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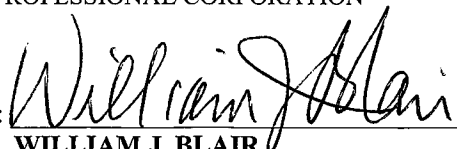
**BEFORE THE
GUAM PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF:)	DOCKET 02-04
)	
GUAM POWER AUTHORITY LEVELIZED ENERGY ADJUSTMENT CLAUSE (LEAC))	GEORGETOWN CONSULTING GROUP, INC.'S RESPONSE TO GUAM POWER AUTHORITY'S LEAC PETITION FOR ADJUSTMENT OF LEAC FACTOR COMMENCING FEBRUARY 1, 2009

Attached hereto is a true and correct copy of Georgetown Consulting Group, Inc.'s ("GCG") letter to Dr. Jeffrey Johnson, Chairman of the Guam Public Utilities Commission, dated January 10, 2009, re GPA Request for Adjustment of LEAC Factor Effective February 1, 2009, together with Attachments A and B thereto. The Attachments contain revised LEAC schedules reflecting the adjustments recommended by GCG.

Dated this 12th day of January, 2009.

**BLAIR STERLING JOHNSON
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January 10, 2009

Jeff Johnson, Chairman
The Guam Public Utilities Commission
Suite 207, GCIC Building
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Re: GPA Request for Adjustment of LEAC Factor Effective February 1, 2009

Dear Mr. Johnson:

This letter is in response to Guam Power Authority's ("GPA") request for a decrease in its Levelized Energy Adjustment Clause ("LEAC") factor for the six-month period commencing February 1, 2009. GPA filed its LEAC request on December 15, 2008 for implementation of this reduced factor. GPA is requesting that the current factor of \$0.17105 per kWh be reduced to \$0.15715 per kWh.¹ This decrease represents a total decrease of 5.9% on total residential bills or about 8.1% on the fuel portion of that bill.

As you will recall, in November 2008 GPA requested an interim reduction of the factor from \$0.18775 per kWh to \$0.17105 per kWh representing a decrease of 6.6% on total charges for a residential ratepayer (1000 kWh) or 8.9% on the fuel portion of the bill. That reduction was approved by the PUC and became effective on December 1, 2008.

We will briefly describe the components of the LEAC and assumptions used by GPA in determining the factor that it recommends. The letter will also discuss the areas where we do not agree with the GPA in its assumptions and will provide alternative recommendations to the PUC. A complete comparison between the recommendations of GPA and GCG can be found at the end of this letter.

The following table summarizes the components of the new LEAC factor proposed by GPA:

¹ In its filing, GPA indicates that there was an error in the workbook deriving the factor. Therefore, the transmittal letter indicates a somewhat larger factor (\$0.157309 per kWh) than the factor above.

Table 1
GPA Proposed LEAC Calculation

	Six Months Ending July 31, 2009
Cost of Number 6 Oil	\$ 68,269,679
Cost of Number 2 Oil	4,334,956
Total Oil Costs	\$ 72,604,635
Fuel Handling Costs	50,558,491
Total Fuel Costs	\$ 123,163,126
Civilian Allocation	79.78%
Total LEAC Costs	\$ 98,255,994
Under/(Over) Recovery	7,151,305
Net LEAC Costs	\$ 105,407,299
Civilian Sales (mWh)	670,734
LEAC Factor	0.15715
Current LEAC Factor	0.17105
Decrease in Factor	\$ (0.013897)
Average Use-Res (mWh)	1,000
Monthly Incr. (Decr.)-Res.	\$ (13.90)
Average Res. Bill	\$ 236.89
% Change	-5.87%

Cost of Number 6 Oil

The largest single component of costs to be recovered through the LEAC is Number 6 oil, the fuel required to generate power from GPA's largest and most cost-efficient units (steam and slow speed diesels). Ever since the PMCs and the CCU have been in place, there has been continuous "good news" regarding the economic dispatch of the units available to GPA.² In the projected six-month period ending July 2009, GPA is forecasting that 97% of the generation will come from the more cost-effective steam units and slow speed diesels. The following table shows the price per barrel underpinning the cost of Number 6 oil in the above table.

² Standard and Poor's recent upgrade of GPA debt also cites the success of the PMC contracts.

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Table 2
GPA Price Projects for Number 6 oil

Sep-08	115.36	Actual
Oct-08	109.46	Actual
Nov-08	96.24	Actual
Dec-08	66.06	Actual
Jan-09	45.89	Forecast
Feb-09	46.61	Forecast
Mar-09	46.67	Forecast
Apr-09	49.48	Forecast
May-09	49.48	Forecast
Jun-09	49.48	Forecast
Jul-09	52.46	Forecast

The above table shows the “delivered price” including weighted average premiums for high and low sulfur (about \$6.523 per barrel).³ We would remind you that the price that GPA pays its supplier BP Singapore (“BP”) is based upon the average for the prior month’s Singapore spot prices causing a lag between these spot prices and the actual invoiced price from BP. Furthermore, the impact of increased or decreased spot prices is also “lagged” due to the “FIFO”⁴ method of inventory valuation used by GPA. According to GPA, the above prices were obtained from Morgan Stanley (“MS”) in its December 5, 2008 “Energy Noon Call” report.⁵

In its “emergency” filing that established the December 1, 2008 factor, GPA used a conservative assumption regarding the forecast of the price of its supply. Rather than using the MS forecast at that time, GPA applied a 130% multiplier to increase the projected price of fuel (both Number 6 and Number 2 oil). It has been the general practice of GPA in all prior LEAC filings to use the MS forecast unadjusted. We accepted that deviation from the normal practice due to the emergency nature of the filing and in order to accept GPA’s intent of returning at least some of the decreased fuel prices to the ratepayers as soon as possible. Furthermore, we knew that GPA would be filing for a new factor within a couple of weeks of the implementation of the December 1, 2008 factor and that all costs are subject to true-up due to the nature of the LEAC process.

In this filing, GPA has again varied from the usual practice of using an unadjusted MS forecast for projecting its fuel costs. GPA has built in a conservative assumption regarding prices by using an arbitrary 120% multiplier on the MS forecast. To justify this assumption, GPA indicates that it is being conservative in part due to the difficulty it is currently encountering

³ The premium for High Sulfur Oil is \$5.30 per barrel and for Low Sulfur Oil is \$8.79 per barrel.

⁴ First in First Out (“FIFO”) inventory uses the oldest price of supply in inventory, before the more current price.

⁵ GCG requested and received an update (December 19) on the MS report and the price forecast for Number 6 is higher than GPA has assumed in this filing.

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with its liquidity as a result of the hedging payments and the requirement by one of the contractors of the hedge program to establish an escrow account in order to cover current and future potential payments under the terms and conditions of its contract with BP. It should be noted at this time that 50% of GPA's supply is "hedged" and the effective price of the hedged portion of supply is at the floor prices under the hedge contracts, not the considerably lower market prices. The current market prices are below the floor of the all of GPA's existing hedge contracts, including BP. Further discussion of the hedge contracts and the impacts on this clause can be found in the "handling costs" section of this report.

In our recommended LEAC factor for this filing, we did not include this 120% multiplier to preserve the automatic true-up nature of the LEAC protocol. As you are aware, the LEAC is considered essentially a formula which can be updated with actual and revised assumptions every six months (or sooner if warranted by unanticipated upward swings in the price of oil). This true-up process should be as routine, seamless and transparent as possible and not take into account other variables such as cash flow. Otherwise, the process of adjusting the LEAC factor might become subject to the "Ratepayers' Bill of Rights," which requires public notice and extended investigation and time.

As part of our analysis we requested and received updated MS forecasts for fuel and have used the most recent Energy Noon Call provided by GPA which is dated January 8, 2009. As you may be aware, there has been a discernable increase in fuel prices in the past few days from the prices used by GPA when it made its filing for this LEAC factor due in part by geopolitical events in the Middle East. The following table shows the impact on the delivered price of oil removing the 120% multiplier and updating the prices based on MS' January 8, 2009 forecasts.

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Table 2a
Number 6 Oil Price
As Adjusted and Updated
(\$/Barrel)

	As Filed	As filed w/o 120%	Updated w/o 120%
Jan-09	45.89	39.33	45.01
Feb-09	46.61	39.93	44.67
Mar-09	46.67	39.98	44.93
Apr-09	49.48	42.32	46.11
May-09	49.48	42.32	46.11
Jun-09	49.48	42.32	46.11
Jul-09	52.46	44.81	48.11

Our recommended LEAC factor uses the most recent update from MS (January 8, 2009) and removes the 120% multiplier as shown on the last column of **Table 2a**.

Cost of Number 2 Oil

The price forecast per barrel of Number 2 oil (diesel fuel) is not materially significant in the determination of the LEAC factor as it could be, since GPA continues to operate its system on a cost efficient basis. As with the Number 6 oil, GPA has employed the 120% multiplier as well in the LEAC factor proposed by GPA in its filing. GCG's recommendation removes the 120% multiplier for Number 2 oil and updates the price for diesel fuel with the same MS report used for Number 6 oil.

As an aside, our November contract review letter summarizing the results of our research of prior contract review protocol filings noted that there is a limitation on the premium for the Tenjo unit that can be recovered through the LEAC. This limitation was related to the lubricant contract extension that was approved by the PUC. Through discovery, GPA has provided evidence that it is complying with the PUC order. Other than the price adjustment described above, there is no other adjustment for the cost of this fuel supply.

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Fuel Handling Costs

The PUC has approved the inclusion of other fuel-related costs in the computation of the LEAC factor under the generic title of “fuel handling costs.” As you will note, the amount of “handling costs” shown in **Table 1** for this LEAC (\$50.6 million) is approaching the total purchased fuel costs (\$ 72.6 million) for the six- month period. As will be explained below, this is due primarily to GPA’s projected losses on its fuel hedging contracts. We emphasize that despite the current negative impact of the fuel hedging program, we do not recommend any change in the PUC policy to encourage GPA’s to engage in hedging its fuel supply. The current radical drop in fuel prices was not anticipated by anybody.

The following table shows the components of GPA’s fuel handling costs:

Table 3
Fuel “Handling Costs”

	<u>Total</u>
TOTAL SHELL	\$1,354,157
PEDCO Management Fee (actual monthly invoice)	326,136
Ship Demurrage Cost (FY 09 Budget)	87,000
Fuel Hedging loss/gain (estimated)	40,918,299
Lube Oil (FY09 1.2M)	600,000
Subscription Delivery fee, Vacuum Rental, Hauling (FY09 Budget)	48,700
Sale of fuel to Matson	(389,884)
Wind Study approved by PUC	200,000
Inventory growth to be recovered this period -09/30/07 vs. 9/30/08	9,804,118
Inventory growth to be recovered this period -07/31/09 vs. 01/31/09	(2,869,123)
CCU Approved Offset of \$2.5 million	-
SGS Inspection (FY 09 Budget)	115,065
Labor charges	62,500
L/C Charges,Bank Charges	301,524
 TOTAL HANDLING COSTS	 <u>\$50,558,491</u>

As you can see, the vast majority of the “handling costs” are related to two items (the **hedging program** and **inventory valuation**).

Regarding the **Hedging Program**, in its forecast GPA projected prices that will fall well below the contract floors even with the 120% multiplier used in its projections over the MS fuel price projections. During the projected period, GPA has three contracts in place with Goldman, BP

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and Morgan Stanley for certain months of the period.⁶ The floors for these contracts are \$110 per barrel with Goldman (expiring in March) and roughly \$95 per barrel for the other contracts with the Morgan contact expiration date of June and the BP expiration date beyond July 2009. The \$40.9 million in **Table 3** is the amount of payments under the terms and conditions of the contracts that will be required to be paid in addition to the actual payment of fuel invoices to BP.

As discussed earlier, for most of this upcoming period GPA has hedged approximately 50% of its supply and the projected prices fall well below the floor of the contracts for this period under two separate contracts and floors. The following table shows the effective weighted price of purchase by GPA, including the requirement to pay the fuel hedge contractor a minimum of the floor:

Table 4
Effective Purchase Price per Barrel
Number 6 oil

	Market	Floor 1 ⁷	Floor 2	Weighted Price
% of Supply	50%	25%	25%	
Jan-09	\$ 45.89	\$ 110.08	\$ 101.49	\$ 75.84
Feb-09	46.61	110.08	101.49	76.20
Mar-09	46.67	110.08	101.49	76.23
Apr-09	49.48	96.21	93.45	72.15
May-09	49.48	96.21	93.45	72.15
Jun-09	49.48	96.21	93.45	72.15
Jul-09	52.46	93.94	<i>None</i>	62.83

It is very important to understand that GPA recovers the higher weighted costs through the LEAC process and will be made whole by the ratepayers. However, on a month-to-month basis there will be a lag in the collection of revenues from the LEAC and payments due to the hedge providers. This is a concern both to GPA and GCG. Of greater concern are the margin calls of BP which require GPA to reserve funds in an escrow account based on the projected difference between the floor price and the projected spot prices for the period that the fuel is hedged.⁸ These margin calls have had a very negative effect upon GPA's liquidity and will continue to do so, unless credit support can be provided to BP through a standby letter of credit

⁶ See Schedule 8 of Attachment A or Attachment B.

⁷ There are 3 hedging contracts currently in place. In every month there are 2 contracts that come into play except July 09.

⁸ Please refer to GCG's October 23, 2008 Supplemental Report re GPA's Request for Approval of a Standby Letter of Credit to Provide Credit Support for Hedging Margin Calls, filed in this docket, for a detailed explanation of the margin call process.

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that GPA has been unable to obtain to date. If a standby letter of credit is obtained, this will free up the cash currently escrowed by GPA. Recent information received indicates that GPA has already escrowed \$14 million in cash and is making weekly deposits into this escrow account of \$1 million until the current projected difference between the floor and projected spot prices for the hedging period of approximately \$34 million has been reached..

It is our understanding that GPA may be very close to acquiring the required standby LOC from ANZ Bank. The terms and conditions are as yet unknown. The PUC will be required to review and approve this LOC once the final terms are ready and should do so on an expedited basis. Given the importance of this item we are certainly recommend that the PUC approve the arrangements after appropriate review of the terms and conditions. Any fees charged by this bank, as well as possible interest expense in the future, if funds are drawn down, should be includable into future LEAC calculation as fuel handling costs as these are truly fuel driven.

The other significant item contained in “handling costs” is the **inventory valuation** costs. “Inventory valuation” is the total funds that are tied up in fuel inventory. In the past these costs were recovered through base rates (working capital computation). As you may recall, in GPA’s last base rate case (Docket 07-10) GPA and GCG recommended and the PUC approved recovery of the inventory valuation increase (over the initial valuation) during Fiscal 2008 (the test year in the rate case) and future periods through the LEAC.⁹ This recommendation was a result of the rapidly rising price of oil in the past few years. In the past, prices were generally stable, but, as we have observed, in the last year especially, those prices have been extremely volatile.

The value of GPA’s fuel inventory during the test year increased from \$31.5 million (\$64.46 per barrel) as of September 30, 2007 to \$56.5 million (\$115.63 per barrel) as of September 30, 2008. This represented a total increase of \$25 million, which was offset in part by \$5.3 million from the payment by DPW for streetlight service arrearage. This left about \$19.7 million to be recovered from ratepayers through the LEAC. This cost was approved by the PUC and is being amortized through the LEAC over a period of one year, with about \$10 million amortized for the upcoming six-month period.

In the last two LEAC decisions (October 1 and December 1), GPA projected, and GCG used, a reduction in the fuel inventory valuation as an offset to the amortized increase described in the previous paragraph. In this period, GPA again offsets the amortization with a projected decrease in valuation through July 2009. However, GPA now argues that this decrease in valuation (source of working capital, normally) should be capped at the \$64.46 per barrel level (the start of the Fiscal 2007 test year) rather than the valuation that would result from the projections in GPA’s forecast. GPA position would essentially wash, i.e. recover the FY2008 increase and then return that same valuation increase.

We believe that the principle of passing through all variations of the inventory valuation through the LEAC is valuable to GPA and should be retained and not changed because of the

⁹ PUC Order Docket 07-10, February 15, 2008, ¶ 12.

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current price decreases. Therefore, in our recommended LEAC factor, we have computed the inventory valuation as of July 31, 2009 using our projection of fuel prices described earlier and have amortized that valuation change over the six months of the LEAC period.

GCG would note that in the two prior LEACs (implementation dates of October 1 and December 1) there was a CCU credit. The CCU had proposed that an offset of \$2.5 million as a credit against fuel costs be used in determining the LEAC factor. This credit “disappears” in both the current period (ending January 31, 2009) and the projected period (ending July 31, 2009). The credit was merely applied to limit the impact on rates, but with the current cash situation, the credit may not be available and therefore we have not included such credit.

Wind study

In the emergency filing of last November, GPA has included about \$600 thousand for the wind study for the ten month period ending July 2009.¹⁰ This study was originally to be financed through excess bond funds, which were to be returned to that fund. The PUC has approved recovery through the LEAC in order to fund that return. In the November 10, 2008 PUC order establishing the current LEAC factor, GPA was required to report the incurred and estimated costs of the wind study and the transfer of funds back to the excess bond funds. In an attachment to the filing, GPA indicates that at the current time, no monies have been expended related to this project.

Line Losses

GPA has significantly reduced the level of line losses, since this matter first came to the attention of the PUC in 2004. At that time, the line loss for civilian customers was between 10 and 11%. GPA on its own initiative began a program to reduce this level of losses. Since that time, GPA has successfully reduced that loss to less than 7%, using a six-month rolling average for these losses. This reduction in losses results in a lower fuel expense to be recovered through the LEAC process. GCG applauds the efforts of GPA and the success already achieved.

In its Order in this docket dated November 2, 2007, the PUC established certain standards or targets that it believed were achievable by GPA. For the six-month period ending July 2008 a standard of 7.3% was established; for the six-month period ending January 2009 a 7% standard was established; and for the six-month period ending July 2009 a 6.7% standard was establish. All of these targets were to be measured based upon a twenty-four month rolling average basis.

In this filing, GPA has achieved the 7% standard and is forecasting a line loss percentage of 6.7%, using a six month rolling average, but is requesting modification of the prior Order. GPA is requesting an interim standard of 7% be adopted by the PUC and is still in the process of completing the Transmission Study and other activities with the intent of reducing this interim standard even further. GCG agrees that as an interim step until completion of the

¹⁰ GPA inadvertently included more than the \$400 thousand authorized and has subsequently corrected the error.

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activities, that the PUC should adopt the 7% as an interim standard, with further review in subsequent LEACs. GCG has issue with measurement of this loss using either the six month or twenty-four month rolling average.

Recalculation of the LEAC Factor

For the reasons described above, we have adjusted the recommended LEAC factor and the following table compares and contrasts the GPA and GCG position:

Table 5
Compare and Contrasted
LEAC Computations

	AS FILED Six Months Ending July 31, 2009	ADJUSTED Six Months Ending July 31, 2009
Cost of Number 6 Oil	\$ 68,269,679	\$ 65,172,767
Cost of Number 2 Oil	4,334,956	3,712,264
Total Oil Costs	\$ 72,604,635	\$ 68,885,031
Fuel Handling Costs	50,558,491	44,161,983
Total Fuel Costs	\$ 123,163,126	\$ 113,047,014
Civilian Allocation	79.78%	79.78%
Total LEAC Costs	\$ 98,255,994	\$ 90,185,651
Under/(Over) Recovery	7,151,305	7,764,122
Net LEAC Costs	\$ 105,407,299	\$ 97,949,773
Civilian Sales (mWh)	670,734	670,734
LEAC Factor	0.15715	0.14603
Current LEAC Factor	0.17105	0.17105
Decrease in Factor	\$ (0.013897)	\$ (0.025015)
Average Use-Res (mWh)	1,000	1,000
Monthly Incr. (Decr.)-Res.	\$ (13.90)	\$ (25.02)
Average Res. Bill	\$ 236.89	\$ 236.89
% Change	-5.87%	-10.56%

RECOMMENDATIONS

As a result of the review of the December 15, 2008 request by GPA for a new fuel factor, it is our recommendation that:

- The PUC approve a decrease in the current LEAC factor of GPA from \$0.17105 per kWh to \$0.14603 per kWh effective on all meters read on or after February 1, 2009;
- The PUC require that GPA submit any standby letter of credit related to the BP margin calls as soon as possible for expedited review

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- The PUC affirm the intent to include any additional costs incurred by GPA in obtaining the standby LOC and any interest incurred related to use of the LOC funds (if applicable) in the LEAC computation;
- The PUC should establish an interim standard of civilian line loss @7% using a rolling six-month average for these losses as the appropriate measure, until GPA completes the current tasks that are underway. GPA should submit with the next filing for a LEAC factor and further progress made in this program.
- GPA shall file its next LEAC request on or before June 15, 2009.

This concludes our report. If we can be of further assistance, please do not hesitate to contact me.

Cordially,



Jamshed K. Madan

CC: William J. Blair, Esq.
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Attachment A
LEAC Projection October 2008 Through January 2009

Adjustments to Filed Workbook:

- 1. Remove 120% factor from No.6 and No.2 oil**
- 2. Estimate Fuel Inventory Value Decrease and Amortize**
- 3. Update Price Projection to Jan. 8 MSEC**

Schedule 1

C:\Guam\GPA\LEACs\Mar02\Attachment A Leac oct 08 thru jan 09

Schedule 2

	Baseload Unit Forecast Cost of Number 6 Oil						
IWPS TOTAL GENERATION	158,535	155,027	163,989	163,989	0	0	641,539
	<u>Oct-08</u>	<u>Nov-08</u>	<u>Dec-08</u>	<u>Jan-09</u>	<u>Feb-09</u>	<u>Mar-09</u>	<u>Total</u>
Cabras #1							
Generation (Mwh)	28,058	27,276	30,386	29,840			115,560
Kwh/Barrel	590	602	602	602			
Barrels	47,540	45,309	50,476	49,567			192,892
Mmbtu/Kwh (Heat Rate)	10,336	10,133	10,133	10,133			
Cabras #2							
Generation (Mwh)	26,583	14,171	23,391	23,149			87,294
Kwh/Barrel	589	602	602	602			
Barrels	45,118	23,540	38,856	38,453			145,967
Mmbtu/Kwh (Heat Rate)	10,353	10,133	10,133	10,133			
Cabras #3							
Generation (Mwh)	20,634	23,339	22,090	23,343			89,405
Kwh/Barrel	766	765	765	765			
Barrels	26,921	30,508	28,875	30,514			116,818
Mmbtu/Kwh (Heat Rate)	7,959	7,974	7,974	7,974			
Cabras #4							
Generation (Mwh)	22,517	22,823	22,259	20,226			87,825
Kwh/Barrel	769	760	760	760			
Barrels	29,284	30,030	29,288	26,613			115,215
Mmbtu/Kwh (Heat Rate)	7,933	8,026	8,026	8,026			
Tanguisson #1							
Generation (Mwh)	3,910	7,397	7,603	7,680			26,590
Kwh/Barrel	484	491	491	491			
Barrels	8,083	15,065	15,484	15,642			54,275
Mmbtu/Kwh (Heat Rate)	12,610	12,424	12,424	12,424			
Tanguisson #2							
Generation (Mwh)	8,034	1,353	3,670	3,556			16,612
Kwh/Barrel	474	487	487	487			
Barrels	16,947	2,778	7,535	7,301			34,561
Mmbtu/Kwh (Heat Rate)	12,867	12,526	12,526	12,526			
Piti Power Plant 4 & 5							
Generation (Mwh)	0	0	0	0			0
Kwh/Barrel	463	463	463	463			
Barrels	0	0	0	0			0
Mmbtu/Kwh (Heat Rate)	0	0	0	0			
Enron (IPP) Piti #8							
Generation (Mwh)	17,944	28,706	23,863	24,115			94,628
Kwh/Barrel	725	719	719	719			
Barrels	24,734	39,925	33,190	33,539			131,388
Mmbtu/Kwh (Heat Rate)	8,408	8,484	8,484	8,484			
Enron (IPP) Piti #9							
Generation (Mwh)	29,186	28,532	25,746	28,983			112,447
Kwh/Barrel	718	713	713	713			
Barrels	40,637	40,017	36,109	40,649			157,412
Mmbtu/Kwh (Heat Rate)	8,493	8,555	8,555	8,555			
Total Generation (Mwh)	156,866	153,597	159,008	160,891	0	0	630,361
Total Barrels	239,264	227,173	239,813	242,279	0	0	948,528
Price/Barrel	\$112.79	\$111.20	\$100.73	\$76.33	\$0.00	\$0.00	
Total Cost (Sch 6)	\$26,987,240	\$25,262,089	\$24,155,791	\$18,492,346	\$0	\$0	\$94,897,465
% to Total MWH Generation	99%	99%	97%	98%	0%	0%	98%
% to Fuel Cost	98%	99%	97%	98%	0%	0%	98%

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GPA Diesel Unit Forecast
Cost of Number 2 Oil

Schedule 3
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Remaining Demand	1 669	1 430	4 981	3 098	0	0	11 178
	<u>Oct-08</u>	<u>Nov-08</u>	<u>Dec-08</u>	<u>Jan-09</u>	<u>Feb-09</u>	<u>Mar-09</u>	<u>Total</u>
Dededo CT #1							
Generation (Mwh)	0	61	0	0			61
Kwh/Barrel	374	374	374	374			
Barrels	0	163	0	0			163
Mmbtu/Kwh (Heat Rate)	0	0	0	0			
Dededo CT #2							
Generation (Mwh)	0	0	0	0			0
Kwh/Barrel	374	374	374	374			
Barrels	0	0	0	0			0
Mmbtu/Kwh (Heat Rate)	0	0	0	0			
Macheche CT							
Generation (Mwh)	0	0	139	183			322
Kwh/Barrel	472	472	472	472			
Barrels	89	0	295	388			772
Mmbtu/Kwh (Heat Rate)	0	0	12 288	0			
Yigo CT							
Generation (Mwh)	0	0	379	308			687
Kwh/Barrel	446	446	446	446			
Barrels	58	0	850	690			1 598
Mmbtu/Kwh (Heat Rate)	0	0	0	0			
Tenjo Vista							
Generation (Mwh)	1,138	1,325	3,502	2,180			8,145
Kwh/Barrel	620	622	622	622			
Barrels	1 836	2 130	5 630	3 505			13,101
Mmbtu/Kwh (Heat Rate)	9 357	9 325	9 325	9 325			
TEMES							
Generation (Mwh)	447	0	237	0			684
Kwh/Barrel	439	410	410	410			
Barrels	1 019	0	579	0			1,598
Mmbtu/Kwh (Heat Rate)	13 222	0	14 146	0			

	<u>Oct-08</u>	<u>Nov-08</u>	<u>Dec-08</u>	<u>Jan-09</u>	<u>Feb-09</u>	<u>Mar-09</u>	<u>Total</u>
Manengon (MDI)							
Generation (Mwh)	38	40	201	127			406
Kwh/Barrel	623	647	647	647			
Barrels	61	62	310	196			630
Mmbtu/Kwh (Heat Rate)	9 311	8,964	8,964	8 964			
Talofofo							
Generation (Mwh)	21	4	523	300			848
Kwh/Barrel	618	619	619	619			
Barrels	34	6	844	485			1,370
Mmbtu/Kwh (Heat Rate)	9 390	9 370	9 370	9,370			
Marbo CT							
Generation (Mwh)	0	0	0	0			0
Kwh/Barrel	293	293	293	293			
Barrels	0	0	0	0			0
Mmbtu/Kwh (Heat Rate)	0	0	0	0			
Dededo Diesel							
Generation (Mwh)	25	0	0	0			25
Kwh/Barrel	532	521	521	521			
Barrels	47	0	0	0			47
Mmbtu/Kwh (Heat Rate)	10,904	0	0	0			
Total Generation (MWH) #2 Units	1 669	1 430	4 981	3 098	0	0	
Total Barrels	3,144	2,362	8,509	5,264	0	0	19,278
Price/Barrel-See Schedule 7 \$	181.73	\$ 156.18	\$ 85.18	\$ 86.62	\$ 487.15	\$ 487.59	\$ 110.02
Total Cost	\$571 356	\$368 830	\$724,802	\$456 014	\$0	\$0	\$2 121,002
Total Gross Generation	158 535	155,027	163 989	163,989	-	-	
Total Barrels	242,408	229 534	248,322	247 543	0	0	
% to Total MWH Generation	1%	1%	3%	2%	0%	0%	
% to Fuel Cost	2%	1%	3%	2%	0%	0%	

GUAM POWER AUTHORITY
Navy Dispatch

Schedule 4

Remaining Demand	0	0	(0)	0	0	0	
	<u>Oct-08</u>	<u>Nov-08</u>	<u>Dec-08</u>	<u>Jan-09</u>	<u>Feb-09</u>	<u>Mar-09</u>	<u>Total</u>
New Orote Plant							
Generation (Mwh)	0	0	0	0			0
Kwh/Barrel	600	600	600	600			
Barrels	0	0	0	0			0
Radio Barrigada Muse							
Generation (Mwh)	0	0	0	0			0
Kwh/Barrel	550	550	550	550			
Barrels	0	0	0	0			0
Naval Hospital Muse							
Generation (Mwh)	0	0	0	0			0
Kwh/Barrel	550	550	550	550			
Barrels	0	0	0	0			0
Total Barrels	0	0	0	0	0	0	0
Price/Barrel	\$ 181.73	\$ 156.18	\$ 85.18	\$ 86.62	\$ 487.15	\$ 487.59	
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

	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Total
Total Number Six Consumption	239,264	227,173	239,813	242,279			948,528
Dock Usage Fee/Barrel	\$0.17	\$0.24	\$0.23	\$0.23			
Total Dock Fee-Shell (FY09 Budget)	\$39,511	\$55,472	\$55,472	\$55,472			\$205,927
A) Excess Laytime/Overtime-Shell	2,090	2,438	2,573	2,600			9,701
Storage Tank Rental-Shell (FY09 Budget)	115,560	115,560	115,560	115,560			462,240
Pipeline Fee-Shell (FY09 Budget)	<u>38,227</u>	<u>52,157</u>	<u>52,157</u>	<u>52,157</u>			<u>194,699</u>
TOTAL SHELL Charges	\$195,388	\$225,627	\$225,762	\$225,789	\$0	\$0	\$ 872,566
PEDCO Management Fee (actual monthly invoice)	\$54,356	\$54,356	\$54,356	\$54,356			217,424
Ship Demurrage Cost (FY 09 Budget)	-	14,500	14,500	14,500			43,500
D) Fuel Hedging loss/gain (actual/estimated)	4,143,894	7,281,956	7,876,507	8,855,961			28,158,318
E) Lube Oil (FY09 1.2M)	102,919	100,000	100,000	100,000			402,919
Subscription Delivery fee Vacuum Rental Hauling (FY09 Budget)	0	8,117	8,117	8,117			24,350
F) Sale of fuel to Matson	(62,764)	(64,981)	(64,981)	(64,981)			(257,706)
G) Wind Study approved by PUC	-	66,667	66,667	66,667			200,000
H) Inventory growth to be recovered this period -09/30/07 vs 9/30/08	1,634,019.71	1,634,019.71	1,634,019.71	1,634,019.71			6,536,079
I) Inventory growth to be recovered this period -09/30/08 vs 1/31/09	(4,184,472.6)	(4,184,472.6)	(4,184,472.6)	(4,184,472.6)			(16,737,890)
CCU Approved Offset of \$2.5 million	-	-	-	-			-
SGS Inspection (FY 09 Budget)	<u>2,050</u>	<u>19,177</u>	<u>19,177</u>	<u>19,177</u>			59,582
TOTAL	\$1,690,002	\$4,929,339	\$5,523,890	\$6,503,344	\$0	\$0	\$18,646,576
Property Insurance Assignable to fuel	0	0	0	0	0	0	-
Excess & Pollution Liability Ins	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	-
	0	0	0	0	0	0	-
C) Labor charges	\$ 10,946	\$ 10,417	\$ 10,417	\$ 10,417			42,196
B) L/C Charges Bank Charges	126,123	111,574	106,688	81,675	-	-	426,060
TOTAL OTHER COSTS	<u>\$2,022,460</u>	<u>\$5,276,957</u>	<u>\$5,866,757</u>	<u>\$6,821,224</u>	<u>\$0</u>	<u>\$0</u>	<u>\$ 19,987,398</u>
GL Fuel handling for the 10/08	4,561,967						
Unrecorded transactions	(2,539,507)						19,987,398
Notes:							
(A) Total Excess Laytime & O/T Charges for period 10/07 thru 9/08	\$28,155						
Total barrels offloaded FY 2008	2,623,897						
Rate per barrel	<u>\$0.0107</u>						
(B) Total Bank Charges (commission issuance LC fees)	FY 09						
LC charges rate per annum	<u>2.65%</u>						
# of months charged by ANZ Bank	2						
(c) Fiscal Year 09 budget for Labor	\$ 125,000.00						
Divided by 12 months	<u>\$ 12.00</u>						
Estimated labor charges fy09	<u>\$ 10,416.67</u>						
(D) Fuel Hedging Gain/Loss - Hedging Contract is in place from October 08 thru September 2009							
(E) Lube oil is based on FY09 Budget of (\$1,200,000)							
(F) Sale to Matson							
Average No. of Barrels for FY 2008							3,197
Multipled by \$1.69 for handling fee and \$4.20 for bunker fee plus 15% markup							
G) Wind study					\$ 400,000		
6 Months amortization					6		
Monthly recovery					\$ 66,667		
H) Inventory Growth calculated as follows:							
09/30/08 vs. 9/30/07							
Description	Barrels	Unit cost	Amount				
Estimated ending inventory as of 09/30/08	489,199	115.363	\$ 56,435,590.73				
Actual ending inventory as of 09/30/07	489,199	64.455	\$ 31,531,354.20				
Change in fuel inventory	-	50.908	\$ 24,904,236.53				
Less: Amount collected from gov. guam			\$ 5,296,000.00				
Amount recoverable for 12 months			\$ 19,608,236.53				
Divided by 12 months-to recover every month			\$ 1,634,019.71				
I) Inventory Growth calculated as follows: 09/30/08 vs. 01/31/09							
09/30/08 vs. 01/31/09							
Description	Barrels	Unit cost	Amount				
Estimated ending inventory as of 01/31/09	489,199	81.148	\$ 39,697,700.28				
Estimated ending inventory as of 09/30/08	489,199	115.363	\$ 56,435,590.73				
Change in fuel inventory	489,199	(34.215)	\$ (16,737,890.45)				
Add Amount collected from Gov guam			\$ -				
Amount recoverable for 4 months			\$ (16,737,890.45)				
Divided by 4 months-to recover every month			\$ (4,184,472.61)				

Schedule 6

Forecasted			Weighted
Fuel Price/MT	FSFO Premium	LSFO Premium	65/35

Shipment for the month of December 2008			
LSFO	-	-	-
HSFO	237,263	66.06	15,672,407.47
Total	237,263	66.06	15,672,407.47

Schedule 7

Workpaper for Number 2 oil pricing:

May-08	
Actual Invoice	Shell
Temes	0.0000
Diesel	0.0000
Tenjo	4.4930
Cabras 1&2/Tango	2.9440
Total	7.4370
Average	3.7185
Multiplied by 42	\$ 156.177

Premium fee \$ 14.20 Effective June 1, 2007

Forecast
Price dated 12/05/08

Oct-08	\$ -	Note: Fuel forecast was based on Morgan Stanley Gasoil swaps dated 12/05/08	-	0	-
Nov-08	\$ 156.177 Actual		-	0	-
Dec-08	\$ 85.18 Forecast		468.50	1	468.50
Jan-09	\$ 86.62 Forecast		478.00	1	478.00
Feb-09	\$ 88.01 Forecast		487.15	1	487.15
Mar-09	\$ 88.08 Forecast		487.59	1	487.59
Apr-09	\$ 92.85 Forecast		519.10	1	519.10
May-09	\$ 92.85 Forecast		519.10	1	519.10
Jun-09	\$ 92.85 Forecast		519.10	1	519.10
Jul-09	\$ 97.61 Forecast		550.48	1	550.48
Aug-09	\$ 97.61 Forecast		550.48	1	550.48
Sep-09	\$ 97.61 Forecast		550.48	1	550.48

[illegible]

FY 2009		Trade Date	Month	Cap. Price	Floor Price		\$/MT	\$	MT	(\$)
BP Morgan	6/2/2008	October	\$691.00	\$584.10		400.961	(\$183.139)	9,969	\$	(1,825,712.69)
	6/20/2008	October	\$733.00	\$633.50		400.961	(\$232.539)	9,969	\$	(2,318,181.29)
	PROJECTED NET GPA GAIN/(LOSS)								\$	(4,143,893.98)
BP Morgan	6/2/2008	November	\$691.00	\$584.10		243.570	(\$340.530)	9,969	\$	(3,394,743.57)
	6/20/2008	November	\$733.00	\$633.50		243.570	(\$389.930)	9,969	\$	(3,887,212.17)
	PROJECTED NET GPA GAIN/(LOSS)								\$	(7,281,955.74)
BP Morgan	6/2/2008	December	\$691.00	\$584.10		213.750	(\$370.350)	9,969	\$	(3,692,019.15)
	6/20/2008	December	\$733.00	\$633.50		213.750	(\$419.750)	9,969	\$	(4,184,487.75)
	PROJECTED NET GPA GAIN/(LOSS)								\$	(7,876,506.90)
Goldman BP	7/3/2008	January	\$827.00	\$726.50		254.000	(\$472.500)	9,969	\$	(4,710,352.50)
	7/25/2008	January	\$772.00	\$669.85		254.000	(\$415.850)	9,969	\$	(4,145,608.65)
									\$	(8,855,961.15)
TOTAL - FY 2009										\$ (28,158,317.77)

Schedule 8b

GPA HEDGE CONTRACTS					
	Trade Date	Quantity	Period	Call Strike \$	Put Strike \$
J Aron	12/5/2007	9969	01/02/2008 - 03/31/2008	520.00	440.00
Morgan Stanley	1/14/2008	9969	01/14-31/2008	519.00	457.00
Morgan Stanley	1/14/2008	9969	02/01-29/2008	519.00	450.75
Morgan Stanley	1/14/2008	9969	03/01-31/2008	519.00	454.50
J Aron	12/5/2007	9969	01/02/2008-03/31/2008	520.00	440.00
J Aron	1/17/2008	9969	04/01/2008 - 06/30/2008	522.00	438.75
Goldman	3/24/2008	9969	07/01/2008 - 09/30/2008	520.00	486.50
Morgan Stanley	5/23/2008	9969	07/01/2008 - 09/30/2008	710.00	618.25
BP Singapore	6/2/2008	9969	10/01/2008 - 12/31/2008	\$691.00	\$584.10
Morgan Stanley	6/20/2008	9969	10/01/2008 - 12/31/2008	733.00	633.50
Goldman	7/3/2008	9969	1/1/09-3/31/09	827.00	\$726.50
BP	7/25/2008	9969	1/1/09-3/31/09	772.00	\$669.85
BP Singapore	8/8/2008	9969	4/1/09-6/30/09	746.00	\$635.00
Morgan	8/13/2008	9969	4/1/09-6/30/09	693.00	\$616.75
BP Singapore	9/5/2008	9969	7/1/09-9/30/09	662.00	\$620.00

GUAM POWER AUTHORITY
LEVELIZED ENERGY ADJUSTMENT CLAUSE

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.

	<u>Mwh</u>	<u>Ratio to Sales</u>	
Total Mwh Sales -FY08 Unaudited	1,636,791		Ratio to net send out **
Plant Use - (FY 08)	101,216	6.18%	1,762,812
Transmission Losses (Note A)	55,486	3.39%	6.98%
Distribution losses (Note A)	67,572	4.13%	
Company use (FY08)	2,963	0.18%	
			**tie in to report GPA 318 as of 09/30/08
		<u>Allocated FY08</u>	
Note A:	<u>Mwh</u>	<u>Ratio</u>	<u>T&D Losses</u>
Total T&D losses FY07	<u>123,058</u>		<u>7.52%</u> (Ratio to sales)
Transmission losses-9/30/91	48,579	45.09%	55,486
Distribution losses- 9/30/91	59,160	54.91%	67,572
	<u>107,739</u>		<u>123,058</u>
Net Plant Output	1,762,812		
T&D Losses	123,058		
Interim PUC adopted line loss standard	7.0%		

Attachment B

LEAC Projection February 2008 Through July 2009

Adjustments to Filed Workbook:

- 1. Remove 120% factor from No.6 and No.2 oil**
- 2. Estimate Fuel Inventory Value Decrease and Amortize**
- 3. Update Price Projection to Jan. 8 MSEC**

Schedule 1

Calculation of Civilian Factor

21 Fuel Cost Recovery
22 Civilian Costs ("total Expense x %")
22a Deferred Fuel Amort.
23 Under/(Over)
24 Estimated Under/(Over)
25 Net Recovery Under/(Over)

\$146.03380 Rate to fully recover in Six Mon

\$171.04906 Current rate

7,764.122 Decrease/(Increase) in Deferred F

C:\Guam\GPALL\EACs\Mar02\Attachment B_ Leac February 09 thru July 09

Schedule 2

	Baseload Unit Forecast Cost of Number 6 Oil						
WPS TOTAL GENERATION	147 733	163 562	158 286	163,562	158 286	163,562	954 991
	<u>Feb-09</u>	<u>Mar-09</u>	<u>Apr-09</u>	<u>May-09</u>	<u>Jun-09</u>	<u>Jul-09</u>	<u>Total</u>
Cabras #1							
Generation (Mwh)	8 022	16 837	32 469	35 426	29,744	30 397	152 895
Kwh/Barrel	602	602	602	602	602	602	
Barrels	13 326	27,969	53,935	58 847	49 409	50,493	253 979
Mmbtu/Kwh (Heat Rate)	10,133	10 133	10 133	10 133	10 133	10,133	
Cabras #2							
Generation (Mwh)	23 200	24 107	14 885	0	22 881	27,329	112 401
Kwh/Barrel	602	602	602	602	602	602	
Barrels	38 538	40 044	24,725	0	38,009	45 397	186 713
Mmbtu/Kwh (Heat Rate)	10 133	10,133	10 133	0	10 133	10,133	
Cabras #3							
Generation (Mwh)	18 777	25,058	19 596	25 643	24 288	19 980	133,342
Kwh/Barrel	765	765	765	765	765	765	
Barrels	24,545	32 755	25 615	33,521	31,749	26 117	174,303
Mmbtu/Kwh (Heat Rate)	7 974	7 974	7,974	7,974	7,974	7 974	
Cabras #4							
Generation (Mwh)	20 436	20,141	23 177	25 358	19 550	23 290	131 952
Kwh/Barrel	760	760	760	760	760	760	
Barrels	26,890	26 502	30 496	33 366	25 723	30 644	173,622
Mmbtu/Kwh (Heat Rate)	8 026	8 026	8 026	8 026	8,026	8 026	
Tanguisson #1							
Generation (Mwh)	8 563	7,761	8 324	9,066	3 784	2,860	40 358
Kwh/Barrel	491	491	491	491	491	491	
Barrels	17 439	15,807	16,953	18 464	7,707	5 825	82 195
Mmbtu/Kwh (Heat Rate)	12 424	12,424	12,424	12 424	12,424	12 424	
Tanguisson #2							
Generation (Mwh)	7 943	5 908	4,782	8 857	6,909	7 009	41,407
Kwh/Barrel	487	487	487	487	487	487	
Barrels	16 310	12,131	9 819	18,187	14 186	14,392	85 026
Mmbtu/Kwh (Heat Rate)	12,526	12 526	12 526	12 526	12 526	12 526	
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)	26 949	27 372	23 610	25,796	24 357	25,069	153 153
Kwh/Barrel	719	719	719	719	719	719	
Barrels	37 481	38,070	32 837	35,877	33 876	34,867	213 008
Mmbtu/Kwh (Heat Rate)	8,484	8 484	8 484	8,484	8 484	8,484	
Enron (IPP) Piti #9							
Generation (Mwh)	25 968	29 324	26,395	29 709	26 336	27 034	164,766
Kwh/Barrel	713	713	713	713	713	713	
Barrels	36,421	41 128	37 020	41,668	36 937	37,916	231 089
Mmbtu/Kwh (Heat Rate)	8 555	8 555	8,555	8,555	8 555	8 555	
Total Generation (Mwh)	139,859	156 509	153,237	159,855	157,849	162 967	930,276
Total Barrels	210,951	234,406	231,401	239,930	237,596	245,651	1,399,935
Price/Barrel	\$52.73	\$44.82	\$44.79	\$45.42	\$46.11	\$46.11	
Total Cost (\$ Sch 6)	\$11 123 726	\$10,506 430	\$10 364 889	\$10 897,077	\$10 954 632	\$11 326,013	\$65 172.767
% to Total MWH Generation	95%	96%	97%	98%	100%	100%	97%
% to Fuel Cost	91%	91%	93%	95%	99%	99%	95%

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

Schedule 3
Page 1 of 2

Remaining Demand	7 875	7.053	5,049	3 707	437	595	24 716
	<u>Feb-09</u>	<u>Mar-09</u>	<u>Apr-09</u>	<u>May-09</u>	<u>Jun-09</u>	<u>Jul-09</u>	<u>Total</u>
Dededo CT #1							
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	
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)	87	212	82	116	0	0	498
Kwh/Barrel	472	472	472	472	472	472	
Barrels	185	449	175	246	0	0	1,054
Mmbtu/Kwh (Heat Rate)	12,288	12 288	12 288	0	0	0	
Yigo CT							
Generation (Mwh)	264	514	437	670	0	0	1 884
Kwh/Barrel	446	446	446	446	446	446	
Barrels	591	1 153	979	1 502	0	0	4 224
Mmbtu/Kwh (Heat Rate)	0	0	0	0	0	0	
Tenjo Vista							
Generation (Mwh)	6 680	5 253	4,044	2 504	429	552	19 462
Kwh/Barrel	622	622	622	622	622	622	
Barrels	10,739	8 445	6 502	4,025	690	887	31,289
Mmbtu/Kwh (Heat Rate)	9 325	9 325	9,325	9,325	9 325	9 325	
TEMES							
Generation (Mwh)	0	32	0	0	0	0	32
Kwh/Barrel	410	410	410	410	410	410	
Barrels	0	79	0	0	0	0	79
Mmbtu/Kwh (Heat Rate)	0	14,146	0	0	0	0	

	<u>Feb-09</u>	<u>Mar-09</u>	<u>Apr-09</u>	<u>May-09</u>	<u>Jun-09</u>	<u>Jul-09</u>	<u>Total</u>
Manengon (MDI)							
Generation (Mwh)	228	285	121	93	0	4	731
Kwh/Barrel	647	647	647	647	647	647	
Barrels	353	441	187	143	0	6	1,130
Mmbtu/Kwh (Heat Rate)	8 964	8 964	8 964	8 964	0	8,964	
Talofofo							
Generation (Mwh)	616	757	365	325	8	39	2,109
Kwh/Barrel	619	619	619	619	619	619	
Barrels	995	1 222	589	524	13	63	3,406
Mmbtu/Kwh (Heat Rate)	9,370	9,370	9,370	9,370	9,370	9 370	
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	521	521	521	521	521	521	
Barrels	0	0	0	0	0	0	0
Mmbtu/Kwh (Heat Rate)	0	0	0	0	0	0	
Total Generation (MWH) #2 Units	7,875	7,053	5,049	3 707	437	595	
Total Barrels	12,863	11,790	8,432	6,440	703	956	41,183
Price/Barrel-See Schedule 7	\$ 88.91	\$ 89.50	\$ 90.45	\$ 92.71	\$ 92.71	\$ 92.71	\$ 90.14
Total Cost	\$1 143 654	\$1 055 122	\$762 627	\$597 065	\$65,130	\$88,668	\$3,712,264
Total Gross Generation	147 733	163 562	158 286	163 562	158 286	163 562	
Total Barrels	223 814	246 196	239 832	246 370	238,299	246,608	
% to Total MWH Generation	5%	4%	3%	2%	0%	0%	
% to Fuel Cost	9%	9%	7%	5%	1%	1%	

GUAM POWER AUTHORITY
Navy Dispatch

Schedule 4

Remaining Demand	(0)	0	(0)	(0)	0	0	
	<u>Feb-09</u>	<u>Mar-09</u>	<u>Apr-09</u>	<u>May-09</u>	<u>Jun-09</u>	<u>Jul-09</u>	<u>Total</u>
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	\$ 88.91	\$ 89.50	\$ 90.45	\$ 92.71	\$ 92.71	\$ 92.71	
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

	<u>Feb-09</u>	<u>Mar-09</u>	<u>Apr-09</u>	<u>May-09</u>	<u>Jun-09</u>	<u>Jul-09</u>	<u>Total</u>
Total Number Six Consumption	210,951	234,406	231,401	239,930	237,596	245,651	1 399 935
Dock Usage Fee/Barrel	\$0.26	\$0.24	\$0.24	\$0.23	\$0.23	\$0.23	
Total Dock Fee-Shell (FY09 Budget)	\$55 472	\$55 472	\$55 472	\$55 472	\$55 472	\$55 472	\$332.832
A) Excess Laytime/Overtime-Shell	2 264	2 515	2 483	2 574	2 549	2 636	15 022
Storage Tank Rental-Shell (FY09 Budget)	115 560	115 560	115 560	115 560	115 560	115 560	693,360
Pipeline Fee-Shell (FY09 Budget)	<u>52,157</u>	<u>52,157</u>	<u>52,157</u>	<u>52,157</u>	<u>52,157</u>	<u>52,157</u>	<u>312,943</u>
TOTAL SHELL	\$225 453	\$225 704	\$225.672	\$225 764	\$225 739	\$225.825	\$1 354 157
PEDCO Management Fee (actual monthly invoice)	\$54 356	\$54 356	\$54 356	\$54 356	\$54,356	\$54,356	\$326 136
Ship Demurrage Cost (FY 09 Budget)	14 500	14 500	14 500	14 500	14,500	14,500	\$87,000
D) Fuel Hedging loss/gain (estimated)	8 900.822	8 865 930	7 269 893	7 269 893	7 269,893	3 444 290	43 020 721
E) Lube Oil (FY09 f 2M)	100 000	100 000	100 000	100 000	100 000	100,000	600,000
Subscription Delivery fee Vacuum Rental Hauling (FY09 Budget)	8 117	8 117	8 117	8 117	8 117	8,117	48 700
F) Sale of fuel to Matson	(64 981)	(64 981)	(64 981)	(64 981)	(64,981)	(64,981)	(389,884)
G) Wind Study approved by PUC	66 667	66 667	66 667	0	0	0	200 000
H) Inventory growth to be recovered this period -09/30/07 vs 9/30/08	1 634 020	1 634 020	1 634 020	1 634 020	1 634,020	1 634,020	9 804 118
I) Inventory growth to be recovered this period -07/31/09 vs 01/31/09	(1 892 396)	(1 892,396)	(1 892 396)	(1 892 396)	(1 892,396)	(1 892,396)	(11 354 376)
CCU Approved Offset of \$2.5 million	0	0	0	0	0	0	0
SGS Inspection (FY 09 Budget)	<u>19,177</u>	<u>19,177</u>	<u>19,177</u>	<u>19,177</u>	<u>19,177</u>	<u>19,177</u>	<u>115,065</u>
TOTAL	\$8,840 282	\$8 805 390	\$7 209,353	\$7 142 686	\$7 142 686	\$3 317 083	\$42 457 480

Property Insurance Assignable to fuel	0	0	0	0	0	0	\$0
Excess & Pollution Liability Ins	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	0	0	0	0	0	0	\$0

C) Labor charges \$ 10 417 \$ 10,417 \$ 10 417 \$ 10 417 \$ 10 417 \$ 10,417 \$62,500

B) L/C Charges Bank Charges 49 130 46,403 45 778 48 129 48,383 50,023 \$287,846

TOTAL ADDITIONAL COST \$9,125,281 \$9,087,914 \$7,491,220 \$7,426,896 \$7,427,225 \$3,603,348 \$44,161,983

44 161 983

Notes:

(A) Total Excess Laytime & O/T Charges for period 10/07 thru 9/08
 Total barrels offloaded FY 2008
 Rate per barrel

\$28.155
 2 623,897
\$0.0107

(D) Fuel Hedging Gain/loss - Hedging Contract is in place from October 08 thru September 2009

(E) Lube oil is based on FY 09 Budget of (\$1 200 000)

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

FY 08
2.65%
 2

(F) Sale to Matson
 Average No of Barrels for FY 2008
 Multiplied by \$1.69 for handling fee and \$4.20 for bunker fee plus 15% markup

(c) Fiscal Year 09 budget for Labor
 Divided by 12 months
 Estimated labor charges fy09

\$ 125,000.00
12.00
\$ 10,416.67

G) Wind study \$ 400,000
 6 Months amortization 6
 Monthly recovery \$ 66,667

H) Inventory Growth calculated as follows:
 09/30/07 vs. 9/30/08

Description	Barrels	Unit cost	Amount
Estimated ending inventory as of 09/30/08	489,199	115.363	\$ 56,435,590.73
Actual ending inventory as of 09/30/07	489,199	61.455	\$ 31,531,354.20
Change in fuel inventory	-	50.908	\$ 24,904,236.53
Less: Amount collected from gov. guam			\$ 5,295,000.00
Amount recoverable for 12 months			\$ 19,608,236.53
Divided by 12 months to recover every month			\$ 1,634,019.71

I) Inventory Growth calculated as follows:
 01/31/09 vs. 07/31/09

Description	Barrels	Unit cost	Amount
Estimated ending inventory as of 07/31/09	489,199	47.110	\$ 23,046,101.89
Estimated ending inventory as of 01/31/09	489,199	81.146	\$ 39,696,477.49
Change in fuel inventory	489,199	(34.036)	\$ (16,650,375.61)
Add Amount collected from gov. guam			\$ 5,295,000.00
Amount recoverable for 6 months			\$ (11,354,375.61)
Divided by 6 months to recover every month			\$ (1,892,395.93)

Note: 7/31/09 ending inventory unit cost is \$58.903 per barrel however GPA is using the unit cost of \$64.55 in order for GPA to maintain the same level of reimbursement for fuel inventory cost change. At the same time we are adding back the \$5.3M adjustment as per reconciliation below:

FY 07 vs. FY 08 Inventory Change \$ 24,904 236.53
 Less: Amount collected from gov. gr. \$ (5,295,000.00)
 Additional fuel cost to ratepayers \$ 19,608,236.53

Oct. 2008 vs. January 09 Inventory Change \$ (16,737,880.45)
 Jan. 2009 vs. July 09 Inventory Change \$ (16,650,375.61)
 Total Inventory Change in FY 09 \$ (33,388,256.05)
 Add: Amount collected from gov. guam \$ 5,295,000.00
 Additional credit to ratepayers \$ (28,092,256.05)

Schedule 6

[illegible]

Shipment for the month of October 2008			
LSFO	140,715	110.91	15,607,122.80
HSFO	<u>100,825</u>	<u>107.43</u>	<u>10,831,428.10</u>
Total	241,540	109.46	26,438,551

Shipment for the month of November 2008			
LSFO	100 718	98.26	9,896,953.55
HSFO	<u>140,068</u>	<u>96.78</u>	<u>13,275,504.97</u>
Total	240,786	96.24	23,172,458.52

Shipment for the month of December 2008			
LSFO	-	-	-
HSFO	237.263	66.06	15.672.407,67
Total	237.263	66.06	15.672.407,67

Schedule 7

Workpaper for Number 2 oil pricing:

May-08	
Actual Invoice	Shell
Termes	0 0000
Diesel	0.0000
Tenjo	4.4930
Cabras 1&2/Tango	2.9440
Total	7 4370
Average	3.7185
Multiplied by 42	\$ 156.177

Premium fee \$ 14 20 Effective June 1, 2007

Forecast
Price dated 12/05/08

Oct-08	\$ -	Note: Fuel forecast was based on Morgan Stanley Gasoil swaps dated 12/05/08	-	0	-
Nov-08	\$ 156.177 Actual		-	0	-
Dec-08	\$ 85 18 Forecast		468.50	1	468.50
Jan-09	\$ 86.62 Forecast		478.00	1	478.00
Feb-09	\$ 88.91 Forecast		493.09	1	493.09
Mar-09	\$ 89.50 Forecast		496.95	1	496.95
Apr-09	\$ 90.45 Forecast		503.23	1	503.23
May-09	\$ 92.71 Forecast		518.17	1	518.17
Jun-09	\$ 92.71 Forecast		518.17	1	518.17
Jul-09	\$ 92.71 Forecast		518.17	1	518.17
Aug-09	\$ 96.71 Forecast		544.57	1	544.57
Sep-09	\$ 97.61 Forecast		550.48	1	550.48

[illegible]

FY 2009		Trade Date	Month	Cap. Price	Floor Price		\$/MT	\$	MT	(\$)	
BP Morgan											
	6/2/2008	October	\$691.00	\$584.10		400.961	(\$183.139)	9,969	\$	(1,825,712.69)	
	6/20/2008	October	\$733.00	\$633.50		400.961	(\$232.539)	9,969	\$	(2,318,181.29)	
	PROJECTED NET GPA GAIN/(LOSS)								\$	(4,143,893.98)	
BP Morgan	6/2/2008	November	\$691.00	\$584.10		243.570	(\$340.530)	9,969	\$	(3,394,743.57)	
	6/20/2008	November	\$733.00	\$633.50		243.570	(\$389.930)	9,969	\$	(3,887,212.17)	
	PROJECTED NET GPA GAIN/(LOSS)								\$	(7,281,955.74)	
BP Morgan	6/2/2008	December	\$691.00	\$584.10		213.750	(\$370.350)	9,969	\$	(3,692,019.15)	
	6/20/2008	December	\$733.00	\$633.50		213.750	(\$419.750)	9,969	\$	(4,184,487.75)	
	PROJECTED NET GPA GAIN/(LOSS)								\$	(7,876,506.90)	
Goldman BP	7/3/2008	January	\$827.00	\$726.50		254.000	(\$472.500)	9,969	\$	(4,710,352.50)	
	7/25/2008	January	\$772.00	\$669.85		254.000	(\$415.850)	9,969	\$	(4,145,608.65)	
	PROJECTED NET GPA GAIN/(LOSS)								\$	(8,855,961.15)	
Goldman BP	7/3/2008	February	\$827.00	\$726.50		251.750	(\$474.750)	9,969	\$	(4,732,782.75)	
	7/25/2008	February	\$772.00	\$669.85		251.750	(\$418.100)	9,969	\$	(4,168,038.90)	
	PROJECTED NET GPA GAIN/(LOSS)								\$	(8,900,821.65)	
Goldman BP	7/3/2008	March	\$827.00	\$726.50		253.500	(\$473.000)	9,969	\$	(4,715,337.00)	
	7/25/2008	March	\$772.00	\$669.85		253.500	(\$416.350)	9,969	\$	(4,150,593.15)	
	PROJECTED NET GPA GAIN/(LOSS)								\$	(8,865,930.15)	
BP Morgan	8/8/2008	April	\$746.00	\$635.00		261.250	(\$373.750)	9,969	\$	(3,725,913.75)	
	8/13/2008	April	\$693.00	\$616.75		261.250	(\$355.500)	9,969	\$	(3,543,979.50)	
	PROJECTED NET GPA GAIN/(LOSS)								\$	(7,269,893.25)	
BP Morgan	8/8/2008	May	\$746.00	\$635.00		261.250	(\$373.750)	9,969	\$	(3,725,913.75)	
	8/13/2008	May	\$693.00	\$616.75		261.250	(\$355.500)	9,969	\$	(3,543,979.50)	
	PROJECTED NET GPA GAIN/(LOSS)								\$	(7,269,893.25)	
BP Morgan	8/8/2008	June	\$746.00	\$635.00		261.250	(\$373.750)	9,969	\$	(3,725,913.75)	
	8/13/2008	June	\$693.00	\$616.75		261.250	(\$355.500)	9,969	\$	(3,543,979.50)	
	PROJECTED NET GPA GAIN/(LOSS)								\$	(7,269,893.25)	
BP	9/5/2008	July	\$662.00	\$620.00		274.500	(\$345.500)	9,969	\$	(3,444,289.50)	
							\$0.000	0	\$	-	
	PROJECTED NET GPA GAIN/(LOSS)								\$	(3,444,289.50)	
Total for FY 2009										\$	(71,179,038.82)

GPA HEDGE CONTRACTS					
	Trade Date	Quantity	Period	Call Strike \$	Put Strike \$
J Aron	12/5/2007	9969	01/02/2008 - 03/31/2008	520.00	440.00
Morgan Stanley	1/14/2008	9969	01/14-31/2008	519.00	457.00
Morgan Stanley	1/14/2008	9969	02/01-29/2008	519.00	450.75
Morgan Stanley	1/14/2008	9969	03/01-31/2008	519.00	454.50
J Aron	12/5/2007	9969	01/02/2008-03/31/2008	520.00	440.00
J Aron	1/17/2008	9969	04/01/2008 - 06/30/2008	522.00	438.75
Goldman	3/24/2008	9969	07/01/2008 - 09/30/2008	520.00	486.50
Morgan Stanley	5/23/2008	9969	07/01/2008 - 09/30/2008	710.00	618.25
BP Singapore	6/2/2008	9969	10/01/2008 - 12/31/2008	\$691.00	\$584.10
Morgan Stanley	6/20/2008	9969	10/01/2008 - 12/31/2008	733.00	633.50
Goldman	7/3/2008	9969	1/1/09-3/31/09	827.00	\$726.50
BP	7/25/2008	9969	1/1/09-3/31/09	772.00	\$669.85
BP Singapore	8/8/2008	9969	4/1/09-6/30/09	746.00	\$635.00
Morgan	8/13/2008	9969	4/1/09-6/30/09	693.00	\$616.75
BP Singapore	9/5/2008	9969	7/1/09-9/30/09	662.00	\$620.00

Schedule 9

807,258

IWPS TOTAL GENERATION (MW)		147,733	163,562	158,286	163,562	158,286	163,562	158,286	163,562
Forecast by Generation		Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Forecast by Generation	Jul-08
Cabras 1	8,287	8,022	17,475	35,422	36,675	30,498	31,295	30,397	30,397
Cabras 2	23,964	28,200	25,020	16,238	-	23,462	28,136	27,329	27,329
Cabras 3	19,396	18,777	26,007	21,378	26,647	24,904	20,570	19,980	19,980
Cabras 4	21,110	20,436	20,904	25,855	26,252	20,046	23,978	23,290	23,290
ENRON 1	27,837	26,919	28,409	25,757	26,705	24,974	25,809	25,069	25,069
ENRON 2	26,824	25,968	30,435	28,795	30,756	27,004	27,832	27,034	27,034
HEI 1	8,845	8,563	8,055	9,081	9,386	3,880	2,945	2,860	2,860
HEI 2	8,205	7,943	6,131	5,217	9,169	7,084	7,216	7,009	7,009
Dededo CT 1	-	-	0	-	-	-	-	-	-
Dededo CT 2	-	-	0	-	-	-	-	-	-
Macheche CT	90	87	220	90	120	-	-	-	-
Marbo CT	-	-	0	-	-	-	-	-	-
Yigo CT	272	264	534	476	693	-	-	-	-
TEMES CT	-	-	34	-	-	-	-	-	-
Dededo Diesel 1	-	-	0	-	-	-	-	-	-
Dededo Diesel 2	-	-	0	-	-	-	-	-	-
Dededo Diesel 3	-	-	0	-	-	-	-	-	-
Dededo Diesel 4	-	-	0	-	-	-	-	-	-
Pulantat Diesel 1	24	23	88	36	96	-	4	4	4
Pulantat Diesel 2	212	205	208	96	-	-	-	-	-
Talofoto Diesel 1	308	298	282	120	208	8	24	24	24
Talofoto Diesel 2	328	318	503	278	128	-	16	16	16
Tenjo Diesel 1	848	821	700	348	676	148	136	132	132
Tenjo Diesel 2	1,012	980	820	400	644	124	128	124	124
Tenjo Diesel 3	1,112	1,077	888	656	504	96	108	105	105
Tenjo Diesel 4	1,240	1,200	964	884	288	44	84	82	82
Tenjo Diesel 5	1,340	1,297	1,036	1,016	256	16	64	62	62
Tenjo Diesel 6	1,348	1,305	1,044	1,108	224	12	48	47	47
	-	-	-	-	-	-	-	-	-
	152,600	147,733	169,756	172,680	169,328	162,300	168,392	163,562	163,562

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.

	<u>Mwh</u>	<u>Ratio to Sales</u>	
Total Mwh Sales -FY08	1,636,791		Ratio to net send out **
Plant Use - (FY 08)	101,216	6.18%	1,757,962
Transmission Losses (Note A)	53,299	3.26%	6.72%
Distribution losses (Note A)	64,909	3.97%	
Company use (FY08)	2,963	0.18%	
			**tie in to report GPA 318 as of 09/30/08
Note A:			
	<u>Mwh</u>	<u>Ratio</u>	<u>Allocated FY05 T&D Losses</u>
Total T&D losses FY07	<u>118,208</u>		<u>7.22%</u> (Ratio to sales)
Transmission losses-9/30/91	48,579	45.09%	53,299
Distribution losses- 9/30/91	<u>59,160</u>	54.91%	<u>64,909</u>
	<u>107,739</u>		<u>118,208</u>
Net Plant Output		1,757,962	
T&D Losses		118,208	
Interim PUC adopted line loss standard		6.7%	