



## 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.: FY2022-05

#### **AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO PETITION THE GUAM PUBLIC UTILITIES COMMISSION TO MAINTAIN 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, 2021; and

**WHEREAS**, on June 10, 2021, GPA filed phased-in increases for the LEAC Factor from the periods of August 1, 2021 through January 31, 2022 as follows: of \$0.130400/kWh for meters read on or after August 1, 2021; \$0.150800/kWh for meters read on or after October 1, 2021; and \$0.171458/kWh for meters read on or after December 1, 2021 as the projected price of the combined fuels increased about \$3/bbl bringing the average projected cost for both types of fuel to \$80.25/bbl as compared to \$77.36/bbl in the original filing; and

**WHEREAS**, the phased-in LEAC factor increases was requested by GPA and approved by the Public Utility Commission on July 29, 2021 as the gradual increases will lessen the impact on ratepayers than one substantial increase that would be too great of a financial impact given the economic conditions caused by the COVID pandemic; and

**WHEREAS**, in June 2021, the GPA phased-in increases for the LEAC from the periods of August 1, 2021 through January 31, 2022, as ordered by the Public Utilities Commission, included the embedded rate of \$0.003109/kWh for the Demand Side Management (DSM)

1 Program; establishing the funding source for the DSM Program that would provide roughly \$1.5M  
2 for a six-month period. Total revenues collected for the DSM Program between the five-month  
3 period of May through September 2021 is \$1.68 million, or an average of \$335 thousand per  
4 month; and

5  
6 **WHEREAS**, the average market price of residual fuel oil and diesel used in this filing for  
7 this the current period was approved at \$77.36/bbl for the (6) six-month period ending January 31,  
8 2022. The projected average price of residual fuel oil and diesel for the period ending July 31,  
9 2022 is expected to reach \$87.48/bbl; and

10  
11 **WHEREAS**, the most recent Morgan Stanley market projections indicate rising fuel prices  
12 and projected under-recovery for the period ending July 31, 2022 at the current LEAC rate of  
13 \$0.171458/kWh is \$17.6 million; and

14  
15 **WHEREAS**, GPA proposes to maintain the fuel cost at \$0.171458/kWh for the  
16 periods of February 1, 2022 through July 31, 2022; and

17  
18 **WHEREAS**, an estimated \$1.5 million is included for costs associated with the Demand  
19 Side Management rebate program for the anticipated LEAC period; and

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

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

27  
28 The General Manager of the Guam Power Authority is authorized to petition the Guam Public  
29 Utilities Commission for the **proposed secondary voltage LEAC rate of \$0.171458/kWh**  
30 **effective for the period from February 1, 2022 to July 31, 2022.** (LEAC factors for alternative  
31 voltage levels are as reflected in the attached spreadsheets in the attached Exhibit A.)  
32  
33  
34

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

3  
4           **DULY AND REGULARLY ADOPTED AND APPROVED THIS 23<sup>RD</sup> DAY OF**  
5 **NOVEMBER 2021**

6  
7 Certified by:

Attested by:

8  
9  
10 



11 **JOSEPH T. DUENAS**

**MICHAEL T. LIMTIACO**

12 Chairperson

Secretary

13 Consolidated Commission on Utilities

Consolidated Commission on Utilities

14  
15           I, **Michael T. Limtiaco**, Board Secretary of the Consolidated Commission on  
16 Utilities (CCU), as evidenced by my signature above, do hereby certify as follows:

17  
18           The foregoing is a full, true and correct copy of the resolution duly adopted at a  
19 regular meeting by the members of the Guam CCU, duly and legally held at a place properly  
20 noticed and advertised at which meeting a quorum was present and the members who were  
21 present voted as follows:

22  
23           Ayes:             5  

24           Nays:              0  

25           Abstentions:   0  

26           Absent:          0  



EXHIBIT A

GPA

Proposed LEAC Rate (\$000)

(Updated MS Price from 11/16 - 11/22)

	Updated	
	No Change	
	MS Pricing 11.16.21 to 11.22.2021	
	Feb 22 - Jul 22	
Average Price per Bbl-RFO	\$	84.41
Average Price per Bbl-Diesel	\$	96.66
Number 6 (HSFO/LSFO)	\$	66,482
Number 2 (Diesel)		44,658
Renewable (Solar)	\$	9,718
TOTAL COST	\$	120,858
Handling Costs	\$	8,753
Total Current Fuel Expense	\$	129,611
Civilian Allocation		79.794%
LEAC Current Fuel Expense	\$	103,422
Estimated DSM for this period	\$	1,500
Deferred Fuel Expense at the beginning of the period	\$	18,531
Total LEAC Expense	\$	123,454
Less: Trans. Level Costs	\$	(5,991)
Distribution Level Costs	\$	117,462
Over recovery/(Under) at the end of the period	\$	(19,067)
Adjusted Distribution Level Costs	\$	98,395
Distribution Level Sales (mWh)		573,876
LEAC Factor Distribution		<b>\$0.171458</b>
Current LEAC Factor Distribution	\$	0.171458
Increase/(Decrease)		-
Monthly Increase/(Decrease) - 1000 kWh	\$	-
% Increase/(Decrease) in LEAC		0.00%
% Increase/(Decrease) in Total Bill		0.00%
Discount (3%) - Primary 13.8 KV	\$	0.166331
Discount (4%) - 34.5 KV	\$	0.165852
Discount (5%) - 115 KV	\$	0.163810