

BEFORE THE PUBLIC UTILITIES COMMISSION
OF GUAM



GUAM POWER AUTHORITY
LEVELIZED ENERGY ADJUSTMENT
CLAUSE [LEAC]

DOCKET 02-04

ORDER

In accordance with the protocol established by Guam Public Utilities Commission [PUC] order dated January 29 1996, as amended by order dated March 14, 2002, Guam Power Authority [GPA] by amended petition dated July 31, 2008 requested that the current LEAC factor [\$0.17044 per kWh] for its civilian customers be increased to \$0.19235 per kWh for meters read on and after August 1, 2008 and continuing until readjusted by PUC. The GPA request is a function of higher forecasted fuel prices. The requested LEAC factor would result in an increase of about 9.3% in the average residential bill using 1.000 kWh per month.

After conducting a review of GPA's amended petition, PUC's regulatory consultant [Georgetown - GCG] issued a report on September 5, 2008, which recommends that a LEAC factor for the four-month period October 2008 through January 2009 of \$0.18775 be adopted.¹ The GCG position is based on a four-month LEAC cycle, the use of updated Morgan Stanley fuel price projections and a deferral of a projected \$440,000 line loss, which is above the standard established in PUC's November 2, 2007 Line Loss Order.

On September 29, 2008, PUC conducted a public oversight hearing to consider GCG's September 5, 2008 report. At the hearing, GPA informed PUC that it accepted the GCG position.

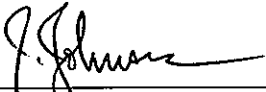
After carefully reviewing the record in this proceeding and after discussion at a duly noticed public meeting held on October 3, 2008, for good cause shown and on motion duly made, seconded and carried by the affirmative vote of the undersigned commissioners, the Guam Public Utilities Commission hereby **ORDERS THAT:**

1. A LEAC factor of \$0.18775 per kWh shall be used by GPA for all civilian bills, for meters read on and after October 3, 2008 and until readjusted by PUC to recover its forecasted fuel and related expenses.

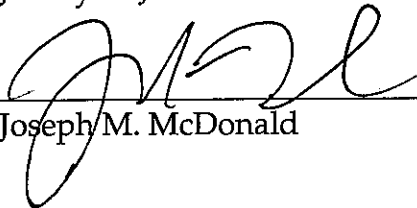
¹ The record also includes GPA's September 16, 2008 response to GCG's report and GCG's September 17, 2008 reply.

2. GPA is reminded of its duty under section 10 of PUC's Line Loss Order to file a semi-annual loss reduction compliance report.
3. GPA's petition for the establishment of the next LEAC factor [*February 1, 2009 through July 31, 2009*] shall be filed with PUC not later than December 15, 2008.
4. GPA is reminded of its duty, pursuant to PUC Orders dated October 25, 2005 and February 1, 2007 to specifically petition for authority to include new expenses in its LEAC filing, which have not been approved by PUC.

Dated this 3rd day of October 2008.



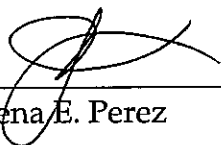
Jeffrey C. Johnson



Joseph M. McDonald



Filomena M. Cantoria



Rowena E. Perez