



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority

P.O. Box 2977 Hagatna, Guam 96932 | (671) 648-3002 | guamccu.org

GPA RESOLUTION NO.: 2020-09

AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO PETITION THE GUAM PUBLIC UTILITIES COMMISSION FOR INTERIM ADJUSTMENT 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 six (6) months through the Levelized Energy Adjustment Clause (LEAC); and

WHEREAS, the LEAC allows for interim adjustment if the balance of the over-recovery of fuel costs is projected to exceed \$2 million during the six-month levelized period; and

WHEREAS, for the LEAC period of February 1, 2020 through July 31, 2020, GPA requested and was approved for an adjustment to the LEAC rate to \$0.134474/kWh for meters read on or after February 1, 2020 in anticipation of projected declining prices of black oil in the fuel market and to recover the under-recovery balance of fuel costs at the end of the period. At the time of the original filing, the average projected cost for both black oil and diesel was \$62.05/bbl; and

WHEREAS, on March 24, 2020, GPA filed for an Interim LEAC Factor of \$0.110039/kWh as the projected price of diesel dropped about \$24/bbl bringing the average projected cost for both types of fuel down to \$56.36/bbl. The interim LEAC factor was approved for meters read or after April 1, 2020; and

WHEREAS, based on changes in required generation forecast and the correlating sales forecast brought about by the COVID-19 Pandemic and the stable projected average price of fuel

1 at this time, GPA proposes that the LEAC rate be lowered from \$0.110039/kWh to
2 \$0.089177/kWh, a 9.95% reduction, for meters read on or after June 1, 2020; and

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4 **WHEREAS**, GPA is now requesting the Consolidated Commission on Utilities to
5 authorize the Authority to file such petition with the Guam Public Utilities Commission.

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7 **NOW, THEREFORE BE IT RESOLVED**, by the Consolidated Commission on Utilities
8 as follows;

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10 1. The General Manager of the Guam Power Authority is authorized to petition the Guam Public
11 Utilities Commission for the proposed secondary voltage LEAC rate of \$0.089177/kWh effective
12 for the period of June 1, 2020 through January 31, 2021. (LEAC factors for alternative voltage
13 levels are as reflected in the attached Exhibit A illustration.)

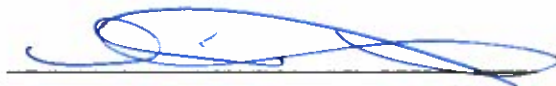
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16 **RESOLVED**, that the Chairman certifies and the Board Secretary attests to the adoption
17 of this Resolution.

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19 **DULY AND REGULARLY ADOPTED AND APPROVED THIS 21st DAY OF MAY**
20 **2020.**

21
22 Certified by:

Attested by:

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26 **JOSEPH T. DUENAS**

MICHAEL T. LIMTIACO

27 Chairperson

Secretary

28 Consolidated Commission on Utilities

Consolidated Commission on Utilities

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I, **MICHAEL T. LIMTIACO**, 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: 4
Nays: 0
Absent: 1
Abstain: 0

