



**CONSOLIDATED
COMMISSION ON UTILITIES**

Guam Power Authority • Guam Waterworks Authority
P.O. BOX 2977 • Agaña, Guam 96932

**GUAM CONSOLIDATED COMMISSION ON UTILITIES
RESOLUTION NO: 2016 - 34**

**AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO
PETITION THE GUAM PUBLIC UTILITIES COMMISSION FOR NO CHANGE IN
THE LEVELIZED ENERGY ADJUSTMENT CLAUSE**

WHEREAS, the Guam Public Utilities Commission (GPUC) has established a Tariff under which the Guam Power Authority (GPA) is allowed to recover its fuel costs and fuel related costs under a factor which is reset and trued up every (6) six months through the Levelized Energy Adjustment Clause (LEAC); and

WHEREAS, the deadline for the next filing is June 15, 2016; and

WHEREAS, the world wide cost of fuel had been declining over the last year, nearly a 53% decline in the average monthly settlement prices during fiscal year 2015 and an additional 21% decline thus far in fiscal year 2016; and

WHEREAS, the market price of fuel in the initial filing for the current period was projected to be \$46.19/bbl for the (6) six-month period ending July 31, 2016, the current projection for the same period is \$37.82/bbl and the projected price of fuel for the period ending January 31, 2017 is \$42.30/bbl; and

WHEREAS, although GPA will file the required LEAC schedules, it has determined that it will not petition for a change in the LEAC factor for secondary voltage service customers as well as alternative voltage customer for the period of August 1, 2016 to January 31, 2017; and

1 **WHEREAS**, several assumptions were made in determining that a change in the LEAC
2 factor could be avoided in the upcoming period commencing July 1, 2016. The assumptions are
3 as follows:

- 4 a) Aggreko, GPA's temporary power provider, commenced operations by January 9, 2016,
5 and was dispatched during this period to reduce fuel cost from other less-efficient diesel-
6 fired units;
- 7 b) Cabras Unit #2 came back online in April 2016, after being down for a 45-day overhaul
8 and is currently operating at full capacity of 66 megawatts which will reduce further
9 reduce system fuel cost;
- 10 c) Cabras Unit # 1 new Main Transformer is expected to be installed in July 2016,
11 increasing the unit's capacity an additional 24 megawatts which will result in reduced
12 fuel cost from diesel-fired units;

13
14 **WHEREAS**, based on these assumptions and continuing with the current LEAC rate, an
15 under-recovery of about \$1.8M is anticipated by the end of the LEAC period on January 31,
16 2017; and

17
18 **WHEREAS**, GPA is not seeking a change in the WCFS in this filing; and

19
20 **WHEREAS**, GPA now is requesting the Consolidated Commission on Utilities to
21 authorize the Authority to file such petition with the Guam Public Utilities Commission; and

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23 **NOW, THEREFORE BE IT RESOLVED**, by the Consolidated Commission on
24 Utilities as follows:

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26 The General Manager of the Guam Power Authority is authorized to petition the Guam Public
27 Utilities Commission for the LEAC rate to remain at \$0.086613/kWh effective for the period
28 from August 1, 2016 thru January 31, 2017. (LEAC factors for alternative voltage levels are as
29 reflected in the attached spreadsheets in the attached Exhibit A.)

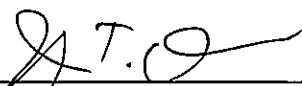
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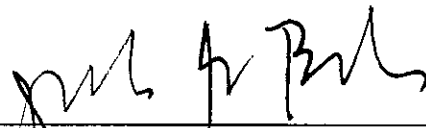
RESOLVED, that the Chairman certifies and the Board Secretary attests to the adoption of this Resolution.

DULY AND REGULARLY ADOPTED AND APPROVED THIS 24th DAY OF MAY 2016

Certified by:

Attested by:





JOSEPH T. DUENAS

J. GEORGE BAMABA

Chairperson

Secretary

Consolidated Commission on Utilities

Consolidated Commission on Utilities

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SECRETARY'S CERTIFICATE

I, **J. George Bamba**, Secretary for the CCU do hereby certify that the foregoing is a full, true, and correct copy of the resolution duly adopted at a regular meeting of the members of Guam's CCU, duly and legally held at the meeting place thereof on May 24, 2016 at which meeting of all said members had due notice and at which at least a majority thereof were present, and

At said meeting said resolution was adopted by the following vote:

Ayes:	<u>4</u>
Nays:	<u>0</u>
Absent:	<u>1</u>
Abstain:	<u>0</u>

As of the date of this certification, said original resolution has not been amended, modified, or rescinded since the date of its adoption, and the same is now in full force and effect.

SO CERTIFIED this 24th day of May, 2016





J. GEORGE BAMBA

Secretary
Consolidated Commission on Utilities