



CONSOLIDATED COMMISSION ON UTILITIES

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

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RESOLUTION NO.: 2018 - 27

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 December 15, 2018; and

WHEREAS, for the LEAC period covered of August 1, 2018 through January 31, 2019, GPA requested to maintain the LEAC rate of \$0.154242/kWh that was approved for meters read on or after May 1, 2018. in anticipation of rising prices in the fuel market and to recover at least 70% of the under recovery at the end of the period; and

WHEREAS, since the application of the current rate beginning May 1, 2018, GPA was able to reduce the under-recovery balance of \$12.2M as of April 30, 2018 to \$8.3M by September 30, 2018; below the previously projected under-recovery balance of \$8.8 million for that same date; and

WHEREAS, the average market price of fuel in the initial filing for the current period was approved at \$77.13/bbl for the (6) six-month period ending January 31, 2018, the current projection for the remaining three months of this LEAC period is \$69.30/bbl and the projected price of fuel for the period ending July 31, 2019 is \$65.04/bbl; and

1 **WHEREAS**, although GPA will file the required LEAC schedules, it has determined that
2 it will not petition for a change in the LEAC factor for secondary voltage service customers as
3 well as alternative voltage customer for the period of February 1, 2019 to July 31, 2019; and
4

5 **WHEREAS**, based on this status quo approach, an under-recovery of about \$5.0M is
6 anticipated by the end of the LEAC period on July 31, 2019 which will have some impact on the
7 working capital and other financial ratios however GPA will be able to manage in a short term
8 period; and
9

10 **WHEREAS**, GPA now is requesting the Consolidated Commission on Utilities to
11 authorize the Authority to file such petition with the Guam Public Utilities Commission; and
12

13 **NOW, THEREFORE BE IT RESOLVED**, by the Consolidated Commission on
14 Utilities as follows:
15

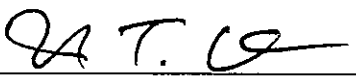
16 The General Manager of the Guam Power Authority is authorized to petition the Guam Public
17 Utilities Commission for the LEAC rate to remain at \$0.154242/kWh effective for the period
18 from February 1, 2019 thru July 31, 2019. (LEAC factors for alternative voltage levels are as
19 reflected in the attached spreadsheets in the attached Exhibit A.)
20

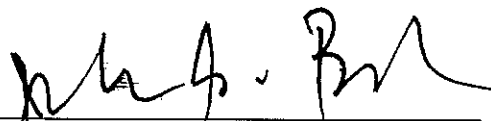
21 **RESOLVED**, that the Chairman certifies and the Board Secretary attests to the adoption
22 of this Resolution.
23

24 **DULY AND REGULARLY ADOPTED AND APPROVED THIS 27th DAY OF**
25 **NOVEMBER 2018**
26

27 Certified by:

Attested by:

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30 



31 **JOSEPH T. DUENAS**

J. GEORGE BAMBA

32 Chairperson

Secretary

33 Consolidated Commission on Utilities

Consolidated Commission on Utilities

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

The foregoing is a full, true and correct copy of the resolution duly adopted at a regular meeting by the members of the Guam CCU, 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: 5
Nays: 0
Abstentions: 0
Absent: 0



GPA

Summary of the Proposed LEAC Rate

	\$55 RFO		\$65 RFO	
	@ Full Cost Recovery Proposed Eff 2/01/2019		@ 50% Cost Recovery Proposed Eff 2/01/2019	@ Full Cost Recovery Proposed Eff 2/01/2019
1 Average Price per Bbl-RFO	\$ 57.34		\$ 66.37	\$ 66.37
2 Average Price per Gal-Diesel	\$ 77.55		\$ 85.88	\$ 85.88
3 Number 6 (HSFO/LSFO)	\$ 54,985		\$ 63,646	\$ 63,646
4 Number 2 (Diesel)	36,517		40,440	40,440
5 Renewable (Solar)	5,582		5,582	5,582
6 TOTAL COST	\$ 97,085		\$ 109,668	\$ 109,668
7 Handling Costs	4,325		4,312	4,312
8 Total Current Fuel Expense	\$ 101,410		\$ 113,980	\$ 113,980
9 Civilian Allocation	81.24%		81.24%	81.24%
10 LEAC Current Fuel Expense	\$ 82,388		\$ 92,600	\$ 92,600
11 Deferred Fuel Expense	12,188		13,767	13,767
12 50% recovered	-		(2,932)	-
13 Total LEAC Expense	\$ 94,576		\$ 103,435	\$ 106,367
14 Less: Trans. Level Costs	(5,530)		(6,048)	(6,220)
15 Distribution Level Costs	\$ 89,046		\$ 97,387	\$ 100,147
16 Under recovery at the end of the period	\$ -		\$ -	\$ -
17 Adjusted Distribution Level Costs	\$ 89,046		\$ 97,387	\$ 100,147
18 Distribution Level Sales (mWh)	613,497		613,497	613,497
19 LEAC Factor Distribution	0.145145		0.158740	0.163239
20 Current LEAC Factor Distribution	0.154242		0.154242	0.154242
21 Increase/(Decrease)	(0.00910)		0.00450	0.00900
22 Monthly Increase/(Decrease) - 1000 kWh	\$ (9.10)		\$ 4.50	\$ 9.00
23 % Increase/(Decrease) in LEAC	-5.90%		2.92%	5.83%
24 % Increase/(Decrease) in Total Bill	-3.66%		1.81%	3.62%
25 Discount (3%) - Primary 13.8 KV	\$ 0.140779		\$ 0.153964	\$ 0.158328
26 Discount (4%) - 34.5 KV	\$ 0.140373		\$ 0.153520	\$ 0.157872
27 Discount (5%) - 115 KV	\$ 0.138645		\$ 0.151630	\$ 0.155928