AMENDMENT NO.: I
TO
INVITATION FOR MULTI-STEP BID NO.: GPA-101-16
FOR
INSURANCE BROKERAGE SERVICES AND CASUALTY INSURANCE

Prospective Bidders are hereby notified of the following responses to the indicated inquiries from potential bidders. Please note the numbering system corresponds to the total number of questions received from all bidders in the order they were received.

Cassidy’s Insurance Dated 09/13/2016:

LOSS HISTORY
QUESTION
1. Please provide the loss history for the General Liability, Automobile Liability, and Workers Compensations policies for the last 5 years.

ANSWER:
GPA is currently requesting for this data from our Insurance Broker, once the information is made available we will publish in accordance.

EXCESS LIABILITY
QUESTION:
1. Please provide the present insurance carrier on the Excess Liability policy along with the reinsurance company behind the present insurance carrier.

ANSWER:
AM Insurance / Dongbu Insurance Co., Ltd.

QUESTION:
2. Gross Revenue and MWh (by client type). Please update the attached worksheet Table 1 CustomersEnergyPeakRevFY09).

ANSWER:
Kindly refer to the updated table below.
<table>
<thead>
<tr>
<th>Historical Customers, Energy Sales, Peak Demand and Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year Ending September 30: 2011 2012 2013 Restated</td>
</tr>
<tr>
<td>Number of Customers (Average):</td>
</tr>
<tr>
<td>Residential                                      41,255 41,612 41,708 41,993 42,590</td>
</tr>
<tr>
<td>Small Commercial                                  5,722  5,940  5,966  6,011  6,056</td>
</tr>
<tr>
<td>Large Commercial                                  231   230   191   196   176</td>
</tr>
<tr>
<td>Auxiliary/Standby/Other                           0     0     3     3     3</td>
</tr>
<tr>
<td>Public and Private Outdoor Lighting               761   737   729   714   705</td>
</tr>
<tr>
<td>Navy                                            1     1     1     1     1</td>
</tr>
<tr>
<td>Total Customers                                  47,971 48,520 46,598 46,918 49,530</td>
</tr>
<tr>
<td>Energy Requirements (MWh):</td>
</tr>
<tr>
<td>Energy Sales</td>
</tr>
<tr>
<td>Residential                                      487,230 459,489 462,163 457,812 461,569</td>
</tr>
<tr>
<td>Small Commercial                                  367,283 361,350 376,269 373,591 367,977</td>
</tr>
<tr>
<td>Large Commercial                                  389,175 386,906 367,187 364,895 379,873</td>
</tr>
<tr>
<td>Auxiliary/Standby/Other                           4,090  0     639   799   610</td>
</tr>
<tr>
<td>Public and Private Outdoor Lighting               12,015 12,008 12,001 11,998 12,165</td>
</tr>
<tr>
<td>Total Civilian Energy Sales                       1,276,143 1,219,764 1,218,259 1,209,095 1,222,194</td>
</tr>
<tr>
<td>Energy Requirements (MWh):</td>
</tr>
<tr>
<td>Total Navy Energy Sales                           358,017 343,031 346,850 324,228 317,383</td>
</tr>
<tr>
<td>Total Energy Sales                                1,637,662 1,562,796 1,585,109 1,533,323 1,539,687</td>
</tr>
<tr>
<td>System Losses                                     113,275 117,269 103,038  86,468  79,267</td>
</tr>
<tr>
<td>Total IWPS Energy Requirements                    1,750,937 1,731,066 1,688,147 1,619,791 1,618,854</td>
</tr>
<tr>
<td>Peak Demand (kW)                                  263,000 258,000 257,000 249,000 255,000</td>
</tr>
<tr>
<td>Revenues (0000)</td>
</tr>
<tr>
<td>Residential                                      $ 112,320 $ 122,261 $ 125,932 $ 125,023 $ 105,533</td>
</tr>
<tr>
<td>Small Commercial                                 101,171  110,703 120,461  118,377    98,437</td>
</tr>
<tr>
<td>Large Commercial                                 98,820  111,938 110,062  108,089    93,776</td>
</tr>
<tr>
<td>Auxiliary/Standby/Other                           1,110   0     206   251   178</td>
</tr>
<tr>
<td>Public and Private Outdoor Lighting              6,561   7,177   7,469   7,400   6,676</td>
</tr>
<tr>
<td>Navy                                             71,893  86,033  84,899  75,323  61,586</td>
</tr>
<tr>
<td>Total Revenues                                   $ 391,875 $ 438,112 $ 449,029 $ 434,463 $ 366,186</td>
</tr>
</tbody>
</table>

**QUESTION:**

3. Please provide total payroll by classification.
ANSWER:

Fiscal Year 2015 Audited Salaries and wages

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Pay</td>
<td>$21,486,219</td>
</tr>
<tr>
<td>Overtime</td>
<td>$1,198,375</td>
</tr>
<tr>
<td>Premium Pay</td>
<td>$258,396</td>
</tr>
<tr>
<td>Benefits</td>
<td>$12,085,941</td>
</tr>
<tr>
<td>Pension Adjustment</td>
<td>$(8,045,373)</td>
</tr>
<tr>
<td>Total Salaries and Wages</td>
<td>$26,985,558</td>
</tr>
</tbody>
</table>

DIRECTORS & OFFICERS COVERAGE

QUESTION:
1. Please provide the last completed Directors & Officer application. If you are not able to, please complete the attached ACE Municipal Advantage Public Entity Application.

ANSWER:

See attached AIG Application.

QUESTION:
2. Please provide who is the current insurance carrier & reinsurance and what limits of insurance are each providing?

ANSWER:


Limits of insurance:
Total aggregate for all loss $25,000,000.00
Total aggregate limit of liability for Non-Executive Director - $2,000,000.00

QUESTION:
3. What is the current Prior & Pending Litigation Date on the current Directs & Officers insurance program?

ANSWER:

None.

AXS Insurance Dated 09/18/2016:

AUTO LIABILITY

QUESTION:
1. How many employees are in the authority total? How many employees drive GPA vehicles?
ANSWER: The Authority has 510 employees and all 510 are authorized to drive GPA vehicles.

QUESTION: 2. Where are vehicles located, stored? Is the parking area secured?

ANSWER: Various GPA facilities, yes.

QUESTION: 3. Is Trackme in each vehicle? How many vehicles are equipped with Trackme device?

ANSWER: Yes, 200.

QUESTION: 4. Are employees submit to random drug testing?

ANSWER: Yes.

QUESTION: 5. What is the 5-year Loss history?

ANSWER: GPA is currently requesting for this data from our Insurance Broker, once the information is made available we will publish in accordance.

QUESTION: 6. What is the 5-year premium history?

ANSWER: The premiums are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Actuals Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>Combined with GL</td>
</tr>
<tr>
<td>2013</td>
<td>Combined with GL</td>
</tr>
<tr>
<td>2014</td>
<td>$105,001.56</td>
</tr>
<tr>
<td>2015</td>
<td>$102,072.15</td>
</tr>
<tr>
<td>2016</td>
<td>$102,072.15</td>
</tr>
</tbody>
</table>

QUESTION: 7. May we get a copy of expiring policy and all endorsements?

ANSWER: No, the policy and endorsements are deemed proprietary and confidential.
DIRECTORS AND OFFICERS LIABILITY

QUESTION:
1. How many members of the Board of Directors? Does the CCU have a separate D&O policy?

ANSWER:
5, no.

QUESTION:
2. Does any member or employee manage a Retirement fund?

ANSWER:
No.

QUESTION:
3. Please provide 5 year Financial Statements.

ANSWER:
See attached PDF files entitled:
- DR02.D&O.03.A – GPA FY2011 Audited FS
- DR02.D&O.03.B – GPA FY2012 Audited FS
- DR02.D&O.03.C – GPA FY2013 Audited FS
- DR02.D&O.03.D – GPA FY2014 Audited FS
- DR02.D&O.03.E – GPA FY2015 Audited FS

QUESTION:
4. Is there coverage for Employment Practices liability?

ANSWER:
Yes.

QUESTION:
5. How many employees?

ANSWER:
Please refer to response to questions number 1 under auto.

QUESTION:
6. What is the 5-year Loss history?

ANSWER:
GPA is currently requesting for this data from our Insurance Broker, once the information is made available we will publish in accordance.
QUESTION:
7. What is the 5-year premium history?

ANSWER:

The premiums are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Actuals Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$83,310.00</td>
</tr>
<tr>
<td>2013</td>
<td>$77,236.00</td>
</tr>
<tr>
<td>2014-2016</td>
<td>$68,229.00</td>
</tr>
</tbody>
</table>

QUESTION:
8. May we get a copy of expiring policy and all endorsements?

ANSWER:

No, the policy and endorsements are deemed proprietary and confidential.

GENERAL LIABILITY

QUESTION:
1. Are subcontractors required to have similar insurance requirements as GPA?

ANSWER:

Yes.

QUESTION:
2. Does the Authority monitor and review sub-contractors’ insurance policies for compliance after contract on a regular basis?

ANSWER:

Yes.

QUESTION:
3. Is there an Environmental pollution action plan or equivalent? If so, may we have a copy?

ANSWER:

Yes, refer to the attached PDF documents entitled DR02.GL.03.A - CABRAS SPCC Plan & DR02.GL.03.B – BMP Plan.

QUESTION:
4. May we get a copy of Pollution liability policy?

ANSWER:

No, the policy is deemed proprietary and confidential.
QUESTION:
5. What is the 5-year Loss history?

ANSWER:
GPA is currently requesting for this data from our Insurance Broker, once the information is made available we will publish in accordance.

QUESTION:
6. What is the 5-year premium history?

ANSWER:
The Premiums are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Actuals Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$183,403.55</td>
</tr>
<tr>
<td>2013</td>
<td>$185,764.33</td>
</tr>
<tr>
<td>2014-2016</td>
<td>$88,277.00</td>
</tr>
</tbody>
</table>

QUESTION:
7. May we get a copy of expiring policy and all endorsements?

ANSWER:
No, the policy and endorsements are deemed proprietary and confidential.

EXCESS WORKERS COMPENSATION

QUESTION:
1. What is the 5-year Loss history?

ANSWER:

<table>
<thead>
<tr>
<th>Policy Year</th>
<th>Date of Loss</th>
<th>Description</th>
<th>Amount Reported</th>
<th>Outstanding Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/16</td>
<td>05/20/2015</td>
<td>Employee electrocution</td>
<td>$100,000 +</td>
<td>Still Open</td>
</tr>
</tbody>
</table>

QUESTION:
2. What is the 5-year premium history?

ANSWER:
The premiums are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Budgeted Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$18,810.00</td>
</tr>
<tr>
<td>2013</td>
<td>$16,929.00</td>
</tr>
<tr>
<td>2014-2016</td>
<td>$15,236.00</td>
</tr>
</tbody>
</table>
QUESTION:
3. May we get a copy of expiring policy and all endorsements?

ANSWER:
No, the policy and endorsements are deemed proprietary and confidential.

All other Terms and Conditions in the bid package shall remain unchanged and in full force.

JOHN M. BENAVENTE, P.E.
General Manager
AIG
C/O CALVO’S INSURANCE UNDERWRITERS, INC.
MANAGING GENERAL AGENTS
P.O. BOX CI
HAGATNA, GUAM 96932
TEL. (671) 472-6816

RENEWAL PROPOSAL FORM FOR
DIRECTORS & OFFICERS INSURANCE
Application Form

BusinessGuard Renewal Proposal Form For Directors Officers
Liability and Company Reimbursement Insurance

Proposer Details

1. Name of Proposer
   
   GUAM POWER AUTHORITY

2. Address of Head Office
   
   PHYSICAL ADDRESS: 688 ROUTE 15, MANGILAO GUAM 96913
   MAILING ADDRESS: P.O. BOX 29777, HAGATNA, GUAM 96932

N.B. Hereinafter the Proposer and its subsidiaries shall be known as the "Company."

3. Has the Company changed its principal business activities within the past 12 months? □ Yes □ No

4. Limit(s) of Liability being requested:

5. (a) Please provide total (consolidated) annual gross assets of the Company from the most recent year end report:

   (b) Please provide total (consolidated) annual revenues of the Company from the most recent year end report:

   (c) Please provide the total (consolidated) net worth of the Company for the past two years:

   (d) Please provide the total (consolidated) net income of the Company for the past two years:
6. Did the Proposer acquire or create any new subsidiaries within the past 12 months?

☐ Yes  ☐ No

If "yes," please provide the following information for each subsidiary:

<table>
<thead>
<tr>
<th>Name of subsidiary</th>
<th>Country of formation or incorporation</th>
<th>Publicly Traded or Privately Held</th>
<th>If publicly held then each securities exchange/market per country</th>
<th>Type of listing (Direct, ADR and level, OTC)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Is insurance being requested for the directors and officers of each new subsidiary?  ☐ Yes  ☐ No

7. During the last 12 months has any subsidiary been sold or ceased trading?  ☐ Yes  ☐ No

If "yes" to this question 7 please give details.

8. If any of the below has changed for the Company during the last 12 months then please provide the amended numbers and/or information:

(a) Total number of shareholders:  
N/A

(b) Total number of shares issued:  
N/A

(c) Total number of shares (percentage) held by each director and officer of the Company (both direct and beneficial):  
N/A

(d) Total number of shares (percentage) held by institutional investors:  
N/A
BusinessGuard Renewal Proposal Form For Directors Officers
Liability and Company Reimbursement Insurance

(e) All security holders, holding a 5% or more ownership interest in the Proposer, or any subsidiary that is publicly traded, giving the holder’s name and the percentage held:

<table>
<thead>
<tr>
<th>Holder</th>
<th>Entity</th>
<th>Percentage of Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

9. (a) Is the Proposer or any subsidiary considering any acquisition, tender offer, merger, buy-out or other change in equity structure? ........................................... □ Yes □ No

(b) Is the Proposer or any subsidiary aware of whether any other company or entity is considering an acquisition, tender offer, merger, buy-out or other change in equity structure of which the Proposer or any subsidiary would be a target? .................. □ Yes □ No

(c) Has either the Proposer or any of its subsidiaries undergone a new public offering of securities, or a change in the listing status of its existing securities, within the last 12 months? ........................................................................... □ Yes □ No

(d) Is the Proposer or any of its subsidiaries intending either a new public offering of securities, or a change in the listing status of its existing securities, within the next 12 months? □ Yes □ No

If "yes" to any of the above, please provide specific details.
10. Please provide a list of all new directors and officers of the Proposer and of each subsidiary who became a director and/or officer of the Proposer and/or a subsidiary within the past 12 months.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>JOHN M. BENAVENTE, P.E.</td>
<td>General Manager</td>
</tr>
<tr>
<td>JOHN J. KIM</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>J. GEORGE BAMBA</td>
<td>CCU Commissioner</td>
</tr>
<tr>
<td>FRANCIS SANTOS</td>
<td>CCU Commissioner</td>
</tr>
</tbody>
</table>

Is insurance being requested for each new director and officer in their listed capacity? □Yes □No

11. (a) Have any Directors and/or Executive Officers of the Company resigned or been replaced in the past 12 months? □Yes □No

If “Yes,” who, title and why?

(b) Is the Company considering a replacement of or addition of any Directors and Executive Officers of the Company within the next 13 months? □Yes □No

If “Yes,” who, title and why?

12. Did the Company change its external auditing firm in the past 12 months? □Yes □No

If “Yes,” why, when and to whom?
13. Does the Company have any plans to remove or replace its external auditor in the next 12 months? ☐ Yes ☐ No

If "Yes," why and to whom?

________________________________________________________________________

14. (a) Have all revenue recognition practices of the Company been approved by your existing external auditor, without qualification? ☐ Yes ☐ No

If "no," please provide specific details.

________________________________________________________________________

(b) Have the Company's external auditors recommended changes to the revenue recognition or other significant accounting practices in the past 12 months? ☐ Yes ☐ No

(c) Has the Company changed or considered changes to the revenue recognition or other significant accounting practices in the past 12 months? ☐ Yes ☐ No

(d) Is the Company considering changes to the revenue recognition or other significant accounting practices? ☐ Yes ☐ No

If "yes," to (b), (c) or (d) please provide specific details.

________________________________________________________________________

________________________________________________________________________

15. Did the Company or any of directors and/or officers thereof acquire any interests in any partnerships or Special Purpose Vehicles or Entities within the past 12 months? ☐ Yes ☐ No

If "yes," please provide details.

________________________________________________________________________
16. Does the Company anticipate having to take a significant one time charge to earnings, or restate earnings, within the next 12 months? □ Yes  □ No

If "yes," please provide details.

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

If "yes" to question 16, it is agreed that the proposed policy shall not provide any coverage for loss in connection with any claim, investigation, proceeding or action alleging or arising from such event, unless an endorsement is added to the proposed policy specifically extending coverage to such arising.

17. Has the Company made any significant changes to its specific written corporate policies with respect to directors’, officers’ and employees’ ability to purchase or sell the Company’s stock, including the ability to exercise stock options? □ Yes  □ No

If "yes," please provide details.

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

18. The directors or officers of the company, the General Counsel (or equivalent person) of the company and the risk manager of the company have no knowledge or information of any act, error or omission which could reasonably give rise to a claim, investigation or action under the proposed policy, except as follows: (Attach complete details.) □ Yes  □ No
Cover for the United States of America

Please complete questions 18-25 if the Proposer is requesting any coverage for claims brought in the United States of America or claims made elsewhere arising out of the Company's operations in the United States of America.

19. (a) Please provide the total gross assets of the Company in North America, if such assets have significantly changed in the last 12 months?

(b) Please provide the total revenues of the Company derived from its activities in North America, if such revenues have significantly changed in the last 12 months?

(c) Total number of employees in the United States of America and three US states with the largest number of such employees:

20. In the last 12 months, did the Company acquire any ownership interest of 50% or less in any entity located or incorporated in the United States of America? ........... □ Yes □ No

If "yes":

(a) Please provide in an attachment the name of the entity, type of industry, whether public or private, and if publicly traded, type of securities (equity or debt) and the name of exchange or market on which such securities are traded:

(b) Does the Company have any representation on the Board of Directors, or as an Executive Officer, on any entity listed in question 20(a) above? ........... □ Yes □ No

If "yes" to 20(b), please provide name of entity, name of individual and position.

21. Has either the Proposer or any of its subsidiaries undergone a new public offering of securities (equity or debt) in the United States of America, or a change in the listing status of its existing securities (equity or debt) traded or sold in the United States of America, within the last 12 months □ Yes □ No

If "yes" to the above, please provide specific details, including:

- the name of the entity, and country of incorporation/formation

- US exchange on which securities are listed,

- type of security listing (ADR and Level, Direct listing etc.),

- percentage US securities represent to all Company securities traded worldwide.
Application Form

PLEASE COMPLETE ALL SECTIONS. INCOMPLETE APPLICATIONS WILL BE REJECTED

BusinessGuard Renewal Proposal Form For Directors Officers
Liability and Company Reimbursement Insurance

22. Is the Proposer or any of its subsidiaries intending either a new public offering of securities in the United States of America, or a change in the listing status of its existing securities presently traded in the United States of America, within the next 12 months? □Yes □No

If "yes" to the above, please provide specific details.

23. Is the company required to follow U.S. Generally Accepted Accounting Principles (GAAP)? □Yes □No

If "Yes," are the company’s financial statements generally in accordance with US GAAP? □Yes □No

25. Is the company or any director or officer presently the subject of a U.S. Securities and Exchange Commission (SEC) enforcement action or a U.S. Internal Revenue Service (IRS) enforcement action? □Yes □No

If "yes," please provide details.

________________________________________________________________________

26. Is the SEC or IRS investigating or requesting information from the Company of any of the Company’s directors, officers or employees? □Yes □No

If "yes," please provide details.

________________________________________________________________________

27. Does the Company have an internal Audit Committee pursuant to U.S. statutes, rules or regulations? □Yes □No

If "no," why?

________________________________________________________________________

(i) If "Yes," does the Audit Committee meet more than four times a year? □Yes □No

(ii) If "Yes," has any member of the audit committee resigned or been replaced within the past 12 months? □Yes □No

If "yes," who and why?
Documentation

25. Provide copies of the following for the Company.
   (a) Latest annual report.
   (b) Latest audited financials
   (c) Latest interim financials available
   (d) Copy (certified by organization's Secretary) of the indemnification provisions of the charter and the by-laws. Also attach a copy of organization's indemnification agreement.
   (e) Latest CPA management letter along with Proposer's responses to any recommendations made therein.

If the Company has any securities (equity or debt) listed or traded in the United States of America, then:

   (f) Latest 10K report filed with the Securities and Exchange Commission (SEC) (or similar state or foreign agency).
   (g) All registration statements filed with the SEC (or similar state or foreign agency) within the last twelve months.
   (h) Copies of financial statements certified by the CEO and CFO. All proxy statements and notices of annual meeting of stockholders within the last 12 months

It is agreed that the Proposer will file with the Insurer, as soon as it becomes available, a copy of each registration statement and annual or interim report which the Proposer or any subsidiary may from time to time file with any local or foreign governmental, regulatory body or agency that regulates securities (including but not limited to the US Securities and Exchange Commission).

SIGNING THIS PROPOSAL DOES NOT BIND THE PROPOSER TO COMPLETE THIS INSURANCE.

Consent Clause

"I agree and authorize the Company to use and disclose any information (collected or held) with regard to matters pertaining to this application, to enable the Company, its associated individuals/organizations or independent third parties, to provide advice or information covering products or services which the Company believes may be of interest to me or to communicate with me for any purpose."
Declaration

I declare on behalf of all insureds, after inquiry, that the statements and particulars in this supplemental proposal are true and no material facts have been misstated or suppressed. I agree that this proposal forms, any attachment, any information submitted therewith and any and all other information supplied or requested, shall form the basis of any Contract of Insurance effected thereon. I further undertake to inform Insurers of any material alteration to any information, statements, representations or facts presented in this proposal form occurring after the date this proposal form is signed and before the inception date of the proposed policy.

A material fact is one which would influence the acceptance or assessment of the risk.

All written statements and materials furnished to the insurer in conjunction with this application are hereby incorporated by reference into this application and made a part hereof.

Signing this proposal does not bind the proposer to complete this insurance.

Signed JOHNN M. BENAVENTE, P.E.
Title General Manager
CEO or Chairman of the Board of Directors
(Authorized signatory of the insured)
Company GUAM POWER AUTHORITY
Date

AIG
C/O CALVO'S INSURANCE UNDERWRITERS, INC.
MANAGING GENERAL AGENTS
P.O. BOX CI
HAGATNA, GUAM 96932