



**GPA RESOLUTION 2017-12**

**RELATIVE TO THE WRITE-OFF OF GUAM POWER AUTHORITY RECEIVABLES  
 DETERMINED TO BE UNCOLLECTIBLE**

**WHEREAS**, the Guam Power Authority (GPA) is a revenue generating, government owned utility; and

**WHEREAS**, the Authority’s main source of revenue is billings for the sales of electricity from GPA’s customer base; and

**WHEREAS**, although utilities make best efforts to minimize losses resulting from uncollectible accounts, the service nature of utility activities makes it impossible to prevent such losses once an account has become inactive (disconnected); and

**WHEREAS**, the GPA Customer Service division has made significant strides towards eliminated losses resulting from uncollectible accounts and has brought GPA to a bad debt loss level that is consistent with the best utilities in the country; and

**WHEREAS**, it is standard practice for utilities to review their accounts receivable records from time to time to remove accounts that have been determined by the utility to be uncollectible; and

**WHEREAS**, GPA last wrote off Fiscal Year 2011 uncollectible accounts in March 2015; and

**WHEREAS**, GPA’s Chief Financial Officer has reviewed outstanding accounts from October 1, 2010 to September 30, 2016 and has determined that the following amounts should be written off; and

<b>FY2012</b>	<b>\$ 738,246.38</b>
<b>FY2013</b>	<b>1,015,790.95</b>
<b>FY2011 and prior years not yet written-off</b>	<b>1,249,780.74</b>
<b>Total Proposed Write-Off</b>	<b><u>\$ 3,003,818.07</u></b>

1           **WHEREAS**, all of these amounts have been charged to bad debt expense during each  
2 fiscal year and this write-off action will not have any further impact on GPA's statement of  
3 revenues and expenses; and

4           **WHEREAS**, the write-off of an account does not preclude GPA from continuing to  
5 collect on any bad debt in the event that a customer whose account has been written off returns to  
6 the utility to apply for service and GPA has a procedure in place to ensure that such bad debts  
7 will be recovered prior to such application.

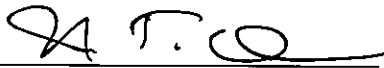
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9           **NOW, THEREFORE BE IT RESOLVED BY THE CONSOLIDATED**  
10 **COMMISSION ON UTILITIES AS THE GOVERNING BODY OF THE GUAM POWER**  
11 **AUTHORITY, AS FOLLOWS:**

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13 1.       The GPA Chief Financial Officer is authorized to write-off \$3,003,818.07 in accounts  
14 receivable that have been determined to be uncollectible.

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

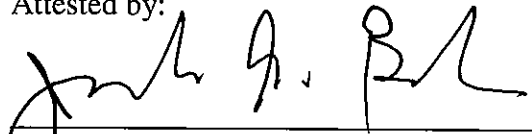
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19           **DULY AND REGULARLY ADOPTED AND APPROVED THIS 23<sup>rd</sup> DAY OF**  
20 **MAY 2017.**

21  
22 Certified by:

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25 **JOSEPH T. DUENAS**  
26 Chairperson  
27 Consolidated Commission on Utilities

Attested by:

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25 **J. GEORGE BAMBA**  
26 Secretary  
27 Consolidated Commission on Utilities

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I, **J. George Bamba**, Secretary for the Consolidated Commission on Utilities (CCU), as evidenced by my signature above do certify as follows:

The foregoing is a full, true, and accurate copy of the resolution duly adopted at a regular meeting of the members of Guam Consolidated Commission on Utilities, duly and legally held at a place properly noticed and advertised at which meeting a quorum was present and the members who were present voted as follows:

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