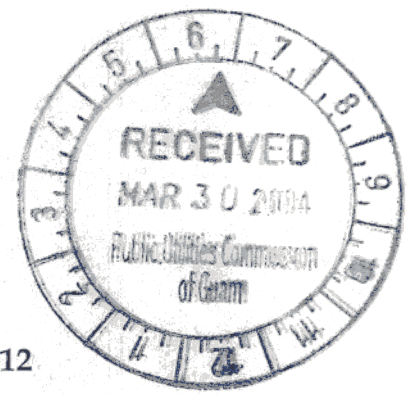


BEFORE THE PUBLIC UTILITIES COMMISSION  
OF GUAM



GUAM POWER AUTHORITY  
LEVELIZED ENERGY ADJUSTMENT  
CLAUSE [LEAC]

DOCKET 99-12

**ORDER**

In furtherance of the protocol established by the Guam Public Utilities Commission's [PUC] Order dated January 29, 1996, as amended by Order dated March 14, 2002, Guam Power Authority [GPA] and PUC's regulatory consultant [Georgetown Consulting Group (GCG)] jointly recommended at a duly noticed and convened March 15, 2004 public hearing the levelized energy adjustment clause [LEAC] factor, which should be applied to civilian customer bills for the period April 1, 2004 to September 30, 2004. PUC has also carefully reviewed GPA's February 2004 LEAC filing and GCG's March 10, 2004 report, which examines GPA's request for a change in the LEAC.

After discussion at a duly convened meeting at PUC's office on March 30, 2004 and for good cause shown, on motion made, seconded and carried by the affirmative vote of the undersigned commissioners, PUC hereby **ORDERS THAT:**

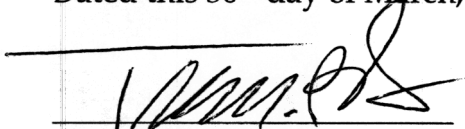
1. A LEAC factor of \$0.059753 per kWh shall be used for all civilian bills, effective April 1, 2004 through September 30, 2004 to cover forecasted prudent fuel and related expenses for the period. This represents a 2% reduction in the current LEAC rate and will reduce the average residential monthly bill [consumption rate of 1000 kWh] by about \$2.58.
2. Built into the current LEAC rate, which was established by PUC Order dated September 24, 2003 [September Order], is a funding mechanism to enable GPA, during the upcoming LEAC cycle, to recover \$3 million in deferred fuel expenses, which were incurred in prior LEAC periods.
3. Pursuant to the requirements of the September Order, GPA has been directed to develop with GCG, under oversight of PUC's administrative law judge [ALJ], the following documents in preparation for PUC's September 2004 LEAC hearing:

- a. A proposed comprehensive plan for GPA's management of its generating assets [see September Order Attachment D].
- b. Performance standards, which will be used by PUC commencing October 1, 2004 to determine the prudence of incurred fuel costs [see September Order Attachment F].
- c. System performance standards, which will be used by PUC commencing October 1, 2004 to determine GPA's entitlement to recovery of the balance of its deferred fuel expenses [see September Order Attachment E].

ALJ is directed to oversee regulatory activities, which will lead to PUC's consideration of these matters during the September 2004 regulatory session.


4. GPA's next LEAC filing shall be made on or before August 15, 2004 in accordance with the minimum requirements identified in GCG's March 10, 2004 report.

Dated this 30<sup>th</sup> day of March, 2004


  
Terrence M. Brooks


  
Edward C. Crisostomo

  
Gerald M. Wee

  
Rowena E. Perez

  
□

  
Richie T. Lim

  
Filomena M. Cantoria