



# **CONSOLIDATED COMMISSION ON UTILITIES**

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

## **GPA RESOLUTION NO. FY2024-08**

### **TO AUTHORIZE THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO PETITION THE GUAM PUBLIC UTILITIES COMMISSION TO ADJUST THE LEVELIZED ENERGY ADJUSTMENT CLAUSE (LEAC) FOR THE PERIOD OF FEBRUARY 1, 2024 THROUGH JULY 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 December 15, 2023; and

**WHEREAS**, on May 3, 2023, GPA has requested to reduce the LEAC factor to \$0.248145/kWh for the periods of June 1, 2023 through January 31, 2024, due to decrease in worldwide fuel prices; and

**WHEREAS**, on June 5, 2023, the Guam Public Utility Commission (PUC) ratified the Order, executed by the Chairman on May 19, 2023, which further reduced the LEAC factor from \$0.318576/kWh to \$0.231144/kWh for meters read on or after June 1, 2023. The average fuel price was \$113.16/bbl as of the May 2023 filing using average pricing from April 10 through 14, 2023. However, an updated average pricing from May 4 through 11, 2023 further reduced the average fuel price to \$102.51/bbl. Based upon the further reduction in fuel oil pricing, the PUC reduced the LEAC factor even further so GPA ratepayers benefit, to the fullest extent possible, from the reduction in fuel oil prices; and

1           **WHEREAS**, the approved GPA LEAC factor from the periods of June 1, 2023 through  
2 January 31, 2024, as ordered by the PUC, included the embedded rate of \$0.003109/kWh for the  
3 Demand Side Management (DSM) Program; establishing the funding source for the DSM  
4 Program that would provide roughly \$1.75 million for a seven-month period. Total revenues  
5 collected for the DSM Program between the six-month period of April 2023 through September  
6 2023 is \$1.7 million, or an average of \$290 thousand per month; and

7  
8           **WHEREAS**, the average market price of fuel used in this filing for the current period was  
9 approved at \$102.51/bbl for the (7) seven-month period from June 1, 2023 through January 31,  
10 2024. The projected average price of fuel for the period ending July 31, 2024 is expected to be  
11 \$120.28/bbl; and

12  
13           **WHEREAS**, the most recent Morgan Stanley market projections for fuel prices has  
14 increased from the previous filing and projected under-recovery for the period ending July 31,  
15 2024 at the proposed LEAC rate of \$0.264327/kWh is \$19.5 million; and

16  
17           **WHEREAS**, GPA proposes to adjust the LEAC factor to \$0.264327/kWh for the periods  
18 of February 1, 2024 through July 31, 2024; and

19  
20           **WHEREAS**, GPA did not include costs associated with the Demand Side Management  
21 rebate program for the anticipated LEAC period from February 1, 2024 through July 31, 2024;  
22 and

23  
24           **WHEREAS**, GPA now is requesting the Consolidated Commission on Utilities to  
25 authorize the Authority to file such petition with the Guam Public Utilities Commission; and

26  
27           **NOW, THEREFORE BE IT RESOLVED**, by the Consolidated Commission on  
28 Utilities, as the Governing Body of GPA, as follows:

29  
30           The General Manager of the Guam Power Authority is authorized to petition the Guam  
31 Public Utilities Commission to adjust the secondary voltage LEAC rate to \$0.264327/kWh  
32 effective for the period from February 1, 2024 through July 31, 2024. (LEAC factors for  
alternative voltage levels are 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 to the adoption of this Resolution.

3  
4           **DULY AND REGULARLY ADOPTED**, this day of 28<sup>th</sup> of November, 2023.

5  
6  
7 Certified by:

Attested by:

8  
9  
10 

11 

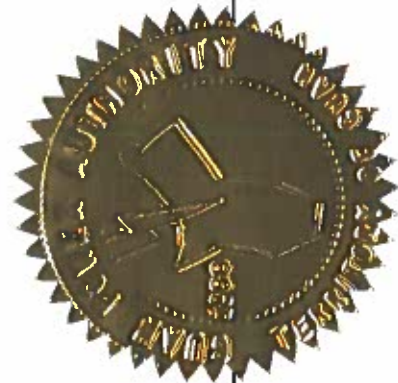
12 **JOSEPH T. DUENAS**  
Chairperson

**PEDRO ROY MARTINEZ**  
Secretary

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

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

22  
23 AYES:                                        5      
24 NAYS:                                        0      
25 ABSTAIN:                                   0      
26 ABSENT:                                    0      
27



**GPA**  
**Proposed LEAC Rate (\$000)**  
 Update as of 11/21/2023

Actuals as of 10/31/2023

	FEB 24 - JUL 24		
	IS Pricing 10-Day Average from 10.31.2023 - 11.16.2023		
	No Change	50% Recovery	Full Recovery
Average Price per Bbl-ULSFO 0.20%	\$ 136.82	\$ 136.82	\$ 136.82
Average Price per Bbl-Diesel	\$ 111.86	\$ 111.86	\$ 111.86
Number 6 (HSFO/LSFO)	\$ 62,403	\$ 62,403	\$ 62,403
Number 2 (Diesel)	\$ 100,293	\$ 100,293	\$ 100,293
Renewable (Solar)	\$ 11,020	\$ 11,020	\$ 11,020
TOTAL COST	\$ 173,716	\$ 173,716	\$ 173,716
Handling Costs	\$ 8,889	\$ 8,889	\$ 8,889
Total Current Fuel Expense	\$ 182,605	\$ 182,605	\$ 182,605
Civilian Allocation	79.202%	79.202%	79.202%
LEAC Current Fuel Expense	\$ 144,628	\$ 144,628	\$ 144,628
Estimated DSM for this period	\$ -	\$ -	\$ -
Deferred Fuel Expense at the beginning of the period	\$ 33,417	\$ 33,417	\$ 33,417
Total LEAC Expense	\$ 178,045	\$ 178,045	\$ 178,045
Less: Trans. Level Costs	\$ 7,849	\$ 8,939	\$ 10,038
Distribution Level Costs	\$ 185,894	\$ 186,984	\$ 188,083
Over recovery/(Under) at the end of the period	\$ (39,371)	\$ (19,500)	\$ -
Adjusted Distribution Level Costs	\$ 146,522	\$ 167,484	\$ 188,083
Distribution Level Sales (mWh)	565,988	565,988	565,988
LEAC Factor Distribution	\$0.231144	\$0.264327	\$0.296838
Current LEAC Factor Distribution	\$ 0.231144	\$ 0.231144	\$ 0.231144
Increase/(Decrease)	-	0.033183	0.065694
Monthly Increase/(Decrease) - 1000 kWh	\$ -	\$ 33.18	\$ 65.69
% Increase/(Decrease) in LEAC	0.00%	14.36%	28.42%
% Increase/(Decrease) in Total Bill	0.00%	10.10%	19.99%
Discount (3%) - Primary 13.8 KV	\$ 0.224219	\$ 0.255403	\$ 0.286816
Discount (4%) - 34.5 KV	\$ 0.223573	\$ 0.254572	\$ 0.285882
Discount (5%) - 115 KV	\$ 0.220821	\$ 0.251030	\$ 0.281905

## RFO

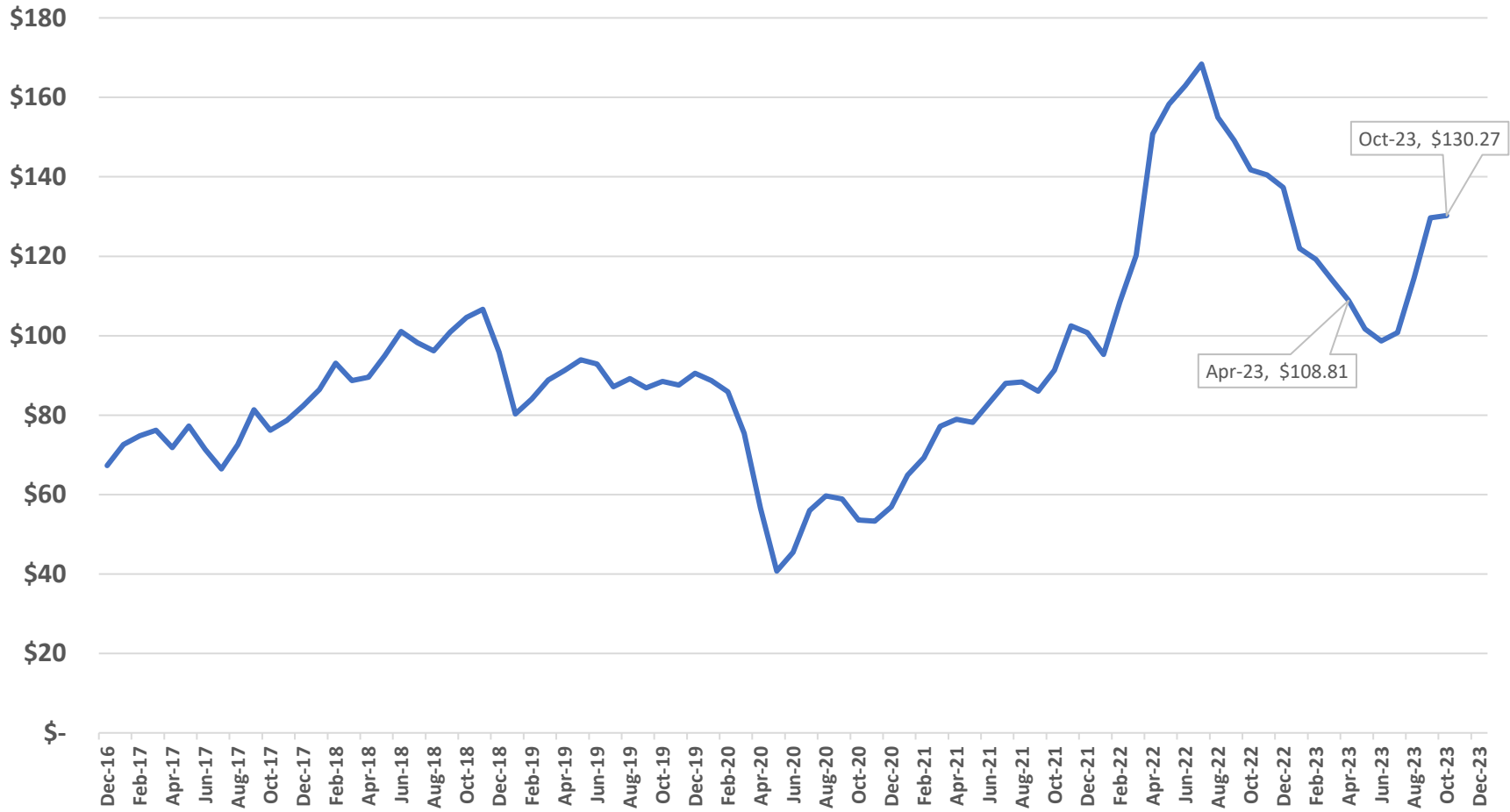


- High and Low Sulfur RFO
- 0.02% RFO

**Note:**

- Russia invaded Ukraine on February 24, 2022

## Diesel



— Purchased

**Note:**

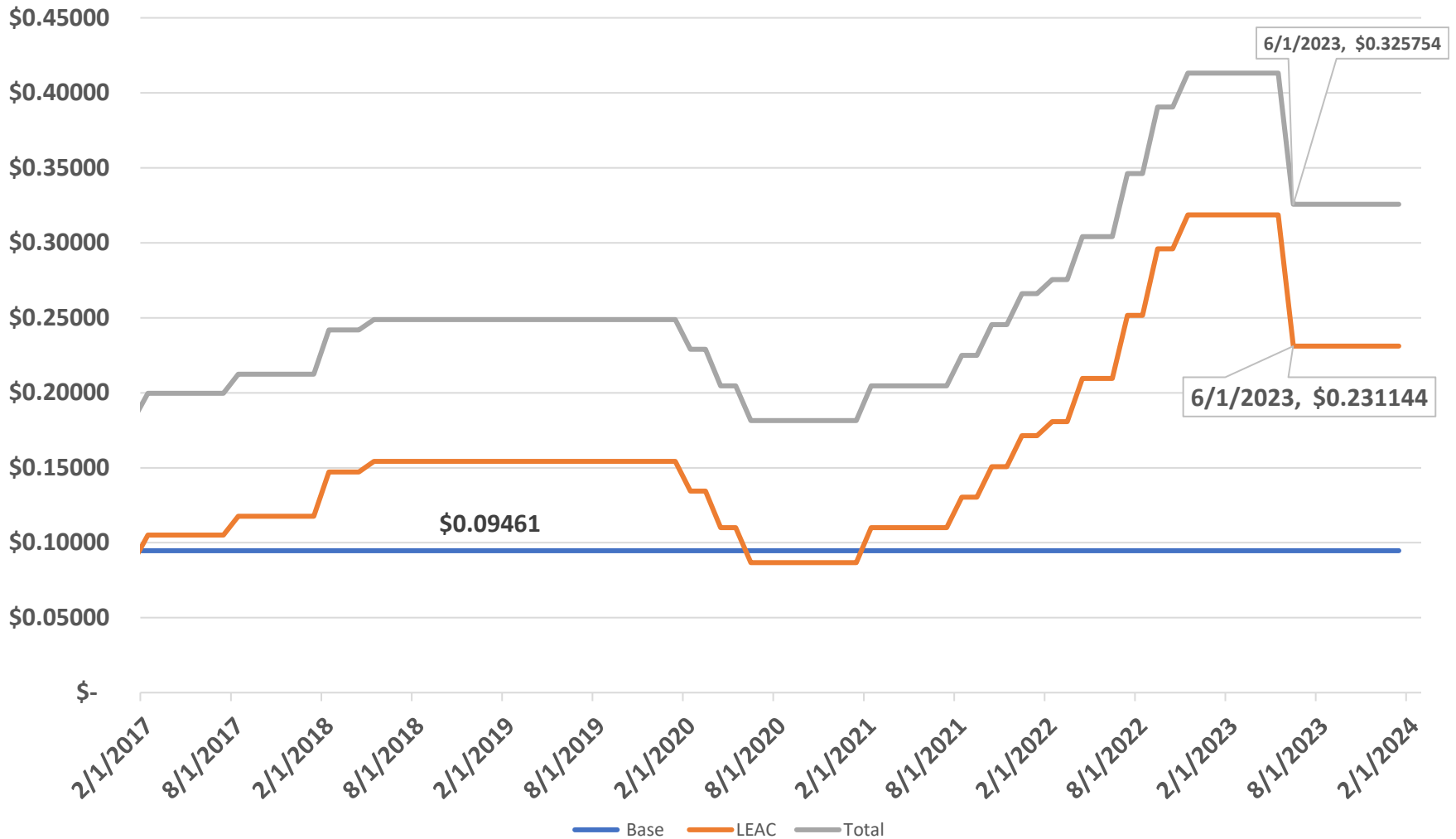
- Russia invaded Ukraine on February 24, 2022

# LEAC Update - Morgan Noon Call Pricing

Date	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
<b>Gasoil 10ppm</b>											
<b>10/31/2023</b>	\$ 111.38	\$ 109.78	\$ 108.48	\$ 107.43	\$ 107.43	\$ 105.17	\$ 105.17	\$ 105.17	\$ 103.76	\$ 103.76	\$ 103.76
<b>11/2/2023</b>	112.75	111.01	109.36	108.11	108.16	105.32	105.32	105.32	103.56	103.56	103.56
<b>11/3/2023</b>	114.77	113.07	111.37	110.07	110.12	107.10	107.10	107.10	105.07	105.07	105.07
<b>11/6/2023</b>	111.67	109.77	108.37	107.22	107.27	104.78	104.78	104.78	102.97	102.97	102.97
<b>11/7/2023</b>	110.96	109.66	108.41	107.26	107.33	104.75	104.75	104.75	102.96	102.96	102.96
<b>11/8/2023</b>	106.67	106.07	105.07	104.12	104.17	101.96	101.96	101.96	100.32	100.32	100.32
<b>11/10/2023</b>	101.29	101.29	100.94	100.47	100.48	98.99	98.99	98.99	97.72	97.72	97.72
<b>11/14/2023</b>	107.16	106.06	105.31	104.59	104.61	102.40	102.40	102.40	100.79	100.79	100.79
<b>11/15/2023</b>	106.77	106.02	105.27	104.49	104.49	102.12	102.12	102.12	100.37	100.37	100.37
<b>11/16/2023</b>	106.07	105.37	104.57	103.77	103.75	100.99	100.99	100.99	99.27	99.27	99.27
<b>Ten-day average</b>	<b>\$ 108.95</b>	<b>\$ 107.81</b>	<b>\$ 106.71</b>	<b>\$ 105.75</b>	<b>\$ 105.78</b>	<b>\$ 103.36</b>	<b>\$ 103.36</b>	<b>\$ 103.36</b>	<b>\$ 101.68</b>	<b>\$ 101.68</b>	<b>\$ 101.68</b>



# LEAC Update - Historical Residential LEAC Rate





LEAC Period		Approved LEAC	Actual Over
From	To	Rate	(Under) Recovery
2/1/2013	7/31/2013	\$ 0.209271	\$ 1,345,259
8/1/2013	10/31/2013	\$ 0.182054	\$ 1,300,093
2/1/2014	7/31/2014	\$ 0.172986	\$ (1,137,034)
8/1/2014	10/31/2014	\$ 0.176441	\$ (4,646,872)
11/1/2014	1/31/2015	\$ 0.146666	\$ 661,428
2/1/2015	7/31/2015	\$ 0.102054	\$ 1,757,878
8/1/2015	1/31/2016	\$ 0.104871	\$ (2,467,151)
2/1/2016	7/31/2016	\$ 0.086613	\$ (2,668,603)
8/1/2016	1/31/2017	\$ 0.086613	\$ (9,915,360)
			\$ (5,315,360) (a)
2/1/2017	7/31/2017	\$ 0.105051	\$ (14,050,504)
8/1/2017	1/31/2018	\$ 0.117718	\$ (16,775,982)
2/1/2018	4/30/2018	\$ 0.147266	\$ (13,005,689)
5/1/2018	7/31/2018	\$ 0.154242	\$ (8,422,674)
8/1/2018	1/31/2019	\$ 0.154242	\$ (13,336,698)
2/1/2019	7/31/2019	\$ 0.154242	\$ (10,225,349)
8/1/2019	1/31/2020	\$ 0.154242	\$ (2,193,618)
2/1/2020	3/31/2020	\$ 0.134474	\$ (1,803,778)
4/1/2020	5/31/2020	\$ 0.110039	\$ (2,981,023)
6/1/2020	7/31/2020	\$ 0.086800	\$ (3,563,177)
8/1/2020	1/31/2021	\$ 0.086800	\$ (13,230,995)
2/1/2021	7/31/2021	\$ 0.110000	\$ (32,452,576)
8/1/2021	9/30/2021	\$ 0.130400	\$ (14,168,086) (b)
10/1/2021	11/30/2021	\$ 0.150800	\$ (19,695,128)
12/1/2021	1/31/2022	\$ 0.171458	\$ (22,490,844)
2/1/2022	3/31/2022	\$ 0.180837	\$ (29,444,602)
4/1/2022	6/30/2022	\$ 0.209522	\$ (42,759,975)
7/1/2022	8/31/2022	\$ 0.251638	\$ (47,101,089)
9/1/2022	10/31/2022	\$ 0.296043	\$ (41,914,469)
11/1/2022	1/31/2023	\$ 0.318576	\$ (32,523,031)
2/1/2023	5/31/2023	\$ 0.318576	\$ (12,423,514)
6/1/2023	1/31/2024	\$ 0.231144	\$ (33,417,289) Estimated

Notes:

- (a) Under-recovery balance after applying \$4.6 million from Cabras 3 & 4 Extra Expense claim.
- (b) Under-recovery balance after applying \$10 million from Self-Insurance Fund and \$15 million from GovGuam.



<b>FEB 24 - JUL 24</b>			
<b>Pricing 10-Day Average from 10.31.2023 - 11.16.2</b>			
	<b>No Change</b>	<b>50% Recovery</b>	<b>Full Recovery</b>
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	RATE SCHEDULE R							
	Existing Rate Eff 6-01-23		No Adjustment Eff 02-01-24		50% Recovery Eff 02-01-24		100% Recovery Eff 02-01-24	
	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount
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 Charge	0.002900	2.90	0.002900	2.90	0.002900	2.90	0.002900	2.90
Total Electric Charge before Fuel Recovery Charges		97.52		97.52		97.52		97.52
Fuel Recovery Charge	<b>0.231144</b>	231.14	<b>0.231144</b>	231.14	<b>0.264327</b>	264.33	<b>0.296838</b>	296.84
Total Electric Charge		<u>\$ 328.66</u>		<u>\$ 328.66</u>		<u>\$ 361.85</u>		<u>\$ 394.36</u>
Increase/(Decrease) in Total Bill				\$ -		\$ 33.18		\$ 65.69
% Increase/(Decrease) in Total Bill				0.00%		10.10%		19.99%
% Increase/(Decrease) in LEAC rate				0.00%		14.36%		28.42%