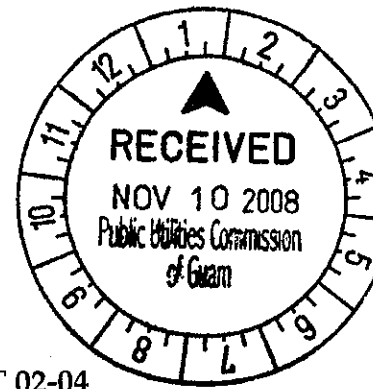


BEFORE THE PUBLIC UTILITIES COMMISSION
OF GUAM



GUAM POWER AUTHORITY
LEVELIZED ENERGY ADJUSTMENT
CLAUSE [LEAC]

DOCKET 02-04

ORDER

In accordance with the protocol established by Guam Public Utilities Commission [PUC] order dated January 29, 1996, as amended by order dated March 14, 2002, Guam Power Authority [GPA] by Emergency "LEAC filing dated November 4, 2008 requested that the current LEAC factor [\$0.18775 per kWh] for its civilian customers be decreased to \$0.17105 per kWh for meters read on and after December 1, 2008 and continuing until January 31, 2009.¹ The basis for the emergency LEAC filing is that fuel costs have dropped substantially in the last several months from \$112/bbl to an estimated \$66/bbl in October 2008. The requested LEAC would result in a 6.59% decrease in the total bill or \$16.70 for a residential customer utilizing an average of 1,000 kilowatt hours per month.

After conducting a review of GPA's Emergency Filing, PUC regulatory consultant [Georgetown – GCG] issued a report on November 7, 2008, which recommends that the PUC approve the requested decrease in the fuel factor from \$0.18775 per kWh to \$0.17105 per kWh effective on meters read on or after December 1, 2008. The GCG position is based upon the drop in fuel prices, the fact that the LEAC factor is subject to trueup, GPA's hedging costs, fuel inventory valuation, and other justifications.

GPA has stated its intent to file a new LEAC petition on December 15, 2008, pursuant to Commission order. Thus, a new fuel factor will be implemented for meters read on or after February 1, 2009. When the fuel factor is adopted for the next LEAC period, there will be a "true-up" of the projections used for this emergency two month factor.²

After carefully reviewing the record in this proceeding and after discussion at a duly noticed public meeting held on November 10, 2008, for good cause shown

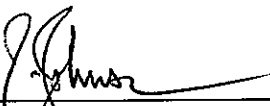
¹ GPA projects that the over recovery of its fuel costs from ratepayers would exceed \$2million if the fuel factor is not adjusted. Under the LEAC tariff Schedule "Z", in the event that GPA has an over recovery exceeding \$2million during the six month levelized period, the fuel factor may be adjusted subject to PUC approval.

² See Order in Docket 02-04 issued on October 3, 2008.

and on motion duly made, seconded and carried by affirmative vote of the undersigned commissioners, the Guam Public Utilities Commission hereby **ORDERS THAT:**

1. A LEAC factor of \$0.17105 per kWh shall be used by GPA for all civilian bills, for meters read on and after December 1, 2008 through January 31, 2009, to recover its forecasted fuel and related expenses.
2. GPA's petition for the establishment of the next LEAC factor [February 1, 2009 through July 31, 2009] shall be filed with PUC no later than December 15, 2008.
3. GPA is reminded of its duty under section 10 of PUC's Line Loss Order to file a semi-annual loss reduction compliance report.
4. In the December 15, 2008 LEAC filing, GPA is requested to provide a reconciliation of fuel expense, fuel revenues and inventory valuation on an actual basis.
5. In the December 15, 2008 LEAC filing, GPA is further requested to support the incurred and estimated costs of its wind study and to provide for the transfer of funds back to the excess bond funds.


Dated this 10th day of November, 2008.



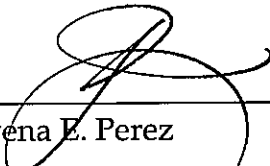
Jeffrey C. Johnson



Filomena M. Cantoria



Joseph M. McDonald



Rowena E. Perez