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January 23, 2012

Jeff Johnson, Chairman
Guam Public Utilities Commission
Suite 207, GCIC Building
Hagatna, Guam 96932

Re: GPA Docket 11-16 Request for LEAC Factors Effective February 1, 2012 and April 1, 2012

Dear Chairman Johnson:

This report is in response to Guam Power Authority's ("GPA") request for changes in its Levelized Energy Adjustment Clause ("LEAC") factor for the six-month period commencing February 1, 2012.

By its December 15, 2011 petition GPA is requesting a two-step approach to the establishment of the LEAC rates for the six-month period. The first step proposed by GPA is to decrease the current factor of $0.19222 per kWh to $0.18663 effective on all civilian customers, effective February 1, 2012. This reduction would represent an approximate reduction in the monthly bill for a "typical" residential customer (1000 kWh) of $5.59 per month.

On April 1, GPA proposes to adjust this rate for its civilian customers receiving power at transmission or primary voltage levels, in recognition of the reality that these customers incur less line losses and should not be charged for the average system-wide line loss, but rather should receive an adjustment to their LEAC rate to more accurately reflect their responsibility for the cost of fuel related to line losses. GCG had recommended such adjustments in prior LEAC proceedings, as is common industry practice. Although there is a "discount" in place that is purported to be related to line loss for larger customers[1], the proposed adjustments ranging from 3% to 5% of the LEAC charges and is totally fuel-related. Currently, these customers have an adjustment (reduction) of 1% or 2% on the non-fuel portion of their energy charges (base rates as opposed to LEAC rates). GPA proposes delaying implementation of the adjustments to the LEAC factor to coincide with the elimination of the base rate reductions for these customers after the pending base rate case is concluded, currently anticipated to be effective April 1, 2012.

[1] GPA's response to RFI 1-7 indicates that almost all of the customers currently receiving a one or two percent electric base rate discount presently own their own transformation and service conductors. In addition, to lowering system losses these consumers have provided the capital for the purchase of this equipment and pay the cost of operation, maintenance, and replacement. At the present time the current discount is only applied to the base rate component of their bill.

The LEAC portion of a customer's bill varies between approximately two-thirds and three-quarters of the total bill. Rather than delaying implementation to April 1, we recommend immediate implementation of the proposed adjustments to the LEAC factor. There will be a two-month period where these few customers will pay slightly less until the base rates are adjusted. However, the additional LEAC reduction is substantially larger than the very small discount that some of these customers currently receive on base rates. These transmission and primary voltage customers have been subsidizing the remainder of customers for years. These transmission and primary voltage customers should receive a larger discount for the entire period as they are receiving energy at a higher voltage and therefore imposing less line loss on the system. This further LEAC adjustment for these customers is intended to provide a closer match to the cost of service for these larger entities to reflect less line loss.[2]

GPA has proposed adjustments (reductions) of 3, 4 and 5% to those customers receiving energy at transmission or primary voltage levels[3]. Once these adjustments are made, GPA proposes to increase the LEAC factor for the remainder of its customer base for the period April 1, 2012 until July 31, 2012 at which time new LEAC factors will be proposed for PUC approval. The net effect of GPA's proposal for a second-step adjustment of the LEAC factor, effective April 1, 2012 (at the originally forecasted fuel prices) would increase the February 2012 factor slightly from $0.18663 to $0.18711 per kWh or about 48 cents per month for the average residential customer (see Table 1). More specific discussion and our recommendations regarding these reductions and the history of this issue will be discussed in a later portion of this report.

In addition to recommending a change in the timing of the proposed LEAC rate adjustments for the transmission and primary voltage customers, we have also adjusted our recommended LEAC factor to reflect updated fuel price information. We have often stated that the latest information should be used by the PUC to determine the appropriate LEAC rates. During our investigation of this LEAC filing we received updated price information and have employed that data in computing our recommended LEAC factor for all customers.

We have provided a complete workbook deriving the GCG-proposed factors to GPA management and have attached hereto Attachment 1 which is the workbook for our calculations.[4]

The following table summarizes the variables in GPA's filing used to determine the factors that it requested be in place effective February 1, 2012 and April 1, 2012:

[2] GPA response to RFI 1-5.

[3] GPA refers to these adjustments as discounts. This terminology is misleading in that these customers are not receiving a discount in the traditional sense, but are simply paying for the actual loss level they incur on the system. The more correct terminology used in the industry is the establishment of loss multipliers for each voltage class of service.

[4] No adjustment was made to GPA's calculations for the six months ending January 31, 2012.

Table 1 - Corrected
Summary of LEAC Calculations

	Guam Power Authority Costs As Filed		GCG
	February 1- July 31, 2012	April 1- July 31, 2012	February 1- July 31, 2012
Cost of Number 6 Oil	$ 148,989,906	$ 99,518,208	$152,467,859
Cost of Number 2 Oil	2,910,638	1,843,850	2,947,217
Total Oil Costs	$ 151,900,544	$101,362,058	$155,415,077
Fuel Handling Costs	1,144,996	764,756	2,006,683
Total Fuel Costs	$ 153,045,540	$102,126,814	$157,421,759
Civilian Allocation	77.49%	77.49%	77.49%
Total LEAC Costs	$ 118,593,543	$ 79,137,104	$121,984,634
Under/(Over) Recovery	(152,632)	750,532	(152,632)
Net LEAC Costs	$ 118,440,911	$ 79,887,636	$121,832,002
Cost Recovery from Trans, Customers	NA	(3,899,480)	(5,994,370)
Total Distribution Fuel Costs	$ 118,440,911	$ 75,988,156	$115,837,632
Civilian Dist. Sales (mWh)	634,624	406,114	602,336
Proposed LEAC Factor ($/kWh)	0.18663	0.18711	0.19231
Current LEAC Factor	0.19222	0.18663	0.19222
Increase (Decrease) in Factor	(0.00559)	0.00048	0.00009
Average Use-Res (kWh)	1,000	1,000	1,000
Monthly Increase-Res.	$ (5.59)	$ 0.48	$ 0.09
Bill at Current Rates	$ 266.59	$ 266.59	$ 266.59
Increase/Decrease in Total Bill	-2.10%	0.18%	0.03%
Distribution LEAC Factor	0.18663	0.18711	0.19231
Primary - 13.8 KV	0.18663	0.18103	0.18654
34.5 KV	0.18663	0.17917	0.18462
115 KV	0.18663	0.17730	0.18270

Cost of Number 6 Oil

In the projected six-month period ending July 2012, GPA is forecasting that 99% of the generation will come from the more cost-effective steam units and slow speed diesels. This is about the same percentage that GPA has achieved and projects for the six months ending January 2012 (with two months estimated) and about the same level it has achieved for the past several years. As a result of the assumptions regarding efficiency and dispatch, the price per barrel for these units is the most significant cost item used in deriving the LEAC factor. The

percentages of total generation from the more economic steam and slow speed diesels are well within the standards set by the PUC. As we noted in the last LEAC report (June 2011):

> *While the equivalent availability rates for GPA's base load units are generally consistent with the performance standards previously approved by the Commission for equivalent availability, we would note for the Commission that the 3-year average equivalent availability rates of the Cabras 1 and 2 units have fallen below the target minimum benchmarks approved by the Commission. Specifically, Cabras Unit 2 is significantly underperforming. Although less critical, several of the diesel units are underperforming as well. As would be expected, neither Cabras Unit 1 nor Cabras Unit 2 is meeting the forced outage performance standards approved by the Commission when viewed on a 3-year average. More importantly, we would also note that during the LEAC period ending January 2011 GPA failed to meet the base load performance standard for fuel efficiency (average base load heat rate)[5]. Although the magnitude of the efficiency performance shortcoming was small, when it is combined with the equivalent availability underperformance of Cabras Units 1 and 2 and GPA's peaking units the situation could be viewed as predictive of future efficiency issues that could lead to increased consumer costs if appropriate remedial action is not taken. This matter should warrant more cautious scrutiny by the Commission of what action is being taken by GPA.*

In recognition of the predictive nature of the potential impact that this degradation will have on future efficiency and unit availability, TEMES, the performance management contractor (PMC) retained the firm of McHale and Associates, Inc. to conduct performance testing on the Cabras 1&2 units for the purpose of assessing their efficiency and to provide TEMES and GPS with a roadmap and benchmark for improvements. The McHale assessment has identified a series of improvements that, when implemented, will improve both the availability and performance of Cabras 1&2. In addition, GPA has identified operational changes that will improve the performance of Cabras 1&2.

In projecting the cost of Number 6 fuel, GPA used the Morgan Stanley Energy Noon Call ("MSENC") projection of Singapore Prices dated December 5, 2011. GPA projects the delivered price of oil using the future reports and adding the contract premiums explicit in the contract with Petrobras, its fuel supplier. Under the Petrobras contract before it was recently amended, GPA paid a premium of $4.499 per barrel and $6.501 per barrel depending upon whether the delivery was low or high sulfur content. GPA uses a weighted average premium to the spot price of $5.20 per barrel to project the delivered price. Under the amended contract, these premiums are now $42.91 and $29.69 per metric ton, but for purposes of the LEAC, price forecasts on a per barrel basis and GPA uses a price per barrel in its computation of the LEAC costs.

The next table shows the "delivered price" including the weighted average premiums for high and low sulfur. The price that GPA actually pays its supplier is based upon a ten day period with the shipment date as the midpoint. This causes a lag between spot price and the purchase

[5] http://guampowerauthority.com/gpa_authority/operations/documents/GHR0810-0111.pdf

price as recorded by GPA for delivery. The following table shows the projected price per barrel of Number 6 fuel comparing the December 5, 2011 MSENC to the more recent January 12, 2012 MSENC used by GCG:

Table 2 Price of Number 6 oil
$/Bbl

	Dec. 05, 2011 MSENC	Jan. 12, 2012 MSENC	
Nov.	106.38	106.38	Actual
Dec.	112.45	112.45	Actual
Jan.	108.93	108.93	Forecast
Feb.	106.82	106.82	Forecast
Mar.	105.74	111.74	Forecast
Apr.	105.12	109.58	Forecast
May	104.24	108.08	Forecast
June	104.24	106.94	Forecast
July	104.24	106.94	Forecast

As noted above, the PUC recently approved an amendment to the Petrobras contract and all actual shipment transactions are now calculated in metric tons as opposed to barrels. The original contract required that all shipments measured in metric tons be converted to barrels using a conversion factor of 6.6 barrels per metric ton. This is no longer used to determine price. Since the net price is now generally higher per shipment than under the original contract, GPA is using a conversion factor of 6.5 barrels per metric ton to reflect the recent amendment to the Petrobras contract. When we inquired what the net increase in cost for this amendment is, GPA used the 12 months ending March 2011 as a sample period and computed that if this amendment had it been in effect at that time it would have increased fuel costs by slightly less than $3.5 million.[6] In simple terms, the net effect of the amendment is to increase the cost of fuel paid by GPA ratepayers. This impact was understood by the PUC when it approved the requested amendment.[7]

As can be seen in Table 1, and as the Commission well knows, the largest cost component used in the derivation of the LEAC factor is the cost of Number 6 oil. Consistent with recent history, the performance management contractors (PMC's) continue to provide extremely high availability rates for GPA's base load units enabling the optimal unit commitment and economic dispatch of the generation units available to GPA, thereby reducing the amount of Number 6 oil needed for production. As was said earlier, in the projected six-month period ending July 31, 2012 GPA is forecasting that 99% of its power production will come from the more cost-effective steam turbine and slow-speed diesel generating units.

[6] GPA response to RFI 1-4.

[7] PUC Counsel Report, GPA Docket 11-07, dated July 5, 2011, p. 2, background para. 7 (indicating that Petrobras had indicated that the method of calculation under the original terms of its contract had caused Petrobras to incur an additional and unwarranted expense of $3.5 million in the first contract year). The additional expense to Petrobras was, of course, a savings to GPA.

As also noted above, in determining the LEAC factor, GPA uses the MSENC[8] to forecast of fuel prices for both Number 2 and Number 6 oil. This report is issued daily. Table 2 shows the "delivered price," which includes the weighted average premiums for high and low sulfur (about $5.20 per barrel). Table 2 shows that the prices for Number 6 oil in the more recent January 12, 2012 forecast are higher than GPA projected in its December petition. Consistent with our usual practice, GCG has used the more recent forecast to compute our recommended factors.

We would again remind the Commission that the price that GPA pays its supplier Petrobras-Singapore is based upon a ten day average for the prior month's Singapore spot prices causing a lag between these spot prices and the actual invoiced price. Furthermore, the impact in the LEAC of increased or decreased spot prices is also "lagged" due to the "FIFO"[9] method of inventory valuation used by GPA in the determination of fuel expenses for the LEAC. As a result, increased or decreased oil prices are directly linked to the prices ultimately paid by GPA, but they do not immediately impact the ratepayers and the LEAC.

GPA is currently totally dependent on oil for generation. There is no diversification of fuels for production; however, GPA has been successful in improving its cost-efficient dispatch and heat rates. In addition, GPS has identified in its integrated resource plan (IRP) an aggressive program of renewable energy and recently has been authorized to enter into two contracts which will add renewable energy to its system.

Cost of Number 2 Oil

As shown above in Table 1, the total cost of Number 2 oil ("diesel') is very small compared to the cost of Number 6 oil. Although the price per barrel for Number 2 oil is considerably higher than the price of Number 6, GPA projects that only 1% of the required generation will come from the diesel units. Table 3 below shows the price of diesel fuel that was originally forecasted in GPA's December 15, 2011 filing and the price reflected in the updated January 12, 2012 MSENC.

Table 3--Price on Number 2 Oil
$/Bbl

	Dec. 05, 2011 MSENC	Jan. 12, 2012 MSENC	
Nov.	146.25	146.25	Actual
Dec.	147.62	147.62	Actual
Jan.	152.05	152.05	Forecast
Feb.	152.05	152.05	Forecast
Mar.	151.80	154.48	Forecast
Apr.	151.67	153.93	Forecast
May	151.44	153.53	Forecast
June	151.44	153.17	Forecast
July	151.44	153.17	Forecast

[8] Morgan Stanley asserts that this report is proprietary and confidential information and cannot be distributed to the public.
[9] First in First Out ("FIFO") inventory uses the oldest price of supply in inventory before recognizing the more current price.

Fuel Handling Costs

The amount of "handling costs" is somewhat of a misnomer. As used in the LEAC procedure, this category of costs reflects the sum of several cost items that have in the past been permitted to be included into the total cost of fuel to be recovered through the LEAC. All of these cost items have been approved by the PUC either at the onset of the LEAC protocol or in subsequent rulings. As filed, the net sum of these items was approximately $1.1 million. However, with the updated fuel price information the total amount of these "handling costs" has increased to $2.2 million with the overwhelming cause of the change related to inventory valuation and the increased price forecast as of January 12, 2012. The following table shows the components of these costs:

Table 4 Corrected – Handling Costs
Six Months Ending July 31, 2012

TOTAL Tristar Costs	$1,737,173
Tank Farm Management Fee (FY 12 Budget)	658,400
Ship Demurrage Cost (FY 12 Budget)	87,000
Fuel Hedging loss/gain (estimated)	(163,750)
Lube Oil (FY 12 Budget)	1,067,220
Subscription Delivery fee, Vacuum Rental, Hauling (FY12 Budget)	28,000
Sale of fuel to Matson	(549,717)
Inventory growth to be recovered this period 01/31/12 vs. 07/31/12	(1,062,915)
SGS Inspection (FY 12Budget)	122,151
Labor charges (FY 12 Budget)	83,120
L/C Charges, Bank Charges	-
TOTAL Handling Costs	$2,006,683

Most of these costs are consistent with prior levels of costs, so we have focused our report discussion on Fuel Hedging, Inventory Growth and Letter of Credit ("L/C") interest.

Fuel Hedging

As filed, GPA does not include any adjustment to fuel costs related to a fuel hedging program for the proposed LEAC factor for the next LEAC period. GPA currently has a contract with J. Aron effective for the period January 1 2012 through March 31, 2012 for 10 metric tons (MT) of supply. After the expiration of that contract, GPA will have two contracts in place for the period April 1, 2012 to June 30, 2012. One contract is with Morgan Stanley while the second is with Goldman Sachs, with each contract for 5 MT of supply. The details and price limits can be found on Schedule 8a of Attachment 1.

Since all of the projected prices in the original filing for the period January through June 2012 when these new contracts were in force were expected to be between the floor and ceiling

prices, GPA correctly assumed no impact on the cost of fuel as a result of these hedging contracts. However, with our recommended update of prices the forecasted price of Number six oil will exceed the ceiling price of the J. Aron contract in February 2012 and the Morgan Stanley ceiling in April 2012. The total impact of the hedging contract is to credit (reduce) the total "handling charges" and cost of fuel for the six-month period ending July 31, 2012 by $164 thousand.

GPA has filed a separate petition to the PUC regarding a new hedging program and protocol. GCG is in the process of reviewing this filing and we cannot at this time make any assumption regarding the net impacts on the LEAC costs, if any.

Fuel Inventory

Another significant item is the valuation of inventory costs. The total estimated impact of this adjustment to fuel expense is a reduction of $1.1 million. For the period ending July 31, 2012 GCG has adjusted the GPA credit to the cost of fuel by updating the anticipated decrease in the inventory valuation between January 31, 2012 and July 31, 2012. As updated, this cost item has been computed as follows:

Table 4
Inventory Adjustments
Six months ending July 2012

Description	Barrels	Unit cost	Amount
Estimated ending inventory as of 07/31/12	489,199	105.700	$ 51,708,188
Estimated ending inventory as of 01/31/12	489,199	107.872	$ 52,771,102
Change in fuel inventory	-	(2.173)	$ (1,062,915)

While this is a benefit to the ratepayer in the six-month period ending July 31, 2012 for the inventory valuation adjustment, it is more than offset by a debit (increase) in fuel costs for the six-month period ending January 31, 2012 of $4.1 million for the same adjustment. Most this amount occurred in July and August 2011 ($3.5 million) when there was a noticeable increase in pricing and inventory valuation increased rapidly, after that prices have been or are forecasted to be relatively stable.

Letter of Credit Interest

GPA is requesting no interest recovery with this LEAC. This item was one that GCG had previously recommended being removed from the LEAC. The amended Petrobras contract gives GPA an interest-free letter of credit up to $30 million. GPA estimates that this change in the contract will save GPA and its ratepayers about $850 thousand per annum.[10] Should the L/C requirement exceed $30 million, GPA still has the ANZ letter of credit available, although the use of the facility would incur additional interest.

[10] GPA response to RFI 1-4. The July 5, 2011 PUC Counsel Report in GPA Docket 11-07 indicated that the potential savings had been estimated at $938,000 a year. PUC Counsel Report, p. 3, background para. 14.

Line Losses

In its January 2009 LEAC filing, GPA requested modification of a prior PUC order setting 6.7% as the line loss benchmark standard. GPA requested that an interim benchmark standard of 7% be adopted by the PUC, while GPA was still in the process of completing a Transmission System Study and other activities necessary for defining a permanent line loss performance benchmark. In its January 26, 2009 Order in Docket 02-04, the PUC accepted GPA's proposal and indicated that GPA should file this study no later than December 31, 2009 and include a proposal for a new line loss benchmark standard. GPA subsequently completed its Transmission System Study and filed it with the PUC. GCG was not requested to review this filing, so we do not know what recommendations were made in the study or the current regulatory status of the filing. As a result, we cannot compute the impact or impacts that such study may have on line losses on the LEAC and costs or savings for consumers for the next six months. We believe that the PUC has not acted on the study.

In this LEAC proceeding, GPA is using a 7% loss assumption for civilians to determine the production of kWh required for the six-months ending July 31, 2012. This is consistent with the GPA October 10, 2010 filing regarding the line loss benchmark, in which GPA requested that the 7% interim benchmark remain in place until the Smart Grid is implemented. We would note that the 7% level is actually a benchmark that defines the maximum allowable level for line losses which should not be exceeded by GPA. According to information from GPA, actual line losses are lower than the benchmark level and it could be argued should be the basis of projected losses through July 31, 2011. Use of the actual achieved lower line losses if used in the determination of the proposed LEAC factor would result in a slightly lower factor (which we have not proposed).

As we noted in our prior report, GPA line losses will be subject to substantial change over the course of the next 12 to 30 months. Specifically, from a ratepayer's perspective, GPA line losses are expected to be favorably impacted by the recently approved and financed smart-grid investments to GPA's delivery system[11].

The PUC should keep abreast of this, since one of the justifications used by GPA to request PUC approval of the investment in Smart-Grid was line loss reduction and the attendant cost savings.

Transmission Level LEAC factors

GPA is recommending LEAC factors that reflect the cost of line losses for larger customers receiving power at levels above the distribution level for most customers. As we said in our report to the PUC in August 2011:

> *Another line loss consideration, also discussed in our July 15, 2010 Report on GPA's Request for a LEAC Factor Effective August 1, 2010, is the need to differentiate line losses for LEAC rate purposes among customers served at different voltage levels. These differentiated LEAC recovery rates are consistent with standard regulatory practices and are a standard operating*

[11] GPA response to RFI 1-11 indicates that line losses by 2015 will decrease to less than 5.7 percent.

practice in the electric utility industry. In fact, differentiated LEAC recovery rates exist within every regulatory jurisdiction in the U.S. The Commission can refer to the more detailed discussion of this matter as contained in our July 15, 2010 Report on GPA's Request for a LEAC Factor Effective August 1, 2010. While it probably wasn't in this earlier report, not only do LEAC rates differentiated by voltage class ensure the delivery by regulators of "just and reasonable" rate, but such rates have zero revenue impact on GPA. These differentiated LEAC rates are "revenue neutral" to GPA as simply are a re-allocation amongst customer classes.[12]

In prior proceedings we requested further information regarding customers other than Navy who currently take power at distribution or transmission levels. At that time, GPA identified five customers. In this filing, GPA has identified thirteen customers eligible for the restructured LEAC factors to account for lower losses.[13] GPA proposes various adjustment factors of 3, 4 and 5% dependent upon the voltage level at which the customer receives service. Since these percentages are generally consistent with the experience of customers in other jurisdictions, we have accepted the proposed adjustment factors, but suggest that in future LEAC rate filings that GPA use actual loss multipliers which shall be applied to determine the LEAC rate for each of these customers in lieu of approximations.

As we stated earlier, GPA's petition seeks to receive approval by the PUC for these adjusted LEAC factors, but to defer their implementation until April 1, 2012 at which time base rates and surcharges will be revised as a result of the current base rate case. At that time, it is anticipated that one of the base rate changes will be the removal of the "discounts" shown on the base rate schedules for large power customers and a revision to rate schedule Z (the LEAC rate schedule) to reflect these adjustments.

The excess payments to GPA for losses that have historically been collected by GPA from these transmission level customers have been ongoing for years. We recommend that the PUC implement the adjustments for these customers on February 1. Since the current base rate case schedule does not remove the "discounts" on non-fuel energy charges until GPA receives an order from the PUC in the base rate proceeding, this small discount will remain in effect until April 1, 2012 (assuming the base rate changes are made effective on that date).

RECOMMENDATIONS

As a result of our review of the December 2011 request by GPA for a new LEAC factor and in consideration of the updated fuel price forecasts, we recommend:

- The current singular LEAC factor ($0.19222 per kWh) should be adjusted effective February 1, 2012 as shown in the following table:

[12] GCG Report to the Chairman, July 17, 2011, page 10.
[13] See Attachment 1, Schedule 11.

Customer	LEAC per kWh
Secondary - 13.8 KV	$ 0.19231
Primary - 13.8 KV	$ 0.18654
34.5 KV	$ 0.18462
115 KV	$ 0.18270

- GPA should file for a change in the LEAC factors to be effective August 1, 2102 on or before May 15, 2012

This concludes our report. If we can be of further assistance, please do not hesitate to contact Jim Madan, Larry Gawlik or myself.

Yours truly,

Edward R Margerison

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Attachment A1 _CORRECTED
LEAC Projection February Through July 2012
GCG Recommendation

GUAM POWER AUTHORITY **Schedule 1**
Fuel Clause Reconciliation

1 Start Date				Total FY 12			FY 12 Civilian		FY 12 Civilian	
2 Total Sales				1,656,070			1,283,273		372,797.00	
3 Daily Sales				4,524.78			3,506.21		1,018.57	
4 Plant Use				6.18%			216.82		62.99	
5 Transmission Loss				3.40%			119.29		34.65	
6 Distribution Loss				4.14%			145.27		42.20	
7 Company Use				0.18%			6.35		1.84	
8 Total Daily Demand							3,993.93		1,160.26	
9 Month		Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	TOTALS	% To Total	
10 Days		28	31	30	31	30	31			
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast			
11 Required Generation-Civilian		111,830	123,812	119,818	123,812	119,818	123,812	722,901	77.489%	
12 Required Generation-Navy		32,487	35,968	34,808	35,968	34,808	35,968	210,006	22.511%	
13 TOTAL REQUIRED GENERATION		144,317	159,780	154,626	159,780	154,626	159,780	932,907		
14 Number 6 (HSFO/LSFO)		$ 23,564,297	$ 25,907,401	$ 25,979,819	$ 26,605,519	$ 24,992,419	$ 25,418,404	$ 152,467,859	Schedule 2	
15 Number 2 (GPA)		1,020,227	46,561	57,729	278,688	234,299	1,309,713	2,947,217	Schedule 3	
16 Number 2 (USN)		0	0	0	0	0	0	0	Schedule 4	
17 TOTAL COST		$ 24,584,524	$ 25,953,962	$ 26,037,548	$ 26,884,207	$ 25,226,718	$ 26,728,116	$ 155,415,077		
18 Handling Costs		225,664	361,388	333,186	361,938	361,817	362,690	2,006,683	Schedule 5	
19 TOTAL EXPENSE		$ 24,810,188	$ 26,315,350	$ 26,370,734	$ 27,246,145	$ 25,588,535	$ 27,090,806	$ 157,421,759		
Calculation of Civilian Factor										
20 Sales-Civilian		98,174	108,693	105,186	108,693	105,186	108,693	634,624		
20a Sales-At Transmission Level		5,145	5,500	5,322	5,500	5,322	5,500	32,288		
20b Sales @ 13.8 kV		93,029	103,193	99,864	103,193	99,864	103,193	602,336		
21a Fuel Cost Recovery @ 13.8 kV	**$192.314**	17,890,794	19,845,438	19,205,262	19,845,438	19,205,262	19,845,438	115,837,632		
21b Fuel Cost Recovery @ "Transmission"		955,147	1,021,019	988,083	1,021,019	988,083	1,021,019	5,994,370		
21c Total Recovery		18,845,941	20,866,457	20,193,345	20,866,457	20,193,345	20,866,457	121,832,002		
22 Civilian Costs (Total Expense x %)	77.489%	19,225,181	20,391,516	20,434,433	21,112,781	19,828,314	20,992,410	121,984,634		
22a Deferred Fuel Amort.								0		
23 Under/(Over)		379,240	(474,941)	241,088	246,324	(365,031)	125,953	152,632		
24 Estimated Under/(Over)										
25 Net Recovery Under/(Over)										
26 Proposed Fuel Cost Recovery										
Half of Navy Adjustment		0								
Civilian Clause Reconciliation:										
27 Opening Recovery Balance-Jan 31, 2012		(152,632)	226,608	(248,333)	(7,246)	239,078	(125,953)			
Under/(Over)		379,240	(474,941)	241,088	246,324	(365,031)	125,953			
29 Closing Recovery Balance		226,608	(248,333)	(7,246)	239,078	(125,953)	(0)	(152,631.90)	*Decrease/(Increase) in Deferred Fi*	

Bills Computed at 1000 kWh/month	**Current Rates**	**Current Bill**	**Rate to fully recover**	**Increase (Decrease)**
Customer Charge $/month	$ 6.01	$ 6.01	$ 6.01	$ -
Non Fuel Energy Charges ($/Kwh)				
Lifeline Usage (500 Kwh)	0.03644	$ 18.22	$ 18.22	$ -
Non Lifeline Usage	0.09168	$ 45.84	$ 45.84	$ -
WaterWell Charge				
Lifeline Usage (500 Kwh)	0.00000	$ -	$ -	$ -
Non Lifeline Usage	0.00279	$ 1.40	$ 1.40	$ -
Insurance Charge	0.0029	$ 2.90	$ 2.90	$ -
Fuel Recovery Charge		$192.223	$192.314	$ 0.09
TOTAL Bill		**$ 266.59**	**$ 266.68**	**$ 0.09**
Increase (Decrease) From Current Bill			$ 0.09	
Percent Increase (Decrease)			**0.03%**	
Increase (Decrease) From Current Leac Factor			$ 0.09	
Percent Increase (Decrease)			**0.05%**	

Adjusted LEAC Rate at Different Sales Level:	
Customer	**LEAC per kWh**
Secondary - 13.8 KV	$ 0.192314
Primary - 13.8 KV	$ 0.186544
34.5 KV	$ 0.184621
115 KV	$ 0.182698

Baseload Unit Forecast
Cost of Number 6 Oil

IWPS TOTAL GENERATION	144,317	159,780	154,626	159,780	154,626	159,780	932,907
	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Total
Cabras #1							
Generation (Mwh)	30,308	31,105	32,180	29,929	28,267	1,080	152,869
Kwh/Barrel	606	606	606	606	606	606	
Barrels	50,013	51,329	53,102	49,388	46,646	1,782	252,259
Mmbtu/Kwh (Heat Rate)	10,066	10,066	10,066	10,066	10,066	10,066	
Cabras #2							
Generation (Mwh)	7,928	19,141	21,608	20,413	18,970	28,704	116,765
Kwh/Barrel	603	603	603	603	603	603	
Barrels	13,148	31,743	35,835	33,853	31,460	47,602	193,640
Mmbtu/Kwh (Heat Rate)	10,116	10,116	10,116	10,116	10,116	10,116	
Cabras #3							
Generation (Mwh)	17,137	24,816	22,331	20,458	23,805	24,839	133,387
Kwh/Barrel	736	736	736	736	736	736	
Barrels	23,284	33,718	30,341	27,796	32,344	33,749	181,233
Mmbtu/Kwh (Heat Rate)	8,288	8,288	8,288	8,288	8,288	8,288	
Cabras #4							
Generation (Mwh)	22,082	19,693	23,638	22,005	21,165	20,701	129,284
Kwh/Barrel	742	742	742	742	742	742	
Barrels	29,760	26,540	31,857	29,657	28,525	27,899	174,238
Mmbtu/Kwh (Heat Rate)	8,221	8,221	8,221	8,221	8,221	8,221	
Tanguisson #1							
Generation (Mwh)	7,871	7,296	9,583	8,342	7,118	10,996	51,207
Kwh/Barrel	478	478	478	478	478	478	
Barrels	16,467	15,263	20,048	17,453	14,892	23,005	107,128
Mmbtu/Kwh (Heat Rate)	12,762	12,762	12,762	12,762	12,762	12,762	
Tanguisson #2							
Generation (Mwh)	5,359	2,892	8,781	3,389	2,100	10,996	33,518
Kwh/Barrel	474	474	474	474	474	474	
Barrels	11,307	6,101	18,526	7,150	4,430	23,199	70,712
Mmbtu/Kwh (Heat Rate)	12,869	12,869	12,869	12,869	12,869	12,869	
Piti Power Plant 4 & 5							
Generation (Mwh)	0	0	0	0	0	0	0
Kwh/Barrel	463	463	463	463	463	463	
Barrels	0	0	0	0	0	0	0
Mmbtu/Kwh (Heat Rate)	0	0	0	0	0	0	
Enron (IPP) Piti #8							
Generation (Mwh)	24,626	24,515	28,565	24,497	24,861	27,834	154,900
Kwh/Barrel	728	728	728	728	728	728	
Barrels	33,827	33,675	39,238	33,650	34,150	38,234	212,774
Mmbtu/Kwh (Heat Rate)	8,379	8,379	8,379	8,379	8,379	8,379	
Enron (IPP) Piti #9							
Generation (Mwh)	25,571	30,128	7,700	29,719	27,494	30,108	150,720
Kwh/Barrel	730	730	730	730	730	730	
Barrels	35,028	41,271	10,548	40,712	37,663	41,244	206,465
Mmbtu/Kwh (Heat Rate)	8,356	8,356	8,356	8,356	8,356	8,356	
Total Generation (Mwh)	140,883	159,586	154,387	158,754	153,781	155,259	922,650
Total Barrels	212,835	239,640	239,495	239,658	230,108	236,713	1,398,449
Price/Barrel	$110.72	$108.11	$108.48	$111.01	$108.61	$107.38	$109.03
Total Cost (Sch. 6)	$23,564,297	$25,907,401	$25,979,819	$26,605,519	$24,992,419	$25,418,404	$152,467,859
% to Total MWH Generation	98%	100%	100%	99%	99%	97%	99%
% to Fuel Cost	96%	100%	100%	99%	99%	95%	98%

$ 109.03

THE GUAM POWER AUTHORITY
GPA Diesel Unit Forecast
Cost of Number 2 Oil

Remaining Demand	3,434	194	239	1,026	845	4,521	10,258
	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Total
Dededo CT #1							
Generation (Mwh)	0	0	0	0	0	0	0
Kwh/Barrel	297	297	297	297	297	297	
Barrels	0	0	0	0	0	0	0
Mmbtu/Kwh (Heat Rate)	0	0	0	0	0	0	
Dededo CT #2							
Generation (Mwh)	0	0	0	0	0	0	0
Kwh/Barrel	374	374	374	374	374	374	
Barrels	0	0	0	0	0	0	0
Mmbtu/Kwh (Heat Rate)	0	0	0	0	0	0	
Macheche CT							
Generation (Mwh)	0	0	0	0	0	520	520
Kwh/Barrel	479	479	479	479	479	479	
Barrels	0	0	0	0	0	1,086	1,086
Mmbtu/Kwh (Heat Rate)	0	0	0	0	0	12,109	
Yigo CT							
Generation (Mwh)	1,782	0	0	296	299	1,852	4,228
Kwh/Barrel	446	446	446	446	446	446	
Barrels	3,994	0	0	663	670	4,152	9,480
Mmbtu/Kwh (Heat Rate)	13,004	0	0	13,004	13,004	13,004	
Tenjo Vista							
Generation (Mwh)	1,581	194	232	686	527	2,119	5,338
Kwh/Barrel	640	640	640	640	640	640	
Barrels	2,470	302	362	1,072	824	3,311	8,341
Mmbtu/Kwh (Heat Rate)	9,063	9,063	9,063	9,063	9,063	9,063	
TEMES							
Generation (Mwh)	0	0	0	0	0	0	0
Kwh/Barrel	414	414	414	414	414	414	
Barrels	0	0	0	0	0	0	0
Mmbtu/Kwh (Heat Rate)	0	0	0	0	0	0	

	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Total
Manengon (MDI)							
Generation (Mwh)	0	0	0	7	0	7	15
Kwh/Barrel	542	542	542	542	542	542	
Barrels	0	0	0	13	0	14	27
Mmbtu/Kwh (Heat Rate)	0	0	0	10,701	0	10,701	
Talofofo							
Generation (Mwh)	72	0	7	37	18	22	157
Kwh/Barrel	516	516	516	516	516	516	
Barrels	140	0	14	71	36	43	303
Mmbtu/Kwh (Heat Rate)	11,240	0	11,240	11,240	11,240	11,240	
Marbo CT							
Generation (Mwh)	0	0	0	0	0	0	0
Kwh/Barrel	293	293	293	293	293	293	
Barrels	0	0	0	0	0	0	0
Mmbtu/Kwh (Heat Rate)	0	0	0	0	0	0	
Dededo Diesel							
Generation (Mwh)	0	0	0	0	0	0	0
Kwh/Barrel	510	510	510	510	510	510	
Barrels	0	0	0	0	0	0	0
Mmbtu/Kwh (Heat Rate)	0	0	0	0	0	0	
Total Generation (MWH) #2 Units	3,434	194	239	1,026	845	4,521	
Total Barrels	6,604	302	376	1,819	1,530	8,606	19,237
Price/Barrel-See Schedule 7	$ 154.48	$ 153.93	$ 153.53	$ 153.17	$ 153.17	$ 152.19	$ 153.20
Total Cost	$1,020,227	$46,561	$57,729	$278,688	$234,299	$1,309,713	$2,947,217
Total Gross Generation	144,317	159,780	154,626	159,780	154,626	159,780	
Total Barrels	219,439	239,942	239,871	241,478	231,638	245,319	
% to Total MWH Generation	2%	0%	0%	1%	1%	3%	
% to Fuel Cost	4%	0%	0%	1%	1%	5%	

GUAM POWER AUTHORITY
Navy Dispatch

Schedule 4

Remaining Demand	0	(0)	0	(0)	0	0	
	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Total
New Orote Plant							
Generation (Mwh)	0	0	0	0	0	0	0
Kwh/Barrel	600	600	600	600	600	600	
Barrels	0	0	0	0	0	0	0
Radio Barrigada Muse							
Generation (Mwh)	0	0	0	0	0	0	0
Kwh/Barrel	550	550	550	550	550	550	
Barrels	0	0	0	0	0	0	0
Naval Hospital Muse							
Generation (Mwh)	0	0	0	0	0	0	0
Kwh/Barrel	550	550	550	550	550	550	
Barrels	0	0	0	0	0	0	0
Total Barrels	0	0	0	0	0	0	0
Price/Barrel	$ 154.48	$ 153.93	$ 153.53	$ 153.17	$ 153.17	$ 152.19	
Total Cost	$0	$0	$0	$0	$0	$0	$0
Remaining Demand	0	(0)	0	(0)	0	0	0

GUAM POWER AUTHORITY
Fuel Handling and Other Costs

Schedule 5

	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Total
Total Number Six Consumption	212,835	239,640	239,495	239,658	230,108	236,713	1,398,449
Dock Usage Fee/Barrel	$0.54	$0.48	$0.48	$0.48	$0.50	$0.49	
Total Dock Fee-Tristar (FY 12 Budget)	$115,472	$115,472	$115,472	$115,472	$115,472	$115,472	$692,832
A) Excess Laytime/Overtime-Tristar	2,706	3,047	3,045	3,047	2,926	3,010	17,782
Storage Tank Rental-Tristar (FY 12 Budget)	115,560	115,560	115,560	115,560	115,560	115,560	693,360
Pipeline Fee-Tristar (FY 12 Budget)	55,533	55,533	55,533	55,533	55,533	55,533	333,199
TOTAL Tristar Costs	$289,271	$289,612	$289,610	$289,613	$289,491	$289,575	$1,737,173
Tank Farm Management Fee (FY 12 Budget)	109,733	109,733	109,733	109,733	109,733	109,733	658,400
Ship Demurrage Cost (FY 12 Budget)	14,500	14,500	14,500	14,500	14,500	14,500	87,000
D) Fuel Hedging loss/gain (estimated)	0	0	0	0	0	0	0
E) Lube Oil (FY 12 Budget)	177,870	177,870	177,870	177,870	177,870	177,870	1,067,220
Subscription Delivery fee, Vacuum Rental, Hauling (FY12 Budget)	4,667	4,667	4,667	4,667	4,667	4,667	28,000
F) Sale of fuel to Matson	(92,437)	(92,054)	(91,504)	(91,504)	(91,504)	(90,715)	(549,717)
G) Inventory growth to be recovered this period 01/31/12 vs 07/31/12	(177,152)	(177,152)	(177,152)	(177,152)	(177,152)	(177,152)	(1,062,915)
SGS Inspection (FY 12Budget)	20,358	20,358	20,358	20,358	20,358	20,358	122,151
C) Labor charges (FY 12 Budget)	13,853	13,853	13,853	13,853	13,853	13,853	83,120
B) L/C Charges,Bank Charges	-	-	-	-	-	-	-
TOTAL Handling Costs	360,664	$361,388	$361,936	$361,938	$361,817	$362,690	$2,170,433
							2,170,433

Notes:

(A) Total Excess Laytime & O/T Charges for
period 10/10 thru 09/11 $ 33,633.80
Total barrels offloaded FY 2011 2,645,072
Rate per barrel $0.0127

(B) Total Bank Charges (commission, issuance, LC fees) FY 11
LC charges rate per annum 2.35%
# of months charged by ANZ Bank 2

(c) Fiscal Year 11 budget for Labor $ 150,000.00
Divided by 12 months 12.00
Estimated labor charges Fy11 $ 12,500.00
Fiscal Year 12 budget for Labor $ 166,240.38
Divided by 12 months 12.00
Estimated labor charges Fy 12 $ 13,853.37

(D) Fuel Hedging Gain/loss - Hedging Contract is in place thru 06.30.12

(E) Lube oil is based on FY 11 Budget of $1,732,957.18 & FY 12 Budget of $2,134,440.00

(F) Sale to Matson
Average No. of Barrels for FY 2011 4145
Multiplied by $1.69 for handling fee and $4.20 for bunker fee plus 15% markup; $.55 for royalty fee

G) Inventory Growth calculated as follows:
07/31/12 vs. 01/31/12

Description	Barrels	Unit cost		Amount
Estimated ending inventory as of 07/31/12	489,199	105.700	$	51,708,188
Estimated ending inventory as of 01/31/12	489,199	107.872	$	52,771,102
Change in fuel inventory	-	(2.173)	$	(1,062,915)
Amount recoverable for6 months			$	(1,062,915)
Divided by6 months-to recover every month			$	(177,152.44)

GUAM POWER AUTHORITY
Inventory Effect of Number Six Costs

Schedule 6

		Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Ending
Layer 1	Inventory (bbls)	108,001	-	-	-	-	-	-
	Price/Bbl	112.45	112.45	112.45	112.45	112.45	112.45	112.45
Layer 2	Inventory (bbls)	251,545	146,711	-	-	0	0	0
	Price/Bbl	108.93	108.93	108.93	108.93	108.93	108.93	108.93
Layer 3	Inventory (bbls)	251,545	251,545	158,617	-	-	-	-
	Price/Bbl	106.82	106.82	106.82	106.82	106.82	106.82	106.82
Layer 4	Inventory (bbls)	240,000	240,000	240,000	159,122	-	-	0
	Price/Bbl	111.74	111.74	111.74	111.74	111.74	111.74	111.74
Layer 5	Inventory (bbls)	240,000	240,000	240,000	240,000	80,878	-	0
	Price/Bbl	109.58	109.58	109.58	109.58	109.58	109.58	109.58
Layer 6	Inventory (bbls)	240,000	240,000	240,000	240,000	240,000	90,769	0
	Price/Bbl	108.08	108.08	108.08	108.08	108.08	108.08	108.08
Layer 7	Inventory (bbls)	240,000	240,000	240,000	240,000	240,000	240,000	94,056
	Price/Bbl	106.94	106.94	106.94	106.94	106.94	106.94	106.94
Total Consumption (bbls)		212,835	239,640	239,495	239,658	230,108	236,713	1,398,449.37
Total Barrels	Layer 1	108,001	0	0	0	0	0	
	Layer 2	104,834	146,711	0	0	0	0	
	Layer 3	0	92,928	158,617	0	0	0	
	Layer 4	0	0	80,878	159,122	0	0	
	Layer 5	0	0	0	80,536	80,878	0	
	Layer 6	0	0	0	0	149,231	90,769	
	Layer 7	0	0	0	0	0	145,944	
	Total	212,835	239,640	239,495	239,658	230,108	236,713	
Cost	Layer 1	$12,144,762	$0	$0	$0	$0	$0	
	Layer 2	11,419,535	15,981,258	-	-	-	-	
	Layer 3	-	9,926,142	16,942,693	-	-	-	
	Layer 4	-	-	9,037,126	17,780,033	-	-	
	Layer 5	-	-	-	8,825,487	8,862,928	-	
	Layer 6	-	-	-	-	16,129,491	9,810,745	
	Layer 7	-	-	-	-	-	15,607,659	
	Total	$23,564,297	$25,907,401	$25,979,819	$26,605,519	$24,992,419	$25,418,404	$152,467,859
	Price Per Barrel	$110.72	$108.11	$108.48	$111.01	$108.61	$107.38	$109.03

MSENC 1/16/2012

	$/Bbl											
Oct-11	106.38	Actual	-	4.499	6.501	5.200	1.00	-	-	5.20
Nov-11	112.45	Actual	698.66	4.499	6.501	5.200	1.00	698.66	105.86	111.06
Dec-11	108.93	Forecast	663.52	4.499	6.501	5.200	1.00	663.52	102.08	107.28
Jan-12	106.82	Forecast	660.50	4.499	6.501	5.200	1.00	660.50	101.62	106.82
Feb-12	111.74	Forecast	692.50	4.499	6.501	5.200	1.00	692.50	106.54	111.74
Mar-12	109.58	Forecast	678.50	4.499	6.501	5.200	1.00	678.50	104.38	109.58
Apr-12	108.08	Forecast	668.75	4.499	6.501	5.200	1.00	668.75	102.88	108.08
May-12	106.94	Forecast	661.33	4.499	6.501	5.200	1.00	661.33	101.74	106.94
Jun-12	106.94	Forecast	661.33	4.499	6.501	5.200	1.00	661.33	101.74	106.94
Jul-12	104.46	Forecast	645.17	4.499	6.501	5.200	1.00	645.17	99.26	104.46
Aug-12	102.97	Forecast	635.50	4.499	6.501	5.200	1.00	635.50	97.77	102.97
Sep-12	102.97	Forecast	635.50	4.499	6.501	5.200	1.00	635.50	97.77	102.97
Oct-12	101.78	Forecast	627.75	4.499	6.501	5.200	1.00	627.75	96.58	101.78

Note: Fuel forecast was based Morgan Stanley Energy Noon Call Asia on Sing HSFO 180CST dated 12/05/1

Balance as of 10.31.11	HSFO/LSFO	556,826.33	$ 106.38	$	59,233,485.68
		261,465.41	$ 112.45	$	29,401,918.60
		251,545.33	$ 108.93	$	27,400,793.72

Workpaper for Number 2 oil pricing:

		May-11
Actual Invoice	Shell	
Temes		0.0000
Diesel		0.0000
Tenjo		0.0000
Cabras 1&2/Tango		0.0000
Total		0.0000
Average		0.0000
Multiplied by 42	$	-

Premium fee $ 26.96 Effective March 2010

Note: Fuel forecast was based on Morgan Stanley Gasoil swaps .5%S dated 12/05/11

Update to 1/16/2012

Oct-11	$	146.25	Actual
Nov-11	$	147.62	Actual
Dec-11	$	152.05	Forecast
Jan-12	$	152.05	Forecast
Feb-12	$	154.48	Forecast
Mar-12	$	153.93	Forecast
Apr-12	$	153.53	Forecast
May-12	$	153.17	Forecast
Jun-12	$	153.17	Forecast
Jul-12	$	152.19	Forecast

Forecast		
127.52	**1**	127.52
126.97	**1**	126.97
126.57	**1**	126.57
126.21	**1**	126.21
126.21	**1**	126.21
125.23	**1**	125.23

FUEL HEDGING PROGRAM
GAIN/(LOSS)

						GPA HEDGING CALCULATION			
						Platt's Posted Price	Diff. between Platts Price vs.	Contract	GPA
						HSFO 180 cst	Cap/Floor	Quantity	GAIN / (LOSS)
FY 2012	**Trade Date**	**Month**	**Cap. Price**	**Floor Price**		**$/MT**	**$**	**MT**	**($)**
J Aron	6/24/2011	February	679.00	553.00		692.500	$13.500	10,000	$ 135,000.00
	PROJECTED NET GPA GAIN/(LOSS)								$ 135,000.00
J Aron	6/24/2011	March	679.00	553.00		678.500	$0.000	10,000	$ -
	PROJECTED NET GPA GAIN/(LOSS)								$ -
Morgan Stanl	6/28/2011	April	676.00	569.50		668.750	$0.000	5,000	$ -
Goldman Sac	8/10/2011	April	663.00	579.90		668.750	$5.750	5,000	$ 28,750.00
	PROJECTED NET GPA GAIN/(LOSS)								$ 28,750.00
Morgan Stanl	6/28/2011	May	676.00	569.50		661.330	$0.000	5,000	$ -
Goldman Sac	8/10/2011	May	663.00	579.90		661.330	$0.000	5,000	$ -
	PROJECTED NET GPA GAIN/(LOSS)								$ -
Morgan Stanl	6/28/2011	June	676.00	569.50		661.330	$0.000	5,000	$ -
Goldman Sac	8/10/2011	June	663.00	579.90		661.330	$0.000	5,000	$ -
	PROJECTED NET GPA GAIN/(LOSS)								$ -
	Grand Total								$ 163,750.00

Schedule 8b

GPA HEDGE CONTRACTS							
	Trade	Quantity	Period	Ceiling		Floor	
Morgan Stanley	6/24/2010	9969	01/01/11 - 03/31/11	516.00	78.18	424.25	64.28
ANZ	6/302010	9969	01/01/11 - 03/31/11	503.00	76.21	427.75	64.81
ANZ	8/20/2010	9969	04/01/11 - 06/30/11	517.00	78.33	432.25	65.49
J Aron	8/25/2010	9969	04/01/11 - 06/30/11	502.00	76.06	426.25	64.58
J Aron	11/18/2010	9969	07/01/11 - 09/30/11	543.00	82.27	465.00	70.45
J Aron	11/19/2010	9969	07/01/11 - 09/30/11	549.00	83.18	466.75	70.72

Schedule 9

IWPS TOTAL GENERATION (MW		144,317		159,780		154,626		159,780		154,626		159,780
	Forecast by Generation		Forecast by Generation		Forecast by Generation		Forecast by Generation		Forecast by Generation		Forecast by Generation	
	Feb-12	Feb-12	Mar-12	Mar-12	Apr-12	Apr-12	May-12	May-12	Jun-12	Jun-12	Jul-12	Jul-12
Cabras 1	33,594	30,308	33,422	31,105	35,026	32,180	32,796	29,929	30,657	28,267	1,174	1,080
Cabras 2	8,788	7,928	20,566	19,141	23,519	21,608	22,369	20,413	20,574	18,970	31,209	28,704
Cabras 3	18,995	17,137	26,664	24,816	24,306	22,331	22,418	20,458	25,818	23,805	27,007	24,839
Cabras 4	24,476	22,082	21,159	19,693	25,729	23,638	24,113	22,005	22,955	21,165	22,508	20,701
ENRON 1	27,296	24,626	26,341	24,515	31,091	28,565	26,845	24,497	26,963	24,861	30,263	27,834
ENRON 2	28,343	25,571	32,371	30,128	8,381	7,700	32,567	29,719	29,818	27,494	32,736	30,108
HEI 1	8,725	7,871	7,839	7,296	10,430	9,583	9,142	8,342	7,720	7,118	11,956	10,996
HEI 2	5,940	5,359	3,107	2,892	9,558	8,781	3,714	3,389	2,277	2,100	11,956	10,996
Dededo CT 1	0	-	0	-	-	-	-	-	-	-	-	-
Dededo CT 2	0	-	0	-	-	-	-	-	-	-	-	-
Macheche CT	0	-	0	-	-	-	-	-	-	-	565	520
Marbo CT	0	-	0	-	-	-	-	-	-	-	-	-
Yigo CT	1,975	1,782	0	-	-	-	324	296	324	299	2,014	1,852
TEMES CT	0	-	0	-	-	-	-	-	-	-	-	-
Dededo Diesel 1	0	-	0	-	-	-	-	-	-	-	-	-
Dededo Diesel 2	0	-	0	-	-	-	-	-	-	-	-	-
Dededo Diesel 3	0	-	0	-	-	-	-	-	-	-	-	-
Dededo Diesel 4	0	-	0	-	-	-	-	-	-	-	-	-
Pulantat Diesel 1	0	-	0	-	-	-	8	7	-	-	8	7
Pulantat Diesel 2	0	-	0	-	-	-	-	-	-	-	-	-
Talofofo Diesel 1	64	58	0	-	-	-	12	11	12	11	12	11
Talofofo Diesel 2	16	14	0	-	8	7	28	26	8	7	12	11
Tenjo Diesel 1	180	162	8	7	12	11	80	73	104	96	256	235
Tenjo Diesel 2	168	152	12	11	12	11	80	73	96	89	236	217
Tenjo Diesel 3	260	235	12	11	40	37	124	113	84	77	228	210
Tenjo Diesel 4	312	281	44	41	52	48	144	131	92	85	496	456
Tenjo Diesel 5	404	364	60	56	56	51	160	146	80	74	568	522
Tenjo Diesel 6	428	386	72	67	80	73	164	150	116	107	520	478
	-		-		-	-	-	-	-	-	-	-
	159,964	144,317	171,678	159,780	168,300	154,626	175,088	159,780	167,700	154,626	173,724	159,780

788,590

ASSUMPTIONS/ADD'L INFORMATION:

1. Total sales (Civilian & Navy) same as used in the Docket 98-002.
2. Plant use, losses and company use as a ratio to sales are calculated as follows.

	Mwh	Ratio to Sales	Ratio to Sendout	
Total Mwh Sales -FY08	1,636,791			Ratio to net send out **
Plant Use - (FY 08)	101,216	6.18%		1,763,255
Transmission Losses	55,686	3.40%	3.16%	7.00%
Distribution losses	67,815	4.14%	3.85%	
Company use (FY08)	2,963	0.18%	0.17%	

**tie in to report GPA 318 as of 09.30.08

Note A:	Mwh	Ratio	Allocated FY08 T&D Losses	
Total T&D losses FY08	123,501		7.55%	(Ratio to sales)
Transmission losses-9/3	48,579	45.09%	55,686	
Distribution losses- 9/30	59,160	54.91%	67,815	
	107,739		123,501	

Net Plant Output	1,763,255
T&D Losses	123,501
Interim PUC adopted line loss standard	7.00%

Primary and Transmission Level Customers

Estimated Sales for FY 2012

Voltage		Customer Name	Account #	FEB
		LEAC Rate		**0.182698**
115 kV:	1	MEC or ENRON	156156	2,406
				$ 439.61
		LEAC Rate		**0.184621**
34.5 kV:	1	Navy		
	2	Tycom or VSNL	235992	274,533
	3	**GIAA**	124383	2,042,544
	4	Temes	156155	55,976
	5	Pruvient or HEI	156147	323
				2,373,377
				$ 438,175.93
		LEAC Rate		**0.186544**
Primary	1	Hyatt Hotel	124337	881,471
13.8 kV:	2	Sheraton Laguna	238279	365,400
	3	**Marriot (Pacific Star)**	124332	784,933
	4	**Tri Star (Shell or Gorco)**	267519	40,117
	5	**Country Club of the Pacific (Sohbu Guam Dev)**	124312	33,350
	6	**Black Construction**	124323	75,168
	7	**Port Authority of Guam (LC1 & LC4)**	124377	399,040
	8	**Guam Inter Trade Center**	124278	189,467
				2,768,946
	9	Total Revenue		$ 516,531.37
	10	Total Sales		5,144,729
	11	Total Revenues		$ 955,146.90

MAR	APR	MAY	JUN	JUL	Total	
2,572	2,489	2,572	2,489	2,572	15,101	10,123
$ 469.90	$ 454.77	$ 469.92	$ 454.77	$ 469.92	$ 2,758.89	
293,467	284,000	293,467	284,000	293,467	1,722,933	
2,183,409	2,112,977	2,183,409	2,112,977	2,183,409	12,818,726	
59,837	57,907	59,837	57,907	59,837	351,299	
346	335	346	335	346	2,029	
2,537,058	2,455,218	2,537,058	2,455,218	2,537,058	14,894,988	9,984,553
$ 468,394.96	$ 453,285.45	$ 468,394.96	$ 453,285.45	$ 468,394.96	$ 2,749,931.71	
942,262	911,867	942,262	911,867	942,262	5,531,991	
390,600	378,000	390,600	378,000	390,600	2,293,200	
839,067	812,000	839,067	812,000	839,067	4,926,133	
42,883	41,500	42,883	41,500	42,883	251,767	
35,650	34,500	35,650	34,500	35,650	209,300	
80,352	77,760	80,352	77,760	80,352	471,744	
426,560	412,800	426,560	412,800	426,560	2,504,320	
202,533	196,000	202,533	196,000	202,533	1,189,067	
2,959,908	2,864,427	2,959,908	2,864,427	2,959,908	17,377,522	11,648,668
$ 552,154.22	$ 534,342.79	$ 552,154.22	$ 534,342.79	$ 552,154.22	$ 3,241,679.60	
5,499,538	5,322,134	5,499,538	5,322,134	5,499,538	32,287,611	
##########	$ 988,083.00	##########	$ 988,083.00	##########	$ 5,994,370.20	21,643,344

LEAC Rates Applicable to Different Sales Level
February 2012 thru July 2012

		Adjusted LEAC Rate		Cost Shift
1	Total Sales -MWH		634,624	
2	Less: Sales			
3	Primary (3% Discount) (Line 15*.97)	$ 0.186544	17,378	$ 3,241,680
4	34.5 (4% Discount) (Line 15*.96)	$ 0.184621	14,895	2,749,932
5	115 (5% Discount) (Line 15 * .95)	$ 0.182698	15	2,759
6	Net Sales - MWh		602,336	$ 5,994,370
7				
8	Total Civilian Fuel Cost		$ 121,984,634	
9	Over/(Under) Recovery		(152,632)	
10	Less: Fuel Costs Recovery from Discounted Customers		(5,994,370)	
11				
12	Civilian Fuel Cost (Net of Discounted Customers)		$ 115,837,632	
13				
14	Adjusted LEAC Rate (Line 9/Line 11)		$ 0.192314	

	Guam Power Authority Costs As Filed		GCG	
	February 1- July 31, 2012	April 1- July 31, 2012	February 1- July 31, 2012	
				Nov.
Cost of Number 6 Oil	$148,989,906	$ 99,518,208	##########	Dec.
Cost of Number 2 Oil	2,910,638	1,843,850	2,947,217	Jan.
Total Oil Costs	$151,900,544	##########	##########	Feb.
Fuel Handling Costs	1,144,996	764,756	2,006,683	Mar.
Total Fuel Costs	$153,045,540	##########	##########	Apr.
Civilian Allocation	77.49%	77.49%	77.49%	May
Total LEAC Costs	$118,593,543	$ 79,137,104	##########	June
Under/(Over) Recovery	(152,632)	750,532	(152,632)	July
Net LEAC Costs	$118,440,911	$ 79,887,636	##########	
Cost Recovery from Trans, Customers	NA	(3,899,480)	(5,994,370)	
Total Distribution Fuel Costs	$118,440,911	$ 75,988,156	##########	
Civilian Dist. Sales (mWh)	634,624	406,114	602,336	
Proposed LEAC Factor ($/kWh)	0.186632	0.18711	0.19231	
Current LEAC Factor	0.192223	0.18663	0.19222	
Increase (Decrease) in Factor	(0.00559)	0.00048	0.00009	
Average Use-Res (kWh)	1,000	1,000	1,000	
Monthly Increase-Res.	$ (5.59)	$ 0.48	$ 0.09	
Bill at Current Rates	$ 266.59	$ 266.59	$ 266.59	
Increase/Decrease in Total Bill	-2.10%	0.18%	0.03%	
Distribution LEAC Factor	0.18663	0.18711	0.19231	
Primary - 13.8 KV	0.18663	0.18103	0.18654	
34.5 KV	0.18663	0.17917	0.18462	
115 KV	0.18663	0.17730	0.18270	

No 6 Oil		No 2 Oil		
Dec. 05, 2011	Jan. 12, 2012	Dec. 5, '11	Jan. 12, '11	
MSENC	MSENC	MSENC	MSENC	
106.38	106.38	146.25	146.25	Actual
112.45	112.45	147.62	147.62	Actual
108.93	108.93	152.05	152.05	Forecast
106.82	106.82	152.05	152.05	Forecast
105.74	111.74	151.80	154.48	Forecast
105.12	109.58	151.67	153.93	Forecast
104.24	108.08	151.44	153.53	Forecast
104.24	106.94	151.44	153.17	Forecast
104.24	106.94	151.44	153.17	Forecast