



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. FY2023-06

**AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO
PETITION THE GUAM PUBLIC UTILITIES COMMISSION TO MAINTAIN THE
LEVELIZED ENERGY ADJUSTMENT CLAUSE (LEAC) FOR THE PERIOD FROM
FEBRUARY 1, 2023 TO JULY 31, 2023.**

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, 2022; and

WHEREAS, on June 16, 2022, GPA has requested expedited relief to set a new LEAC effective July 1, 2022 to mitigate the growing under-recovery balance and filed phased-in increases for the LEAC Factor as follows: \$0.240413/kWh for meters read on or after July 1, 2022; \$0.270185/kWh for meters read on or after September 1, 2022; and \$0.296275/kWh for meters read on or after November 1, 2022 as the projected price of the combined fuels increased

1 about \$25.16/bbl bringing the average projected cost for both types of fuel to \$142.04/bbl as
2 compared to \$116.88/bbl in the original filing; and

3
4 **WHEREAS**, the phased-in LEAC factor increases requested by GPA was approved by
5 the Guam Public Utility Commission (PUC) on June 16, 2022 as follows: \$0.251638/kWh for
6 meters read on or after of July 1, 2022; and \$0.296043/kWh for meters read on or after September
7 1, 2022. The PUC determined that it will consider whether there is a need to increase the LEAC
8 Factor further for the period of November 2022 at its October 27, 2022 as the increases would
9 be too great of a financial impact given the economic conditions; and

10
11 **WHEREAS**, on October 27, 2022 the PUC approved the secondary LEAC Factor of
12 \$0.318576/kWh for meters read on or after November 1, 2022 for maintaining the LEAC Factor
13 of \$0.296043/kWh until the end of January 2023 would amount to the LEAC under-recovery of
14 \$41 million; and

15
16 **WHEREAS**, in June 2022, the GPA phased-in increases for the LEAC from the periods
17 of July 1, 2022 through January 31, 2023, as ordered by the Public Utilities Commission,
18 included the embedded rate of \$0.003109/kWh for the Demand Side Management (DSM)
19 Program; establishing the funding source for the DSM Program that would provide roughly
20 \$1.75M for a seven-month period. Total revenues collected for the DSM Program between the
21 six-month period of May through October 2022 is \$1.94 million, or an average of \$324 thousand
22 per month; and

1 **WHEREAS**, the average market price of residual fuel oil and diesel used in this filing
2 for this the current period was approved at \$142.04/bbl for the (6) six-month period ending
3 January 31, 2023. The projected average price of residual fuel oil and diesel for the period
4 ending July 31, 2023 is expected to be \$135.16/bbl; and

5
6 **WHEREAS**, the most recent Morgan Stanley market projections indicate declining fuel
7 prices and projected under-recovery for the period ending July 31, 2023 at the current LEAC
8 rate of \$0.318576/kWh is \$8.3 million; and

9
10 **WHEREAS**, GPA proposes to maintain the fuel cost at \$0.318576/kWh for the periods
11 of February 1, 2023 through July 31, 2023; and

12
13 **WHEREAS**, an estimated \$1.5 million is included for costs associated with the Demand
14 Side Management rebate program for the anticipated LEAC period; and

15
16 **WHEREAS**, GPA now is requesting the Consolidated Commission on Utilities to
17 authorize the Authority to file such petition with the Guam Public Utilities Commission.

18
19 **NOW, BE IT THEREFORE RESOLVED**, the Consolidated Commission on Utilities
20 does hereby approve the following:

21
22 The General Manager of the Guam Power Authority is authorized to petition the Guam Public
23 Utilities Commission to maintain the secondary voltage LEAC rate of \$0.318576/kWh effective

1 for the period from February 1, 2023 to July 31, 2023. (LEAC factors for alternative voltage
2 levels are as reflected in the attached spreadsheets in the attached Exhibit A.)
3


4 **RESOLVED**, that the Chairman certifies and the Board Secretary attests to the adoption
5 of this Resolution.
6

7 **DULY AND REGULARLY ADOPTED**, this 29th day of November 2022.

8 Certified by:

Attested by:

9
10 

10 

11 JOSEPH T. DUENAS

11 PEDRO ROY MARTINEZ

12 Chairperson

12 Secretary

13
14 I, Pedro Roy Martinez, Board Secretary of the Consolidated Commission on Utilities
15 (CCU), as evidenced by my signature above, do hereby certify as follows:

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

20 Ayes: 4

21 Nays: 0

22 Abstain: 0

23 Absent: 0

