



**GPA RESOLUTION NO.: FY2022-21**

**AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO  
PETITION THE GUAM PUBLIC UTILITIES COMMISSION FOR A 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 July 15, 2022; and

**WHEREAS**, for the LEAC period covered from February 1, 2022 through July 31, 2022, GPA requested to maintain the LEAC rate of \$0.171458/kWh that was approved for meters read on or after February 1, 2022 and GPA's projection at the time of petition in November 2021 would be an under-recovery of \$17.6 million by July 31, 2022; and

**WHEREAS**, the Public Utilities Commission (PUC) ordered for the LEAC period covered from February 1, 2022 through July 31, 2022, be \$0.180837/kWh for meters read on or after February 1, 2022 as the updated January 2022 average market price increased considerably from the November 2021 pricing. GPA had initially estimated in its petition that the average market price of residual fuel oil and diesel to be used in the initial filing for the current period was approved at \$87.48/bbl for the (6) six-month period ending July 31, 2022, the current projection for the same period was \$113.30/bbl and the projected average price of residual fuel oil and diesel for the period ending January 31, 2023 is \$130.67/bbl; and

**WHEREAS**, the \$2 million under-recovery increase threshold for review by the PUC within the LEAC period was met in March 2022 due to the drastic increases in fuel prices caused by the Russian War against Ukraine and other factors, and keeping the LEAC at \$0.180837/kWh substantially increased the under-recovery to \$32 million or an 82% increase in GPA's initial under-recovery of \$17.6 million for the same period; and

1           **WHEREAS**, the PUC ordered the interim LEAC rate increase to \$0.209552/kWh for  
2 meters read on or after April 1, 2022 to maintain the under-recovery balance at \$20 million for the  
3 period ending July 31, 2022;

4           **WHEREAS**, the most recent Morgan Stanley market projections indicate rising fuel prices  
5 and projected under-recovery for the period ending January 31, 2023 at the current LEAC rate of  
6 \$0.209552 is \$70.3 million; and

7           **WHEREAS**, GPA proposes a 3 step increase as follows:

8           a) 1<sup>st</sup> step - \$0.240413 effective July 1, 2022 to August 31, 2022

9           b) 2<sup>nd</sup> step - \$0.270185 effective September 1, 2022 to October 31, 2022

10          c) 3<sup>rd</sup> step - \$0.296275 effective November 1, 2022 to January 31, 2023

11          **WHEREAS**, GPA has \$11.8 million in the self-insurance fund reserved for typhoons and  
12 other disasters and if approved by the Guam Public Utilities Commission could be utilized mitigate  
13 LEAC and operating cash flow; and

14          **WHEREAS**, GPA is requesting an authority to withdraw up to \$10 million in self-  
15 insurance fund to purchase fuel; and

16          **WHEREAS**, the withdrawn fund from self-insurance fund will be replenished from the  
17 surcharge which is currently active; and

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          **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  
22

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

25          The General Manager of the Guam Power Authority is authorized to petition the Guam  
26 Public Utilities Commission for the proposed secondary voltage LEAC rate as follows:

27          a) 1<sup>st</sup> step - \$0.240413 effective July 1, 2022 to August 31, 2022

28          b) 2<sup>nd</sup> step - \$0.270185 effective September 1, 2022 to October 31, 2022

29          c) 3<sup>rd</sup> step - \$0.296275 effective November 1, 2022 to January 31, 2023

30          The General Manager is further authorized to petition the Guam Public Utilities  
31 Commission to withdraw up to \$10 million from self-insurance fund.

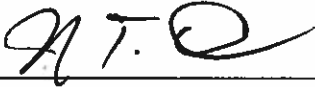
32 (LEAC factors for alternative voltage levels are as reflected in the attached spreadsheets in the  
33 attached Exhibit A.)  
34

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

3       **DULY AND REGULARLY ADOPTED AND APPROVED THIS 24TH DAY OF**  
4 **MAY 2022.**

5  
6 Certified by:

Attested by:

7  
8  
9 



10  
11 **JOSEPH T. DUENAS**

**MICHAEL T. LIMTIACO**

12 Chairperson

Secretary

13 Consolidated Commission on Utilities

Consolidated Commission on Utilities

14  
15                               **SECRETARY'S CERTIFICATE**

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

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

23  
24       Ayes:                    4      
25       Nays:                   0      
26       Abstentions:          0      
27       Absent:                0    



## Proposed LEAC Rate (\$000)

(Prepared 05/20/2022)

	Scenario Status Quo	Scenario Step 1: \$0.240413	Scenario Step 2: \$0.270185	Scenario Step 3: \$0.296275
	MS Pricing 05.04.2022 to 05.10.2022	MS Pricing 05.04.2022 to 05.10.2022	MS Pricing 05.04.2022 to 05.10.2022	MS Pricing 05.04.2022 to 05.10.2022
	Aug 22 - Jan 23	Jul 22 - Aug 22	Sep 22 - Oct 22	Nov 22 - Jan 23
Average Price per Bbl-RFO	\$ 141.57	\$ 141.57	\$ 141.57	\$ 141.57
Average Price per Bbl-Diesel	\$ 126.54	\$ 126.54	\$ 126.54	\$ 126.54
Number 6 (HSFO/LSFO)	\$ 55,000	\$ 67,439	\$ 55,000	\$ 55,000
Number 2 (Diesel)	\$ 129,584	\$ 85,072	\$ 129,584	\$ 129,584
Renewable (Solar)	\$ 9,111	\$ 8,488	\$ 9,111	\$ 9,111
TOTAL COST	\$ 193,696	\$ 160,999	\$ 193,696	\$ 193,696
Handling Costs	\$ 9,096	\$ 6,500	\$ 9,096	\$ 9,096
Total Current Fuel Expense	\$ 202,792	\$ 167,499	\$ 202,792	\$ 202,792
Civilian Allocation	80.206%	79.530%	80.206%	80.206%
LEAC Current Fuel Expense	\$ 162,652	\$ 133,212	\$ 162,652	\$ 162,652
Estimated DSM for this period	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Deferred Fuel Expense at the beginning of the period	\$ 34,171	\$ 22,491	\$ 31,054	\$ 34,386
Total LEAC Expense	\$ 198,323	\$ 157,203	\$ 195,206	\$ 198,538
Less: Trans. Level Costs	\$ (6,700)	\$ (6,801)	\$ (8,898)	\$ (10,383)
Distribution Level Costs	\$ 191,623	\$ 150,402	\$ 186,308	\$ 188,155
Over recovery/(Under) at the end of the period	\$ (70,330)	\$ (31,054)	\$ (34,386)	\$ (25,000)
Adjusted Distribution Level Costs	\$ 121,293	\$ 119,349	\$ 151,923	\$ 163,155
Distribution Level Sales (mWh)	578,904	582,208	578,904	578,904
LEAC Factor Distribution	<b>\$0.209522</b>	<b>\$0.240413</b>	<b>\$0.270185</b>	<b>\$0.296275</b>
Current LEAC Factor Distribution	\$ 0.209522	\$ 0.209522	\$ 0.240413	\$ 0.270185
Increase/(Decrease)	-	0.030891	0.029772	0.026090
Monthly Increase/(Decrease) - 1000 kWh	\$ -	\$ 30.89	\$ 29.77	\$ 26.09
% Increase/(Decrease) in LEAC	0.00%	14.74%	12.38%	9.66%
% Increase/(Decrease) in Total Bill	0.00%	10.06%	8.81%	7.10%
Discount (3%) - Primary 13.8 KV	\$ 0.203227	\$ 0.233215	\$ 0.262092	\$ 0.287399
Discount (4%) - 34.5 KV	\$ 0.202641	\$ 0.232543	\$ 0.261337	\$ 0.286571
Discount (5%) - 115 KV	\$ 0.200147	\$ 0.229681	\$ 0.258120	\$ 0.283043

**GUAM POWER AUTHORITY**  
**BILL ILLUSTRATION RATE SCHEDULE R - RESIDENTIAL**  
*With \$25M Under-Recovery as of January 2023*

RATE SCHEDULE R								
Existing Rate		1st Increment		2nd Increment		3rd Increment		
Eff 04-01-22		Eff 07-01-22		Eff 09-01-2022		Eff 11-01-22		
KWH		1,000		1,000		1,000		1,000
Monthly Charge	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00
Non-Fuel Energy Charge								
First 500 KWH	0.069550	34.78	0.069550	34.78	0.069550	34.78	0.069550	34.78
Over 500 KWH	0.086870	43.44	0.086870	43.44	0.086870	43.44	0.086870	43.44
Emergency Water-well charge	0.002790	1.40	0.002790	1.40	0.002790	1.40	0.002790	1.40
Self-Insurance Surcharge	0.002900	2.90	0.002900	2.90	0.002900	2.90	0.002900	2.90
Working Capital Fund Surcharge	0.000000	-	0.000000	-	0.000000	-	0.000000	-
Total Electric Charge before Fuel Recovery Charges		97.51		97.51		97.51		97.51
Fuel Recovery Charge	\$ 0.209522	209.52	\$ 0.240413	240.41	\$ 0.270185	270.18	\$ 0.296275	296.28
<b>Total Electric Charge</b>		<b>\$ 307.03</b>		<b>\$ 337.92</b>		<b>\$ 367.69</b>		<b>\$ 393.78</b>
Increase/(Decrease) in Total Bill				\$ 30.89		\$ 29.77		\$ 26.09
% Increase/(Decrease) in Total Bill				10.06%		8.81%		7.10%
% Increase/(Decrease) in LEAC rate				14.74%		12.38%		9.66%