



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority

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

RESOLUTION NO. FY2023-16

**AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO
PETITION THE GUAM PUBLIC UTILITIES COMMISSION TO REDUCE THE
LEVELIZED ENERGY ADJUSTMENT CLAUSE FOR THE PERIOD OF
JUNE 1, 2023 THROUGH JANUARY 31, 2024**

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 June 15, 2023; and

WHEREAS, on December 7, 2022, GPA has requested to maintain the LEAC factor of \$0.318576/kWh for meters read on or after February 1, 2023; and

WHEREAS, on January 26, 2023, the Guam Public Utility Commission (PUC) approved GPA's request to maintain the LEAC factor of \$0.318576/kWh for meters read on or after February 1, 2023. The average fuel price was \$130.28/bbl as of the January 2023 filing. The PUC had ordered that the LEAC should not be reduced as the under-recovery balance of \$35.6 million, at the time of the filing, would not be recovered to the same extent; and

WHEREAS, the approved GPA LEAC factor from the periods of February 1, 2023 through July 31, 2023, as ordered by the Public Utilities Commission, included the embedded rate of \$0.003109/kWh for the Demand Side Management (DSM) Program; establishing the funding source for the DSM Program that would provide roughly \$1.5 million for a six-month period.

1 Total revenues collected for the DSM Program between the six-month period of October 2022
2 through March 2023 is \$1.85 million, or an average of \$309 thousand per month; and

3
4 **WHEREAS**, the average market price of fuel used in this filing for the current period was
5 approved at \$130.28/bbl for the (6) six-month period ending July 31, 2023. The projected average
6 price of fuel for the period ending January 31, 2024 is expected to be \$113.16/bbl; and

7
8 **WHEREAS**, the most recent Morgan Stanley market projections for fuel prices has
9 declined from the previous filing and projected over-recovery for the period ending January 31,
10 2024 at the proposed reduced LEAC rate of \$0.248145/kWh is about ten thousand dollars; and

11
12 **WHEREAS**, GPA proposes to reduce the LEAC factor to \$0.248145/kWh for the periods
13 of June 1, 2023 through January 31, 2024; and

14
15 **WHEREAS**, an estimated \$2.0 million is included for costs associated with the Demand
16 Side Management rebate program for the anticipated LEAC period from June 1, 2023 through
17 January 31, 2024; and

18
19 **WHEREAS**, GPA now is requesting the Consolidated Commission on Utilities to
20 authorize the Authority to file such petition with the Guam Public Utilities Commission; and

21
22
23 **NOW, BE IT THEREFORE RESOLVED**, the Consolidated Commission on Utilities
24 does hereby approve the following:

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26 The General Manager of the Guam Power Authority is authorized to petition the Guam Public
27 Utilities Commission to reduce the secondary voltage LEAC rate to \$0.248145/kWh effective for
28 the period from June 1, 2023 through January 31, 2024. (LEAC factors for alternative voltage
29 levels are as reflected in the attached spreadsheets in the attached Exhibit A.)

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

3
4 **DULY AND REGULARLY ADOPTED**, this 25th day of April 2023.

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8 Certified by:

Attested by:

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12 _____
13 **JOSEPH T. DUENAS**
14 Chairperson

15
16 
17 _____
18 **PEDRO ROY MARTINEZ**
19 Secretary

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

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

26 Ayes: 4
27 Nays: Ø
 Abstain: Ø
 Absent: |



GPA**Proposed LEAC Rate (\$000)**

Update as of 4/21/2023

Actuals as of 3/31/2023

	JUN 23 - JAN 24	
	MS Pricing 04.10.23 to 4.14.23	
	\$0.248145	
Average Price per Bbl-RFO & ULSFO 0.20%	\$	130.54
Average Price per Bbl-Diesel	\$	103.23
Number 6 (HSFO/LSFO)	\$	68,091
Number 2 (Diesel)		94,298
Renewable (Solar)	\$	8,305
TOTAL COST	\$	170,695
Handling Costs	\$	9,103
Total Current Fuel Expense	\$	179,798
Civilian Allocation		79.757%
LEAC Current Fuel Expense	\$	143,401
Estimated DSM for this period	\$	1,500
Deferred Fuel Expense at the beginning of the period	\$	9,084
Total LEAC Expense	\$	153,985
Less: Trans. Level Costs	\$	9,284
Distribution Level Costs	\$	163,269
Over recovery/(Under) at the end of the period	\$	97
Adjusted Distribution Level Costs	\$	163,366
Distribution Level Sales (mWh)		579,195
LEAC Factor Distribution		\$0.248145
Current LEAC Factor Distribution	\$	0.318576
Increase/(Decrease)		(0.070431)
Monthly Increase/(Decrease) - 1000 kWh	\$	(70.43)
% Increase/(Decrease) in LEAC		-22.11%
% Increase/(Decrease) in Total Bill		-16.93%
Discount (3%) - Primary 13.8 KV	\$	0.240711
Discount (4%) - 34.5 KV	\$	0.240018
Discount (5%) - 115 KV	\$	0.237063

Fuel Price Sensitivity

* Fuel Price increase of 10% equates to \$12.1 million under recovery

* Fuel Price increase of 20% equates to \$22.1 million under recovery