WILLIAM J. BLAIR
BLAIR STERLING JOHNSON
MARTINEZ & LEON GUERRERO
A PROFESSIONAL CORPORATION

Suite 1008 DNA Building 238 Archbishop F.C. Flores Street HAGÅTÑA, GUAM 96910-5205 TELEPHONE: (671) 477-7857

Attorneys for Independent Rate Consultant, Georgetown Consulting Group, Inc.

# BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

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

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
MARTINEZ & LEON GUERRERO
A PROFESSIONAL CORPORATION

WILLIAM I BLAIR

Attorneys for Independent Rate Consultant, Georgetown Consulting Group, Inc.

## GEORGETOWN CONSULTING GROUP, INC.

716 DANBURY RD. RIDGEFILD, CT. 06877

Jamshed K. Madan Michael D. Dirmeier



Telephone (203) 431-0231 Facsimile (203) 438-8420 emargerison@snet.net

Edward R. Margerison Jean Dorrell

January 10, 2009

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

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. 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:

<sup>&</sup>lt;sup>1</sup> 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

	S	ix 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 continuous "good news" regarding the economic dispatch of the units available to GPA.<sup>2</sup> 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.

<sup>&</sup>lt;sup>2</sup> Standard and Poor's recent upgrade of GPA debt also cites the success of the PMC contracts.

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).<sup>3</sup> 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"<sup>4</sup> 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.<sup>5</sup>

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

<sup>&</sup>lt;sup>3</sup> The premium for High Sulfur Oil is \$5.30 per barrel and for Low Sulfur Oil is \$8.79 per barrel.

<sup>&</sup>lt;sup>4</sup> First in First Out ("FIFO") inventory uses the oldest price of supply in inventory, before the more current price.

<sup>&</sup>lt;sup>5</sup> 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.

Jeff Johnson, Chairman January 10, 2008

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 <u>not</u> 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.

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

		As filed w/o	Updated w/o
	As Filed	120%	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.

## **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

and Morgan Stanley for certain months of the period.<sup>6</sup> 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

							Wei	ighted
	Market		Fl	oor 1 <sup>7</sup>	F	loor 2	<b>P</b> :	rice
% 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		None		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. 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

<sup>&</sup>lt;sup>6</sup> See Schedule 8 of Attachment A or Attachment B.

<sup>&</sup>lt;sup>7</sup> There are 3 hedging contracts currently in place. In every month there are 2 contracts that come into play except July 09.

<sup>&</sup>lt;sup>8</sup> 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.

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. <sup>9</sup> 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

<sup>&</sup>lt;sup>9</sup> PUC Order Docket 07-10, February 15, 2008, ¶ 12.

Jeff Johnson, Chairman January 10, 2008

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. 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

<sup>&</sup>lt;sup>10</sup> GPA inadvertently included more than the \$400 thousand authorized and has subsequently corrected the error.

Jeff Johnson, Chairman January 10, 2008

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	ADJUSTED				
		Six Months	Six Months				
	Endi	ng July 31, 2009	Endin	g 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

- 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.
Graham Boetha, Esq.
Fred Horecky, PUC
Lou Palomo, PUC
John Benavente, CCU
Kin Flores, GPA
Randall Wiegand, GPA

Larry Gawlik

C:\Guam\Guam Power\LEACS\February 2009\09 1 10 GCG Report on the LEAC FINAL.doc

# 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 MSENC

# GUAM POWER AUTHORITY Fuel Clause Reconciliation

Schedule 1

5	% TO TALS Total	509,956 79,489% 131,583 20.511% 641,539	\$ 94,897,465 Schedule 2 2,121,002 Schedule 3 0 Schedule 4 \$ 97,018,467 19,987,398 Schedule 5 \$ 117,005,865		444,334	79,586,668 91,930,959	<u>0</u> 12,344,291 (4,580,16 <u>9)</u> 7,764,122	\$196.58797 Rate to fully recover in Four Mor	\$187.75000 Current rate (12,344.291) Decrease/(Increase) in Deterred F			229,764 670,734	900,488	\$ (16.70094) \$ 187.75000	171.04906			
FY 09 Nav. 343,809 343,809 393,37 58,09 31.84 38.78 1.70	<u>Mar-09</u>	Forecast							7,764,122 0 7.764.122		r 2008:	y 2009 Iry 2009	Jan 69 thris Jul 09 uly 2009	(e:	80			
	Feb-09	Forecast							7,764,122 0 7,764,122		Rate Effective December 2008:	KWH Sales thru January 2009 KWH Sales thru February 2009	lota: Avvil sales from Jah 99 thru Jul 09 Overfünder Recovery July 2009	Rate Incroaso/(Decrease) Current Rate	New rate effective Dec 09			
FY 09  Civilian 1,356,290 3,705.71 229.16 125.62 162.98 6.71	<u>Jan-09</u> 31	Forecast 130,825 33,163 163,989	\$ 18,492,346 456,014 0 \$ 18,948,360 6,821,224 \$ 25,768,584		114,877	19,649,607 20,484,104	834,497		6,929,626 834,497 7,764,122		Rate Ef							
	Dec-08	Forecast 130,8: 33,11	\$ 24,155,791 724,802 \$ 24,880,593 5.866,757 \$ 30,747,350		114,877	19,649,607 '24,440,903	4,791,296		2,138,330 4,791,296 6.929,626	Increase	(Decrease)			, s, s,	69	\$ 8.84 8.84		
	Nov-08	Actual/Forecast 122,934 32,093 155,027	\$ 25,262,089 368,830 0 \$ 25,630,918 \$ 30,907,875		111,171	20,872,414 24,568,503	3,696,089		(1,557,759) 3,696,089 2,138,330	Rate to	fully recover		2	1:21	2.9	196.59 \$ <b>262.43</b>		\$ 8.84 4.71%
Total 1,700,099 4,657,81 6.18% 3.39% 4.13% 0.18%	Oct-08 31	Actual 125,372 33,163 158,535	\$ 26,987,240 571,356 0 \$ 27,558,596 2,022,460 \$ 29,581,056		103,409	19,415,040 22,437,450	3,022,410		(4,580,169) 3,022,410 (1,557,759) 1,030,425	Current	S 521	16.77		0 1.21	2.9	187.75 \$ 253.59		
						\$187.75000 79.489%			89	Current	Rates	0.0	200	0.00000	0.0029	\$187.75000		
1 Start Date 2 Total Sales 3 Daily Sales 4 Plant Use 5 Transmission Loss 6 Distribution Loss 7 Company Use 8 Total Daily Demand	9 Month 10 Davs	11 Required Generation-Civilian 12 Required Generation-Navy 13 TOTAL REQUIRED GENERATION	14 Number 6 (HSFO/LSFO) 15 Number 2 (GPA) 16 Number 2 (USN) 17 TOTAL COST 18 Handling Costs 19 TOTAL EXPENSE	Calculation of Civilian Factor	20 Sales-Civilian	21 Fuel Cost Recovery 22 Civilian Costs (Total Expense x %)	Zza Deferred Fuel Amort. 23 Under/(Over) 24 Estimated Under/(Over) 25 Net Recovery Under/(Over)	26 Proposed Fuel Cost Recovery	Civillan Clause Reconcillation: 27 Opening Recovery Balance-Sept. 30, 2008 Under/(Over) 29 Closing Recovery Balance	Bills Computed at 1000 kWh/month	Customer Charoe \$/month	Non Fuel Energy Charges (\$/Kwh) Lifeline Usage (500 Kwh) Non Heline Usage	WaterWell Charge	Lifeline Usage (500 Kwh) Non Lifeline Usage	Insurance Charge	Fuel Recovery Charge TOTAL Bill	Increase (Decrease) From Current Bill Percent Increase (Decrease)	Increase From Current Leac Factor Percent Increase (Decrease)

	•						8
	Baseloa	d Unit Forecast					
	Cost of	Number 6 Oil					
IWPS TOTAL GENERATIO	158.535	155,027	163 989	163.989	0	0	641.539
Cabras #1	Oct-08	<u>Nov-08</u>	<u>Dec-08</u>	<u>Jan-09</u>	<u>Feb-09</u>	Маг-09	<u>Total</u>
Generation (Mwh)	28,058	27 276	30.386	29 840			115,560
Kwh/Barrel	590	602					110,000
Barrels	47,540	45,309					192,892
Mmbtu/Kwh (Heat Rate)	10,336	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				
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			
Barreis	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	ŏ	Ŏ	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%

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

Remaining Demand	1 669	1.430	4 981	3 098	0	0	11 178
<b>.</b>	<u>Oct-08</u>	<u>Nov-08</u>	Dec-08	<u>Jan-09</u>	Feb-09	<u>Mar-09</u>	<u>Total</u>
Dededo CT #1 Generation (Mwh)	0	61	0	0			61
Kwh/Barrel	374	374	374	374			01
Barrels	0	163	0	0			163
Mmbtw/Kwh (Heat Rate)	Ö	0	ŏ	Ö			100
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			

	Oct-08	Nov-08		<u>Dec-08</u>		<u>Jan-09</u>		<u>Feb-09</u>		<u>Mar-09</u>	Total	
Manengon (MDI) Generation (Mwh) Kwh/Barrel Barrels Mmblu/Kwh (Heat Rate)	38 623 61 9 311	40 647 62 8,964		201 647 310 8,964		127 647 196 8 964					406 630	
Talofofo Generation (Mwh) Kwh/Barrel Barrels Mmbtw/Kwh (Heat Rate)	21 618 34 9 390	4 619 6 9 370		523 619 844 9 370		300 619 485 9,370					848 1,370	
Marbo CT Generation (Mwh) Kwh/Barrel Barrels Mmbtu/Kwh (Heat Rate)	0 293 0 0	0 293 0 0		0 293 0 0		0 293 0 0					0	
Dededo Dieseł Generation (Mwh) Kwh/Barrel Barrels Mmbtu/Kwh (Heat Rate)	25 532 47 10,904	0 521 0 0		0 521 0 0		0 521 0 0					25 47	
Total Generation (MWH) #2 Units Total Barrels Price/Barrel-See Schedule 7 Total Cost	\$ 1 669 3,144 181.73 \$571 356	\$ 1 430 2,362 156.18 \$368 830	\$	4 981 8,509 85.18 \$724,802	\$	3.098 5,264 86.62 \$456 014	\$	0 0 487.15 \$0	\$	0 0 487.59 \$0	19,278 \$ 110.02 \$2 121,002	
Total Gross Generation Total Barrels % to Total MWH Generation % to Fuel Cost	158 535 242,408 1% 2%	155,027 229 534 1% 1%		163 989 248,322 3% 3%		163,989 247 543 2% 2%		- 0 0% 0%		- 0 0% 0%		

# GUAM POWER AUTHORITY Navy Dispatch

Schedule 4

Remaining Demand	0		0	(0)		0		0	0	
	Oct-08		<u>Nov-08</u>	<u>Dec-08</u>	<u>Ja</u>	<u>ın-09</u>		Feb-09	<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
T ( ) D			_			_		_	_	
Total Barrels	0	_	0	0		0	_	0	0	0
Price/Barrel	\$ 18173	\$	156.18	\$	\$ 8	6.62	\$	487.15	\$ 487.59	
Total Cost	\$0		\$0	\$0		\$0		\$0	\$0	\$0
Pomoining Domand	0		0	(0)		0		0	0	0
Remaining Demand	U		0	(0)		0		0	0	U

Total Number Six Consumption Dock Usage Fee/Barrel	Oct-08 239,264 \$0.17	Nov-08 227,173	239,813	<u>Jan-09</u> 242,279	Feb-09	<u>Mar-09</u>	<u>Total</u> 948.528
Total Dock Fee-Sheli (FY09 Budget)	*	\$0.24		\$0.23			
A) Excess Laytime/Overtime-Shell	\$39 511 2 090	\$55 472		\$55 472			\$205 927
		2 438		2 600			9 701
Storage Tank Rental-Shell (FY09 Budget)	115 560	115 560	,	115.560			462 240
Pipeline Fee-Shell (FY09 Budget) TOTAL SHELL Charges	38,227	<u>52,157</u>	<u>52,157</u>	<u>52,157</u>			<u>194,699</u>
TO THE STIELL Charges	\$195 388	\$225 627	\$225 762	\$225 789	\$0	\$0	\$ 872 566
PEDCO Management Fee (actual monthly invoice)	\$54,356	\$54 356	@E 4 DEO	<b>*</b> F4.050			2/7/2/
Ship Demurrage Cost (FY 09 Budget)	<b>\$34,300</b>	14 500	\$54,356	\$54 356			217 424
D) Fuel Hedging loss/gain (actual/estimated)	4,143 894		14.500	14 500			43 500
E) Lube Oil ( FY09 1 2M)		7 281.956	7,876.507	8 855.961			28 158,318
Subscription Delivery fee Vacuum Rental Hauling (FY09 Budget)	102,919	100 000	100,000	100 000			402,919
F) Sale of fuel to Matson	(60.764)	8 117	8,117	8 117			24 350
·	(62,764)			(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> 0	<u>o</u>	<u>0</u>	<u>o</u>	<u>o</u>	<u>0</u>	<b>_</b>
	0	0	0	ō	ō	ō	-
C) Labor charges	\$ 10 946	\$ 10 417	\$ 10 417	\$ 10 417			42 196
TILIO CI. B. LOI							
B) L/C Charges Bank Charges	126 123	111 574	106 688	81.675	-		426,060
70744 07489 00000							
TOTAL OTHER COSTS	\$2,022,460	<b>\$</b> 5,276,957	<u>\$5.866.757</u>	\$6.821.224	<u>\$0</u>	<u>\$0</u>	\$ 19,987.398
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				Gain/Loss - Hedgi	ing Contract is in p	lace from	
period 10/07 thru 9/08	\$28,155		October 08 thru S	ieptember 2009			
Total barrels offloaded FY 2008	2 623,897						
Rate per barrel	<u>\$0.0107</u>		(E) Lube oil is base	ed on FY 09 Budget	of (\$1 200 000)		
(B) Total Bank Charges (commission issuance LC fees)	FY 09		(F) Sale to Matson				
LC charges rate per annum	<u>2.65%</u>		Average No. of B	arrels for FY 2008			3 197
# of months charged by ANZ Bank	2		Multiplied by \$1 6	9 for handling fee a	and \$4 20 for bunk	er fee plus 15	5% markup
(a) Finant Many 00 hardens for Labora			G) Wind study		\$	400,000	
(c) Fiscal Year 09 budget for Labor	\$ 125,000.00		6 Months amortizat	on		6	
Divided by 12 months	\$ 12.00		Monthly recovery		\$	66.667	
Estimated labor charges fy09	\$ 10,416.67						

H) Inventory Growth calculated as follows:

Description	Barrels	Unit cost		Amount
Estimated ending inventory as of 09/30/08	489,199	115.363	4	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		_	ş	1,634,019.71

l) Inventory Growth calculated as follows: 09/30/08 vs 01/31/09 09/30/08 vs 01/31/09

Description	<u>Barrels</u>	Unit cost		Amount
Estimated ending inventory as of 01,31.09	489,199	81.148	4	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 Goy guarn			\$	
Amount recoverable for 4months			\$	(16,737,890.45)
Divided by 4 months-to recover every month			\$	(4,184,472.61)

213.75 254 00 251 75 253.50 261.25 261.25 261.25 274 50

32 39 38.48 38.14 38.41 39.58 39.58 39.58 41.59 38.91 45.01 44.67 44.93 46.11 46.11 46.11

1.00 1.00 1.00 1.00 1.00 1.00 1.00

#### GUAM POWER AUTHORITY Inventory Effect of Number Six Costs

Layer 2	ng
Price/Bbt   115.36	-
Price/Bib   109.46	15.36
Layer 3	0
Price/Bbi   96.24	09.46
Layer 4   Inventory (bbls)   237,263   247,200   240,000   240,000,00   240	-
Price/Bb1   66.06	96.24
Layer 5         Inventory (tibls)         240,000         240,000         240,000         240,000.00         240,000.00         240,000.00         240,000.00         240,000.00         240,000.00         240,000.00         240,000.00         240,000         240,000         240,000         240,000         240,000.00	77,413
Price/Bbl 45.01 45	66.06
Layer 6         Inventory (bbls)         240,000         240,000         240,000         240,000.00 <td>40,000</td>	40,000
Price/Bibl 44.67 44.67 44.67 44.67 44.67 44.67 4 67 4	45.01
Layer 7 Inventory (bbls) 240,000 240,000 240,000 240,000 0 240,000.00 240,000.00 240,000 0 240,0	40,000
	44.67
Price/Bbi 44 93 44 93 44 93 44 93 44 93 44 93 44	0,000
	44.93
Total Consumption (bbls) 239,264 227 173 239,813 242 279 0 0	
Total Barrels Layer 1 239 264 67 088 0 0 0 0	
Layer 2 0 160.085 81.455 0 0 0	
Layer 3 0 0 158,358 82 428 0 0	
Layer 4 0 0 0 159,850 0 0	
Layer 5 0 0 0 0 0 0	
Layer 6 0 0 0 0 0 0	
Layer 7 0 0 0 0 0 0	
Total 239 264 227 173 239 .813 242 279 0 0	
Cost Layer 1 \$26,987 240 \$7,739 498 \$0 \$0 \$0	
Layer 2 - 17 522 590 8,915,961	
Layer 3 - 15,239,830 7 932,629	
Layer 4 10,559 717	
Layer 5	
Layer 6	
Layer 7	
Total \$26 987 240 \$25 262 089 \$24 155,791 \$18,492 346 \$0 \$0 \$94,897	7,465
Price Per Barrel \$112.79 \$111.20 \$100.73 \$76.33 #DIV/0! #DIV/0!	

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

Sep-08	115 36							
Oct-08	109 46							
Nov-08		Actual						A = 00
Dec-08		Actual	Note: Fuel forecast was based Morg		213 75	5.303	8 788	6 523
Jan-09		Forecast	Energy Noon Call Asia on Si	ng HSFO 180CST	254.00	5.303	8 788	6.523
Feb-09		Forecast	dated 12/05/08		251.75	5.303	8 788	6.523
Mar-09		Forecast			253.50	5 303	8 788	6.523
Apr-09	46.11	Forecast			261.25	5.303	8 788	6.523
May-09	46.11	Forecast			261.25	5.303	8 788	6.523
Jun-09		Forecast			261.25	5 303	8 788	6.523
Jul-09	48,11	Forecast			274.50	5.303	8 788	6.523
Balance as of 0	9.30.08		LSFO	142 773	118 10	16.861.821 73		
			HSFO	163,579	112.97	18,479,951,34		
			Total Endind as 09:30 08	306,352	115.36	35,341,773.06		
		Shipment for	the month of October 2008					
			LSFO	140 715	110.91	15,607 122.80		
			HSFO	100,825	107.43	10,831,428.10		
			Total	241,540	109.46	26,438,550.90		
		Shinment for	the month of November 2008					
		Omprisent ion	LSFO	100 718	98.26	9,896 953 55		
			HSFO	140,068	94.78	13.275.504.97		
			Total	240,786	96.24	23,172,458.52		
		Chinmant for	the month of December 2008					
		Subment for	LSFO	_		_		
			HSFO	237,263	66.06	15,672,407.47		
			Total	237,263	66.06	15,672,407.47		
			TOTAL	231,263	80.06	10,012,401,41		

Workpaper for Numb	oer 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	\$ 156177

Premium fee

\$ 14 20 Effective June 1, 2007

Forecast Price dated 12/05/08

Oct-08	\$ -		Note: Fuel forecast was based on Morgan Stanley	-	0	-
Nov-08	\$ 156.177	Actual	Gasoil swaps dated 12/05/08	-	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

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

# 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						

	Mar-09	1. 1. 1.					154 1154 1154 1154 1154 1154	2 min		
	Forecast by Generation Mar-09	19,556 26,372 26,082 19,404	26,640 28,649 8,541	920			- 184 120	400 276 1,088 740	724 652 544 540	169,638
	y Feb-09						1000 1000 1000 1000			
ementar et e	Forecast by Generation Feb-09	7,803 34,002 18,996 22,364	26,679 24,668 8,172 7,672	100	I I I	s t I	, 16 16	68 728 400	392 304 128 96	152,648
163,989	V	23,149 23,343 23,343 20,226	24,115 28,983 7,680	183	308		18 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	119 262 297	331 377 443 470	163,989
	Forecast by Generation Jan-09	30,990 24,041 24,243 21,006	25,045 30,101 7.977 3,693	190	320	1 1 E	- 48 84 84 84	124 188 272 308	392 460 488	170,314
163,989	y	22,23 20,39 22,09 22,09 22,29	23,863 25,746 7,603 3,670	1881 1881	379 237			304 304 368 420	454 599 810 851	163,989
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Forecast b Generation Dec-08	32,696 25,169 23,768 23,951	25,677 27,703 8,180 3,948	150	- 408 255	1 1 1	- 64 152	235 327 396 452	488 644 872 916	176,452
	y Nov-08									
	Forecast by Generation Nov-08	29,026 28,809 22,930 23,726	29,540 28,532 3,752 3,716	, , &	1 1 1	1 1 1	- 28 24	212 200 200 200	108 88 88 88	171,180
0	Oct-08		7 (2) (1) (1) (2) (2) (2) (2) (2) (2) (2) (2) (2) (2							
ERATION (MW	Forecast by Generation Oct-08	31,779 37,434 18,693 21,350	16,797 29,901 8,757 7,593	100			52	120 68 328 316	272 228 216 184	174,220
IWPS TOTAL GENERATION (MM		Cabras 1 Cabras 2 Cabras 3 Cabras 4	ENRON 2 HEI 1 HEI 2	Dededo C1 1 Dededo CT 2 Macheche CT	Marbo C1 Yigo CT TEMES CT	Dededo Diesel 1 Dededo Diesel 2 Dededo Diesel 3	Dededo Diesel 4 Pulantat Diesel 1 Pulantat Diesel 2	Talofofo Diesel 1 Talofofo Diesel 2 Tenio Diesel 1 Tenio Diesel 2	Tenjo Diesel 3 Tenjo Diesel 4 Tenjo Diesel 5 Tenjo Diesel 6	

### **GUAM POWER AUTHORITY** LEVELIZED ENERGY ADJUSMENT 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.

			Ratio		
		<u>Mwh</u>	to Sales		
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
			Allocated		
			FY08		
Note A:	<u>Mwh</u>	<u>Ratio</u>	T&D Losses		
Total T&D losses FY07	123,058		<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		
	107,739		123,058		
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 MSENC

Fuel	
Clause Recon	
ciliation	

					1.	₩		Decrease From Current Leac Factor Percent Increase (Decrease)
					(25.02)	€9		Increase (Decrease) From Current Bill Percent Increase (Decrease)
				\$ (25.02)	211.87			TOTAL Bill
					146.03	171.05	\$146.03380	Fuel Recovery Charge
						1.21	0.00242	losizance Charge
				•		. 0	0.00000	Lifeline Usage (500 Kwh)
								WaterWell Charge
146.033/99/	_			, ,	39.75	39.75	0.07950	Non Lifeline Usage
670,734				•		16 77	0.03354	Lifeline Usage (500 Kwh)
97,949,773	•				5.21	\$ 5.21 \$	5.21	Customer Charge \$/month
				(Decrease)	₽	Bill	Rates	
				Increase	Rate to	Current	Current	Bills Computed at 1000 kWh/month
in earlier population (mineraly in political F	ķ							
7.764.122 Decrease/(Increase) in Deterred E	(4,794,977)	(1,518,295) 4,794,977	(1,681,190) 6,313,272	(1,381,278) Z.994,462	9.375.740	9.678.119		29 Closing Recovery Balance
\$171.04906 Current rate		6,313,272	7,994,462	9,375,740	9,678,119	7,764,122	1, 2009	Civillan Clause Reconciliation: 27 Opening Recovery Balance-January 31, 2009
\$146.03380 Rate to fully recover in Six Mon	₩							26 Proposed Fuel Cost Recovery
0								so iver Necovery Origen/Over)
(7,764,122) 7 <u>.764,122</u>	(4,794,977)	(1,518,295)	(1,681,190)	(1,381,278)	(302,379)	7,813,397		25 Oriden/(Over) 24 Estimated Under/(Over) 25 Not Populary Ledo-/(Over)
0				4 004 070	(200 270)	1000 C		23 Linder//Over)
97,949 <i>,773</i> 90,185,651	16,775,928 ( 11,980,951 (	16,234,769 14,716,474	16,775,928 15,094,738	16,234,769 14,853,491	16,775,928 16,473,549	15,152,451 17,066,448	\$146.03380 79.777%	21 Fuel Cost Recovery 22 Civilian Costs (Total Expense x %)
670,734	114,877	111,171	114,877	111,171	114,877	103,760		20 Sales-Civilian
								Calculation of Civilian Factor
	1 1 1 1 1 1	4			,			
\$ 65,172,767 Schedule 2 3,712,264 Schedule 3 Q Schedule 4 \$ 68,885,031 44,161,983 Schedule 5 \$113,047,014	11,326,013 \$ 6 88,668 9 11,414,681 \$ 6 3,603,348 15,018,029 \$ 1	10,954,632 \$ 65,130 0 11,019,762 \$ 7,427,225 18,446,986 \$	10,897,077 597,065 0 11,494,141 7,426,996 18,921,137	\$10,364,889 \$ 762,627 0 \$11,127,516 \$ 7,491,220 \$18,618,736 \$	10,506,430 1,055,122 0 11,561,551 11,561,551 9,087,914 20,649,466	\$ 11,123,726 \$ 1,143,654 Q \$ 12,267,380 \$ 9,125,281 \$ \$ 21,392,661 \$		14 Number 6 (HSFO/LSFO) 15 Number 2 (GPA) 16 Number 2 (USN) 17 TOTAL COST 18 Handling Costs 19 TOTAL EXPENSE
304,337 304,337	100,002	100,200	100,000	100,200	.00,001			
761,865 79.777% 193,127 20.223%	130,485 33,077	126,276 32,010	130,485 33,077 163,562	126,276 32,010	130,485 33,077	117,858 29,876 147 733		11 Required Generation-Civilian 12 Required Generation-Navy 13 TOTAL REQUIRED GENERATION
TOTALS Total	<u>Jul-09</u> 31	00 00-unF	<u>May-09</u> 31	<u>Apr-09</u> 30	<u>Mar-09</u> 31	<u>Feb-09</u> 28		9 Month 10 Days
% To	Navy 343,809 939,37 58.09 30.59 37.25 1.70 1.067.00		1,356,290 3,705.71 229.15 120.67 146.95 6.71 4.209.20			0.00 6.18% 3.26% 3.97% 0.18%		2 Total Sales 2 Total Sales 3 Daily Sales 4 Plant Use 5 Transmission Loss 6 Distribution Loss 7 Company Use 8 Total Daily Demand
	EY 09		FY 09			<b>T</b>		1 Start Date
			econciliation	Fuel Clause Reconciliation				

Baseload	Unit	For	ecast	ŀ
Cost of N	dmu	er 6	Oil	

	Cost of	Number 6 Oil					
IWPS TOTAL GENERATION	147 733	163 562	158 286	163,562	158 286	163,562	954 991
Cabras #1	<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>
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	00.000	04.40	44.005	•	00.004	07.000	440 404
Generation (Mwh)	23 200	24 107	14 885	0	22 881	27.329	112 401
Kwh/Barrel Barrels	602 38 538	602	602	602 0	602 38,009	602 45 397	186 713
Mmbtu/Kwh (Heat Rate)	10 133	40,044 10,133	24,725 10 133	0	10 133	10,133	100 / 13
Willblurkwii (Heat Nate)	10 133	10,133	10 133	U	10 100	10,100	
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	<del>4</del> 91	
Barrels	17 439	15. <b>8</b> 0 <b>7</b>	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 <b>8</b> 57	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	منقدس	<u> </u>		A - MAC	A	A= AAA	450 450
Generation (Mwh)	26 949	27 372	23 610	25,796	24 357	25,069	153 153
Kwh/Barrel	719	719	719	719	719	719	242.000
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	\$46.1 <b>1</b>	\$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%

Remaining Demand	7 875	7.053	5,049	3 707	437	595	24 716
D. 1. 1. OT #4	Feb-09	<u>Mar-09</u>	Apr-09	<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/Barre!	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	100
Barrels	185	449	175	246	0	0	1.054
Mmbtu/Kwh (Heat Rate)	12,288	12 288	12 288	0	Ö	Ō	
Yigo CT							
Generation (Mwh)	264	514	437	670	0	0	1 884
Kwh/Barrel	446	446	446	446	446	446	1 004
Barrels	591	1 153	979	1 502	0	0	4 224
Mmbtu/Kwh (Heat Rate)	0	0	0,0	0	ŏ	Õ	
annication ( received)	•	•	•	Ť	~	-	
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	Ō	0	0	Ď	

	Feb-09	<u>Mar-09</u>	Арг-09	<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	7 647	647	647	7 647	647	
Barrels	353	<del>44</del> 1	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%		3%	2%		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-0</u>	9	<u>Mar-09</u>	Apr-09	<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	60	3	600	600	600	600	600	
Barrels	I	)	0	0	0	0	0	0
Radio Barrigada Muse								
Generation (Mwh)	(	)	0	0	0	0	0	0
Kwh/Barrel	550	)	550	550	550	550	550	
Barrels	•	)	0	0	0	0	0	0
Naval Hospital Muse								
Generation (Mwh)	(	)	0	0	0	0	0	0
Kwh/Barrel	550	)	550	550	550	550	550	·
Barrels	(	)	0	0	0	0	0	0
Total Barrels	(	)	0	0	0	0	0	0
Price/Barrel	\$ 88.9	\$	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

Total Number Six Consumption	<u>Feb-09</u> 210,951	<u>Mar-09</u> 234,406	Apr-09 231,401	May-09 239,930	<u>Jun-09</u> 237,596	<u>Jul-09</u> 245,651	<u>Total</u> 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)	52,157	52,157	<u>52,157</u>	<u>52,157</u>	<u>52,157</u>	<u>52,157</u>	<u>312,943</u> \$1 354 157
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 Oif ( FY09 1 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)	(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
<ol> <li>Inventory growth to be recovered this period -07/31/09 vs 01/31/09</li> </ol>	(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)	19,177	<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	Đ	0	0	0	\$0
Excess & Pollution Liability Ins	<u>o</u> o	<u>o</u>	<u>o</u> o	<u>0</u> 0	<u>D</u>	<u>o</u>	Ω
,	ō	ō	ō	ō	ō	<u>o</u> 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	\$7.426.996	<u>\$7,427,225</u>	\$3,603,348	<u>\$44.161.983</u>
							44 161 983
Notes:			(D) (C) -1 11 - 1-1-1-	0-:-# 11-	d-1 O :	- 'la-a <b>f</b> aa	
(A) Total Excess Laytime & O/T Charges for	\$28,155		(D) Fuel Hedging			s in place from	
period 10/07 thru 9/08	2 623,897		October 08 thru	aeptember 200	ਤ		
Total barrels officaded FY 2008 Rate per barrel	\$0.0107		(E) Lube oil is bas	ed on FY 09 Bud	get of (\$1 200 000	<b>)</b> }	

FY 08

\$ 125,000.00

\$ 10,416.67

12.00

<u>2 65%</u>

(B) Total Bank Charges (commission, issuance LC fees)

LC charges rate per annum

# of months charged by ANZ Bank

(c) Fiscal Year 09 budget for Labor

Estimated labor charges fy09

Divided by 12 months

- (E) Lube oil is based on FY 09 Budget of (\$1 200 000)
- Average No of Barrels for FY 2008

3,197 Multiplied 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:

09/30/07 vs. 9/30/08

Description	Barrais	Unit cost	Amount
Estimated ending inventory as of 09/30/08	489,199	115.353	\$ 56,435,590.73
Actual ending inventory as of 09/30/07	469,199	64.455	\$ 31,531,354.20
Change in fuel inventory		50.908	\$ 24,904,236.53
Less: Amount collectedon from gov. guarn			\$ 5,296,000.00
Amount recoverable for 12 months			\$ 19,608,236.53
Divided by 12 months-to recover every month	i		\$ 1,634,019.71

#### i) inventory Growth calculated as follows:

01/31/09 vs. 07/31/09

FY 07 vs. FY 08 Inventory Change

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 collectedon from gov. guarn			\$ 5,296,000.00
Amount recoverable for 6 months			\$ (11,354,375.61)
Divided by 6 months-to recover every month		Ť	\$ (1,892,395.93)

Note: 7/31/09 ending inventory unit cost is \$58.503 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 reconditation below:

\$ 24.904 236.53

Less: Amount collectedon from gov gu	\$ (5,296,000.00)
Additional Fuel cost to ratepayers	\$ 19,608,236.53
Oct. 2008 vs. January 09 Inventory Change	\$ (16,737,890.45)
Jan. 2009 vs. July 09 Inventory Change	\$ (16,650,375.61)
Total Inventory Change in FY 09	\$ (33,388,266.05)
Add: Amount collected from gov guam	\$ 5,296,000.00
Additional credit to ratepayers	\$ (28,092,266.05)

# GUAM POWER AUTHORITY Inventory Effect of Number Six Costs

		Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Ending
Layer 1	inventory (bbls)	77,413	-	-	-	_		_
/	Price/Bbl	66.06	66.06	66.06	66.06	66 06	66 08	66.06
Layer 2	Inventory (bbls)	240,000	106,462		-	0	0	0
•	Price/Bbi	45.01	45.01	45.01	45.01	45.01	45.01	45.01
Layer 3	Inventory (bbis)	240,000	250,000	122,056		•		•
•	Price/Bbl	44.67	44.67	44.67	44 67	44.67	44.67	44 67
Layer 4	Inventory (bbls)	240,000	250,000	250,000	140 655.29	-	-	0
-	Price/Bbl	44.93	44.93	44.93	44 93	44 93	44.93	44 93
Layer 5	Inventory (bbls)	240,000	250,000	250,000	250 000 00	109 344 71	_	0
	Price/Bb1	48.11	46.11	46.11	46.11	46 11	46.11	46 11
Layer 6	Inventory (bbls)	240,000	250,000	250,000	250 000.00	250,000 00	121 748.47	0
	Price/Bbl	46.11	46,11	46.11	46.11	46 11	46 11	46.11
Layer 7	Inventory (bbls)	240,000	250,000	250,000	250,000 00	250,000.00	250 000 00	126,097
	Price/Bbl	46 11	46.11	46 11	46.11	46.11	46 11	46.11
Total Consump	tion (bbls)	210 951	234 406	231 401	239 930	237 596	245.651	
Total Barrels	Layer 1	77 413	0	0	0	0	0	
	Layer 2	133,538	106 462	0	0	Ò	Ŏ	
	Layer 3	G	127 944	122 056	0	0	Ŏ	
	Layer 4	0	0	109 345	140 655	ō	ŏ	
	Layer 5	0	0	0	99 275	109 345	0	
	Layer 6	0	0	0	0	128 252	121 748	
	Layer 7	0	0	0	0	0	123 903	
	Total	210 951	234 406	231 401	239 930	237 596	245 651	
Cost	Layer 1	\$5,113,490	\$0	\$0	so	\$0	\$0	
	Layer 2	6.010 236	4 791 587	-	-		-	
	Layer 3	-	5 714 842	5.451.830	-		-	
	Layer 4		-	4 913,059	6 319 901	_	-	
	Layer 5	_	-	-	4 577 175	5 041 456		
	Layer 6					5 913,176	5 613 345	
	Layer 7	•	-	•		•	5 712,669	
	Total	\$11 123 726	\$10 506.430	\$10 364 889	\$10.897 077	\$10 954 632	\$11 326.013	\$65 172 767
	Price Per Barrel	\$52 73	\$44.82	\$44 79	\$45 42	\$46 11	\$46 11	

Sep-08	115 36										
Oct-08	109 46					-		0		Hed	ging Price
Nov-08		Actual									
Dec-08			Note: Fuel forecast v			213.75	5 303	8 788	6 523	1 00	213 75
Jan-09		Forecast		Call Asia on Sing H	SFO 180CST	254.00	5 303	8 788	6 523	1 00	254 00
Feb-09		Forecast	dated 1/08/	09		251.75	5.303	8.788	6 523	1 00	251 75
Mar-09		Forecast				253.50	5.303	8 788	6.523	1 00	253 50
Apr-09		Forecast				261 25	5.303	8.788	6.523	1 00	261 25
May-09		Forecast				261.25	5.303	8.788	6.523	1 00	261 25
Jun-09		Forecast				261 25	5.303	8.788	6.523	1 00	261.25
Jul-09	48.11	Forecast				274 50	5.303	8.788	6.523	1 00	274 50
Balance as of	09-30-08		LSFO		142 773	118 10	16.861.821 73				
Dalarios as or	00 00 00		HSFO		163.579	112.97	18,479,951.34				
			Total Endind as 0	90.08	306,352	115.36	35,341,773				
			Total Eliana 25 c	3 30.00	300,002		30,041,173				
		Shipment for the	month of October	2008							
			LSFO		140,715	110 91	15,607 122 80				
			HSFO		100,825	107.43	10,831,428.10				
			Total		241,540	109.46	26,438,551				
			month of Novemb	er 2008							
			LSFO		100 718	98.26	9,896,953.55				
			HSFO		140,068	94.78	13,275,504,97				
			Total		240,786	96.24	23,172,458.52				
		Chinmant for the	month of Decemb	~ 2000							
			LSFO	ei 2000	_	_					
			HSFO		237,263	66,06	15,672,407.67				
			Total		237,263	66.06	15,672,407.67				
			, QtGt		231,203	00.00	10,012,401.01				

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	-	0	-
Nov-08 \$	156.	177	Actual	Gasoil swaps dated 12/05/08	-	0	-
Dec-08 \$	88	5 18	Forecast		468.50	1	468.50
Jan-09 \$	86	6.62	Forecast		478.00	1	478.00
Feb-09 \$	88	3.91	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	2.71	Forecast		518.17	1	518.17
Jun-09 \$	92	2.71	Forecast		518.17	1	518 17
Jul-09 \$	92	71	Forecast		518.17	1	518 17
Aug-09 \$	96	3.71	Forecast		544.57	1	544.57
Sep-09 \$	97	7.61	Forecast		550 48	1	550.48

# FUEL HEDGING PROGRAM GAIN/(LOSS)

#### **GPA HEDGING CALCULATION**

Platt's Posted Price

Diff. between Platts Price vs.

Contract Quantity GPA

HSFO 180 cst GAIN / (LOSS) Cap/Floor **FY 2009** Trade Date Month Cap. Price Floor Price \$/MT \$ MT (\$) 400.961 9,969 \$ (1,825,712.69) 6/2/2008 October \$691.00 \$584.10 (\$183.139) BP \$ Morgan 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) RP 6/2/2008 November 243.570 (\$340.530)9,969 \$ (3,394,743.57)\$691.00 \$584.10 6/20/2008 November (\$389.930)9,969 \$ (3,887,212.17) Morgan \$733.00 \$633.50 243.570 PROJECTED NET GPA GAIN/(LOSS) \$ (7,281,955.74) (3,692,019.15) \$ BP 6/2/2008 December \$691.00 \$584.10 213,750 (\$370,350) 9.969 6/20/2008 December \$ (4,184,487.75)Morgan \$733.00 \$633.50 213.750 (\$419.750)9,969 \$ (7,876,506.90) PROJECTED NET GPA GAIN/(LOSS) Goldman 7/3/2008 \$827.00 \$726.50 254.000 (\$472.500)9,969 \$ (4,710,352.50)January ВP 7/25/2008 January \$772.00 \$669.85 254.000 (\$415.850)9,969 \$ (4,145,608.65) (8,855,961.15) PROJECTED NET GPA GAIN/(LOSS) \$ Goldman 7/3/2008 February \$827.00 \$726.50 251.750 (\$474.750)9,969 \$ (4,732,782.75)BP 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 7/3/2008 \$827.00 \$726.50 253.500 (\$473.000)9,969 \$ (4,715,337.00) March ВР 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 8/8/2008 \$746.00 \$635.00 261.250 (\$373.750)9.969 \$ (3,725,913.75)April 8/13/2008 \$616.75 261.250 (\$355.500)9,969 \$ (3,543,979.50)Morgan April \$693.00 PROJECTED NET GPA GAIN/(LOSS) \$ (7,269,893.25) 9,969 \$ (3,725,913.75) ВP 8/8/2008 Mav \$746.00 \$635.00 261.250 (\$373.750)8/13/2008 261.250 (\$355.500) 9,969 \$ (3,543,979.50) Morgan May \$693.00 \$616.75 \$ (7,269,893.25) PROJECTED NET GPA GAIN/(LOSS) \$ ВP 8/8/2008 \$746.00 \$635.00 261.250 (\$373.750)9,969 (3,725,913.75) June (\$355.500) 9,969 \$ Morgan 8/13/2008 \$693.00 \$616.75 261.250 (3,543,979.50) June PROJECTED NET GPA GAIN/(LOSS) \$ (7,269,893.25) 274.500 (\$345.500)9,969 \$ BP 9/5/2008 July \$662.00 \$620.00 (3,444,289.50)\$0.000 0 \$ PROJECTED NET GPA GAIN/(LOSS) \$ (3,444,289.50) Total for FY 2009 \$ (71,179,038.82)

# 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								
ВР	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								

MARK		ii က ∏			Section 1	real Real	(Per	G21453					N. Com	3557V	<b>K</b> iris	90-00 10-00	essas	H	200 May 1	93. T	eriose.	1973-911 1973-911	igogogo	Sjælige	gggaar.	15890574	nggen		e de la composición	##.NO:	geres
63,562		Jul-08	30 307	7,329	9,980	23,290	5,069	7.034	2,800	2005) 1005)				1 1			•					5	t g	7.50	7 6	1 S	3 8	3 6	47		163,562
															a late	,															16
湖潭	ast by ation	30-Inc	.95	38	22	378	60 S	22.	7,940	16 (16) 2 3										7	r ·	77	1, 4 2, 4 3, 4 3, 4 4, 4 4, 4 4, 4 4, 4 4, 4 4	, C	222	2 2	8 Z	5 2	84		8
	Forecast by Generation	ηſ	31 295	28,136	20,5	23,978	25,8	8,7	N 1	, Ā		•	•		,		'	1	,		•			_		· -	-			•	168,392
286		Jun-08	744	88	288	19,550≝ 0.135=	3 6	3 6	1000 1000 1000	) )												α	<b>)</b>	144	Ş	70	. 4 	<u>, c</u>	Ž		586
158,286		7	29	22	24	19	4,0	٥ 7	ດ ແ	S.																					158,286
	st by tion	99	8	32	7	46 2.	<b>4</b> 2	* S	2 2	ilia t												ος 20		148	124	. 6	44	16	12		2
	Forecast by Generation	Jun-08	30,498	23,4(	24,904	20,046	24,974	2,004	7,084	•	' '	•	٠,	•	1	•	٠		. 1	•	•		'	77	. :-		7	•	_	1 }	162,300
299	щ O	May-08	8		43	25,358	5	-0.10%	8 857 8 857					670						633		Б	124	0.0	622	487	78	47	216		
163,562		May	35,426		25.(	C I	40,490	0	, α					Ĭ										C		4	7	7	7		792,567
, consider	Forecast by Generation	May-08 ੰ	36,675		26,547	26,252	20,702 30,756	0,7,00	9,56	825-25 } - 1	1	2		693		1			i de la composition della comp	96		208	128	676	479	504	288	256	224		169,328
s.workedi:	Forec Gene	1000	rasalero	Discourse de	entenda in		2 6	200	· σ			······································			nie (***	n an haireann	i d a silor ili -	and the second second												,	60 70
158,286		Apr-08	2,469	4,885	19,596	23:640 23:640	26.20F	705 B	4.782			8		437						33	88	2	254	319	367	.60t	810*	931	016		130,250
<b>2</b> €	<u>ਕ</u> ੇ ਵ			100																											ő
	Forecast by Generation	Apr-08	35,422	16,238	21,378	25,285 25,757	28,79, 28,795	908	5.217	•	•	8	;	476	•		•	•	,	99	96	120	278	348	400	999	884	1,016	1,108	, 6	1/2,080
- Z	ALTERNATION DESCRIPTION	maner.	•	•		STEELS T	IMPRYCH	ne salen	· 60			, Cu		·	W.								10					~	6		
163,562		Mar-08	16,83	24,107	25,05	20 141 27 372	50 32	7.761	5.90			7		514	32					85	200	272	485	674	790	856	- 929	866	1,006	, č	70000
	st by flon	80			ďŻ,						0	220	0	534	8	0	0	0	0	88	208	製設と	8	2	S	<u>ω</u>	¥	<b>3</b> 99	4 7	L. Control	*****
	Forecast by Generation	Mar-08	17,475	25,020	26,007	28,409	30,435	8.055	6,131			2		ດິນ	•,					w	×	≈	503	×	8	888	964	1,036	1,044	750	2,00
733	STASTATION OF THE PARTY OF THE	Feb-08	22:	00	1000	5 4 5 0	× 89	တ္ထ	43			37		2						S	ည	ထ္ထ	φ.	7	80	177	8	7	8	286	2
147,		Fet	8,022	23.5	18. 20.	26.0 26.0	25.0	3.8	37					7		T L					~	7	က	æ	တ	91	1,2	7,	153	į	50727
Š		8	7	<b>**</b> (	0 (			0	2					~									~	~					~		
NO NO	Forecast by Generation	Feb-08	8,287	23,964	19,396	27.837	26,824	8,845	8,205	'	,	8	1	272	1	1	•	ı	•	%	212	308	328	848	1,012	1,112	1,240	1,340	1,348	152 600	3
ERATI	Forec Gene																													~	-
IWPS TOTAL GENERATION (MW												<b>L</b>				<u> 등</u>	<u>9</u>	<u>ગ</u> ઝ	94	<u>el</u> 1	el 2	<u><del>o</del></u>	<u>당</u>	_	co Co	m	₩	FC.	ľΩ		
OTAL			<del>-</del> (	N 0	ა ⊿		22			CT1	CT2	the C	占	ا ا	CT	) Dies	) Dies	) Dies	) Dies	t Dies	t Dies	Dies.	o Dies	iesel .	iesel;	iesel:	iesel 4	iesel (	iesel (		
/PS T			Cabras 1	Cabras 2	Cabras 3 Cabras 4	ENRON 1	<b>ENRON 2</b>	出	旧2	Dededo CT	Dededo CT 2	Macheche CT	Marbo CT	Yigo CT	IEMES CT	Dededo Diesel	Dededo Diesel 2	Dededo Diesel 3	Dededo Diesel 4	Pulantat Diesel	Pulantat Diesel 2	Falofofo Diesel 1	Talofofo Diesel 2	Tenio Diesel	Tenio Diesel 2	Tenio Diesel 3	Tenio Diesel 4	Tenjo Diesel 5	Tenjo Diesel 6		
≦			Ų (	) ر	י כ	ιШ	Щ	Ŧ	Ŧ	u	L	2	2	<b>&gt;</b> 1						α.	Ω.	<b>–</b>	<b>⊢</b> .	<del>آ</del>	μ	F	<b>—</b>	F I	ř.		

## ASSUMPTIONS/ADD'L INFORMATION:

Interim PUC adopted line loss standard

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

2. Flam use, losses and company use as	a rado to sales ar	e caiculated a	S TOHOWS.	
			Ratio	
		<u>Mwh</u>	to Sales	
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%	672%
Distribution losses (Note A)		64,909	3.97%	0.1270
Company use (FY08)		2,963	0 18%	
				""tie in to report GPA 318 as of 09 30 08
			Allocated	
			FY05	
Note A:	<u>Mwh</u>	Ratio	T&D Losses	
Total T&D losses FY07	<u>118,208</u>		7.22% (Ratio to s	sales)
Transmission losses-9/30/91	48,579	45.09%	53,299	
Distribution losses- 9/30/91	59,160	54 91%	•	
Distribution losses-9/50/51	<u> </u>	34 9170	<u>64,909</u>	
	<u>107.738</u>		<u>118,208</u>	
Net Plant Output		1,757,962		
T&D Losses		118,208		
Tel C DUO I A UR I A I A				

6.7%