of refunding any such bonds, or for any combination of such purposes.

(b) § 12105 of Article 1, Chapter 12, Title 12, Guam Code Annotated, provides that the GPA *shall not* enter into any contractual agreements or obligations (including bonds) that could increase rates and charges prior to the written approval of the Public Utilities Commission (PUC).

(c) § 50103 of Article 1, Chapter 50, Title 12, Guam Code Annotated, provides that public corporations of the government of Guam, including GPA, *shall* issue bonds and other obligations only by means of, and through the agency of the Guam Economic Development Authority (GEDA), and that GEDA *shall not* sell any bond without the approval of *I Liheslaturan Guåhan* of the terms and conditions of the bonds.

(d) Based on historical low interest rates and current market conditions, GPA expects to be able to refund certain maturities of its outstanding 2010 Series A revenue bonds for debt service savings. In addition, GPA expects that opportunities will arise from time to time to refund all or a portion of its other then outstanding revenue bonds for debt service savings, which is expected to result in potential savings to ratepayers.

(e) In order to benefit ratepayers, *I Liheslaturan Guåhan* has determined to approve the issuance of revenue bonds by GPA for the purpose described in Subsection (d) of this Section, all subject to approval by the Consolidated Commission on Utilities (CCU), *I Maga'låhen Guåhan*, the GPUC, and the Board of Directors of GEDA in accordance with law.

Section 2. Approval of the Terms and Conditions of Guam Power Authority Refunding Bonds.

I Liheslaturan Guåhan, pursuant to § 50103(k) of Article 1, Chapter 50, Title 12, Guam Code Annotated, hereby approves the terms and conditions of the issuance of senior revenue bonds in one (1) or more series or issues by GPA for the purpose of refunding all or a portion of its currently outstanding 2010 Series A revenue bonds, in accordance with the following requirements, limitations, and terms and conditions:

(a) The aggregate principal amount of the refunding bonds *shall not* exceed the sum of the amount determined in accordance with § 8229 of Article 2, Chapter 8, Title 12, Guam Code Annotated. Any additional amount needed to provide for a deposit to the debt service reserve in connection with the issuance of the refunding bonds *shall* be funded by the debt service reserve fund of the obligations retired by this refunding consistent with all other bond indenture requirements.

(b) All obligations of GPA to pay debt service on, and the redemption price of, the prior bonds *shall* be discharged concurrently with the issuance of the refunding bonds. Thereafter, the prior bonds *shall* be payable solely from and secured solely by an escrow established for such purpose in accordance with GPA's existing bond indenture.

(c) The final maturity of the refunding bonds *shall not* exceed the final maturity of the prior bonds. For clarity, the final maturity of the refunding bonds may exceed the maturity of an individual series of prior bonds so long as the final maturity of all such prior bonds is *not* exceeded.

(d) Such bonds *shall* be issued and sold pursuant to GPA's existing bond indenture and in compliance with the provisions of Chapter 8, Title 12,

Guam Code Annotated, including approval by the CCU and by *I Maga'låhen Guåhan* as provided therein.

(e) The sale of the bonds *shall* be approved by the Board of Directors of GEDA as provided in Chapter 50, Title 12, Guam Code Annotated; and, the terms and conditions of the issuance of the bonds *shall* be approved by the PUC as provided in Chapter 12, Title 12, Guam Code Annotated.

(f) The present value of debt service on the refunding bonds *shall* be at least two percent (2%) less than the present value of debt service on the prior bonds, using the yield on the refunding bonds as the discount rate.

(g) Promptly following the approval of the issuance of refunding bonds by GPA under this Section by a duly adopted resolution of the CCU, the CCU *shall* provide *I Liheslaturan Guåhan* with a copy of the resolution providing for such approval.

(h) Savings from refunding *shall* be utilized specifically for the benefit of the ratepayers. GPA *shall* notify *I Liheslatura* within sixty (60) days of refinancing of its intent and plan regarding the savings achieved from refinancing.

Section 3. Severability. If any provision of this Act or its application to any person or circumstance is found to be invalid, or contrary to law, such invalidity *shall not* affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.