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Attorney for Guam Power Authority

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:

GPA DOCKET NO. 25-13

**GUAM POWER AUTHORITY'S
LEVELIZED ENERGY ADJUSTMENT
CLAUSE (LEAC)**

**PETITION OF THE GUAM POWER
AUTHORITY FOR TWO-STEP
REDUCTION IN THE LEVELIZED
ENERGY ADJUSTMENT CLAUSE
(LEAC) FOR THE PERIOD OF
AUGUST 1, 2025 THROUGH
JANUARY 31, 2026**

The Guam Power Authority (GPA) hereby petitions the Public Utilities Commission of Guam (PUC) to review and approve GPA's request for a two-step reduction in the current Levelized Energy Adjustment Clause (LEAC) factor effective August 1, 2025, for the period from August 1, 2025, through January 31, 2026.

I. Background.

On November 26, 2024, GPA asked the Consolidated Commission on Utilities (CCU) to reduce the LEAC factor to \$0.208802/kWh for the period from February 1, 2025, through July 31, 2025, in order to reduce its fuel expense under-recovery at a gradual pace that would avoid burdening ratepayers with sudden increases in fuel costs and the LEAC factor.

On January 30, 2025, the PUC ordered that the LEAC factor be reduced to \$0.208802/kWh for meters read on or after February 1, 2025. The average fuel price was

1 \$100.01/bbl as of the February 2025 filing using average pricing from November 11, 2024,
2 through November 15, 2024. The average price from January 17, 2025, through January 23,
3 2025, showed a downward trend in fuel prices. GPA was able to demonstrate that, even with fuel
4 price increases, fuel costs for customers would trend downward with the commissioning of the
5 Ukudu Power Plant.
6

7
8 GPA did not include costs associated with the Demand Side Management rebate program
9 for the LEAC period from February 1, 2025, through July 31, 2025. The average market price
10 of fuel presented for the current period was approved at \$100.01/bbl for the period from
11 February 1, 2025, through July 31, 2025. The projected average price of fuel for the period
12 ending January 31, 2026, is expected to be \$89.93/bbl.
13

14
15 The highly efficient Ukudu combined cycle power plant is expected to be 37 percent
16 more efficient than Cabras 1 and 2 and 22 percent more efficient than Piti 8 and 9. By
17 significantly reducing the amount of fuel required, the Ukudu Power Plant will help reduce fuel
18 imports by over 900,000 barrels or 39 million gallons per year. By continuing its commitment
19 to providing reliable, more affordable power on a sustained basis while modernizing the island
20 wide power system, and by replacing older, inefficient generators and transitioning to highly
21 fuel-efficient units and cleaner energy, GPA will lower fuel imports year on year, resulting in a
22 lower LEAC rate.
23
24

25 **II. Request For Approval.**

26
27 GPA is requesting to reduce the LEAC factor in two steps, to accommodate the
28 commissioning of the Ukudu Power Plant, which is expected to come online in September 2025.
29 To deliver immediate savings to customers, GPA proposes reducing the LEAC as follows:
30

31 (a) First step – \$0.188781/kWh, effective August 1-31, 2025;

32 (b) Second step – \$0.135840, effective September 1, 2025, to January 31, 2026.

1 The most recent Morgan Stanley market projection for fuel prices has decreased from the
2 previous filing. The projected under-recovery for the period ending January 31, 2026, at the
3 proposed LEAC factors of \$0.188781/kWh from August 1 to 31, 2025, and \$0.135840/kWh
4 from September 1, 2025, to January 31, 2026, is expected to be approximately \$441,000.

6 GPA has not included costs associated with the Demand Side Management rebate
7 program for the anticipated LEAC period from August 1, 2025 through January 31, 2026.

9 In support of this petition, the Consolidated Commission on Utilities (CCU) in GPA
10 Resolution No. FY2025-17 (attached hereto), at its regular meeting on May 27, 2025, approved
11 GPA's request to reduce the LEAC in two steps as outlined above. The CCU's resolution is
12 attached hereto as Exhibit A. This filing is made in compliance with the PUC's order of
13 January 30, 2025, requiring GPA to file for a change in the LEAC factor to be effective August 1,
14 2025, on or before June 15, 2025.

17 III. Conclusion.

18 Based on the foregoing and the attached supporting documents and worksheets, the PUC
19 should approve GPA's request to decrease the LEAC Factor from \$0.208802/kWh to
20 \$0.188781/kWh for the period from August 1 to 31, 2025, and \$0.135840/kWh for the period
21 from September 1, 2025, to January 31, 2026, as it is reasonable, prudent and necessary.

24 Respectfully submitted this 4th day of June, 2025.

26 *Attorney for Guam Power Authority*

28 By: _____

M. Woloschuk

29 Marianne Woloschuk
30 GPA Legal Counsel
31
32



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority

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GPA RESOLUTION NO. FY2025-17

**TO AUTHORIZE THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO
PETITION THE GUAM PUBLIC UTILITIES COMMISSION TO REDUCE THE
LEVELIZED ENERGY ADJUSTMENT CLAUSE (LEAC) FOR THE PERIOD OF
AUGUST 1, 2025 THROUGH JANUARY 31, 2026**

WHEREAS, the Guam Public Utilities Commission (PUC) has established a Tariff under which the Guam Power Authority (GPA) is allowed to recover its fuel costs and fuel related costs under a factor which is reset and tried up every (6) six months through the Levelized Energy Adjustment Clause (LEAC); and

WHEREAS, the deadline for the next filing is June 15, 2025; and

WHEREAS, on November 26, 2024, GPA has requested to reduce the LEAC factor to \$0.208802/kWh for the periods of February 1, 2025 through July 31, 2025; and

WHEREAS, on January 30, 2025, the Guam Public Utility Commission (PUC) reduced the LEAC factor to \$0.208802/kWh for meters read on or after February 1, 2025. The projected average fuel price was \$100.01/bbl as of the July 2025 filing using the average pricing from November 11, 2024 through November 15, 2024. In their Order, the PUC indicated that an updated average pricing from January 17, 2025 through January 23, 2025 showed downward trend in fuel prices. GPA also presented that even with fuel price increases, the fuel prices for customers will trend down when the new Ukudu Power Plant comes on line; and

WHEREAS, GPA did not include costs associated with the Demand Side Management rebate program for the LEAC period from February 1, 2025 through July 31, 2025; and

1 **WHEREAS**, the average market price of fuel used in this filing for the current period was
2 approved at \$100.01/bbl for the period from February 1, 2025 through July 31, 2025. The
3 projected average price of fuel for the period ending January 31, 2026 is expected to be
4 \$89.93/bbl; and

5
6 **WHEREAS**, the Ukudu Power Plant is a highly efficient combined-cycle plant that
7 significantly reduces the amount of fuel required. The Ukudu Power Plant is 37% more fuel
8 efficient than Cabras 1 and 2 and 22% more efficient than Piti 8 and 9. This efficiency will help
9 reduce fuel imports by over 900,000 barrels or 39 million gallons per year. By replacing older,
10 inefficient generators and transitioning to highly fuel-efficient units and cleaner energy, GPA will
11 lower fuel imports per year, resulting in reduced LEAC rate. This is GPA's continuous
12 commitment to provide reliable and more affordable power on a sustained basis while
13 modernizing the island's energy system; and

14
15 **WHEREAS**, the Ukudu Power Plant is projected to be operational in September 2025.
16 The plant's efficiency allows GPA to reduce the LEAC rate from fuel savings. GPA proposes a
17 two (2) step reduction of the LEAC factor, presented below, to deliver immediate savings and
18 relief to the ratepayers:

19 a) 1st step - \$0.188781/kWh effective August 1-31, 2025

20 b) 2nd step - \$0.135840 effective September 1, 2025 thru January 31, 2026

21
22 **WHEREAS**, the most recent Morgan Stanley market projections for fuel prices has
23 decreased from the previous filing and the projected under-recovery for the period ending January
24 31, 2026 at the proposed LEAC factors of \$0.188781/kWh in August 2025 and \$0.135840/kWh
25 from September 1, 2025 thru January 31, 2025 is about \$441 thousand; and

26
27
28 **WHEREAS**, GPA did not include costs associated with the Demand Side Management
29 rebate program for the LEAC period from August 1, 2025 through January 31, 2026; and

30
31 **WHEREAS**, GPA now is requesting the Consolidated Commission on Utilities to
32 authorize the Authority to file such petition with the Guam Public Utilities Commission; and

1
2 **NOW, THEREFORE BE IT RESOLVED**, by the Consolidated Commission on
3 Utilities, as the Governing Body of GPA, as follows:

4
5 The General Manager of the Guam Power Authority is authorized to petition the Guam
6 Public Utilities Commission to reduce the secondary voltage LEAC rate as follows:

7 a) 1st step - \$0.188781/kWh effective August 1-31, 2025

8 b) 2nd step - \$0.135840 effective September 1, 2025 through January 31, 2026

9
10 LEAC factors for alternative voltage levels are reflected in the attached spreadsheets in
11 the attached Exhibit A.

12
13
14 **RESOLVED**, that the Chairman of the Commission certifies and the Secretary of the
15 Commission attests to the adoption of this Resolution.

16
17 **DULY AND REGULARLY ADOPTED**, this 27th day of May, 2025.

18
19
20 Certified by:

Attested by:

21
22 
23

24 **FRANCIS E. SANTOS**

25 Chairperson

26 Consolidated Commission on Utilities

27 
28

29 **MELVIN F. DUENAS**

30 Secretary

31 Consolidated Commission on Utilities

1
2
3 **SECRETARY'S CERTIFICATE**

4 I, **Melvin Duenas**, Secretary of the Consolidated Commission on Utilities (CCU), as
5 evidenced by my signature above, do hereby certify as follows:

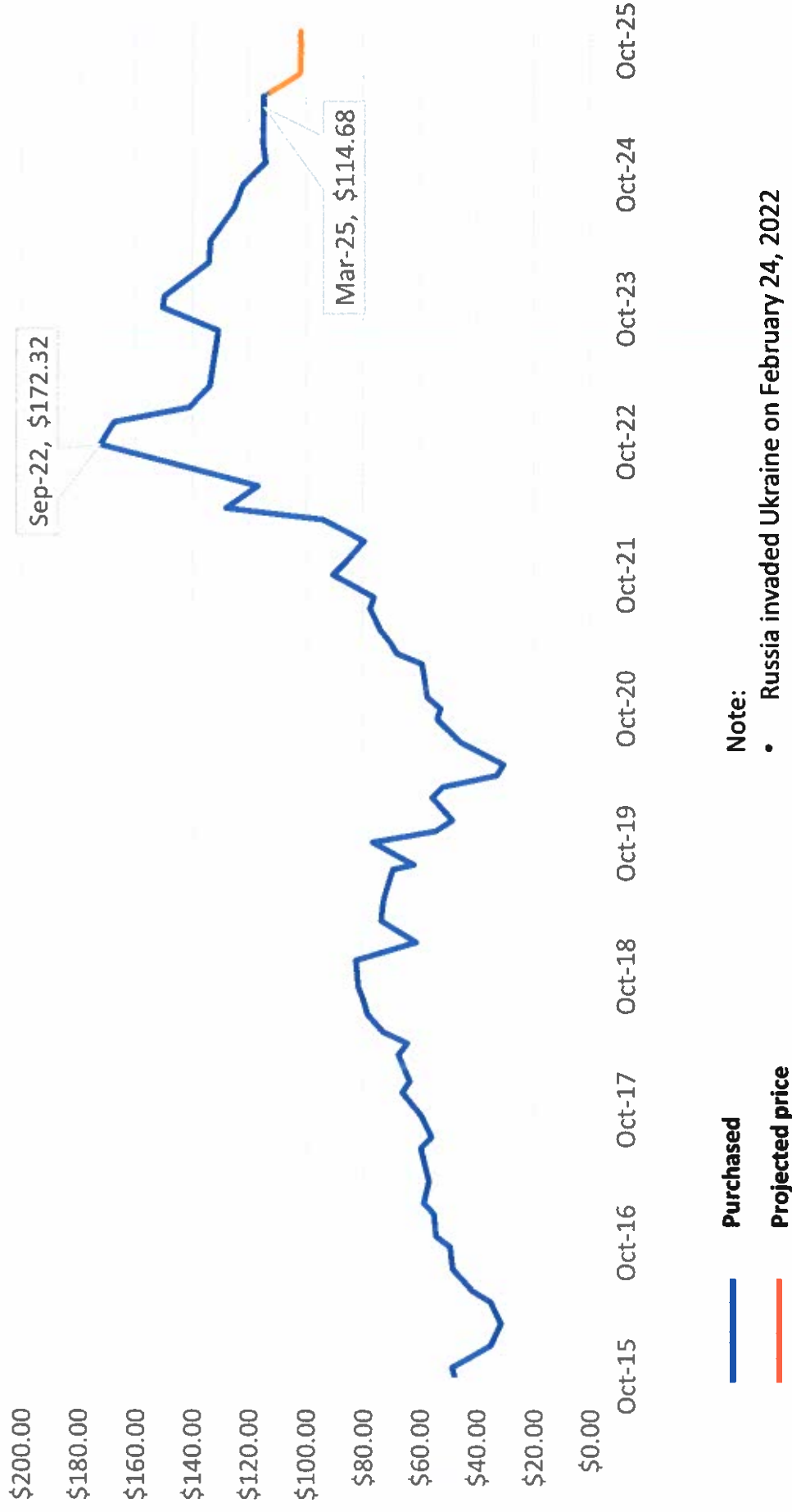
6 The foregoing is a full, true and accurate copy of the resolution duly adopted at a regular
7 meeting by the members of the Guam CCU, duly and legally held at a place properly noticed and
8 advertised at which meeting a quorum was present and the members who were present voted as
9 follows:

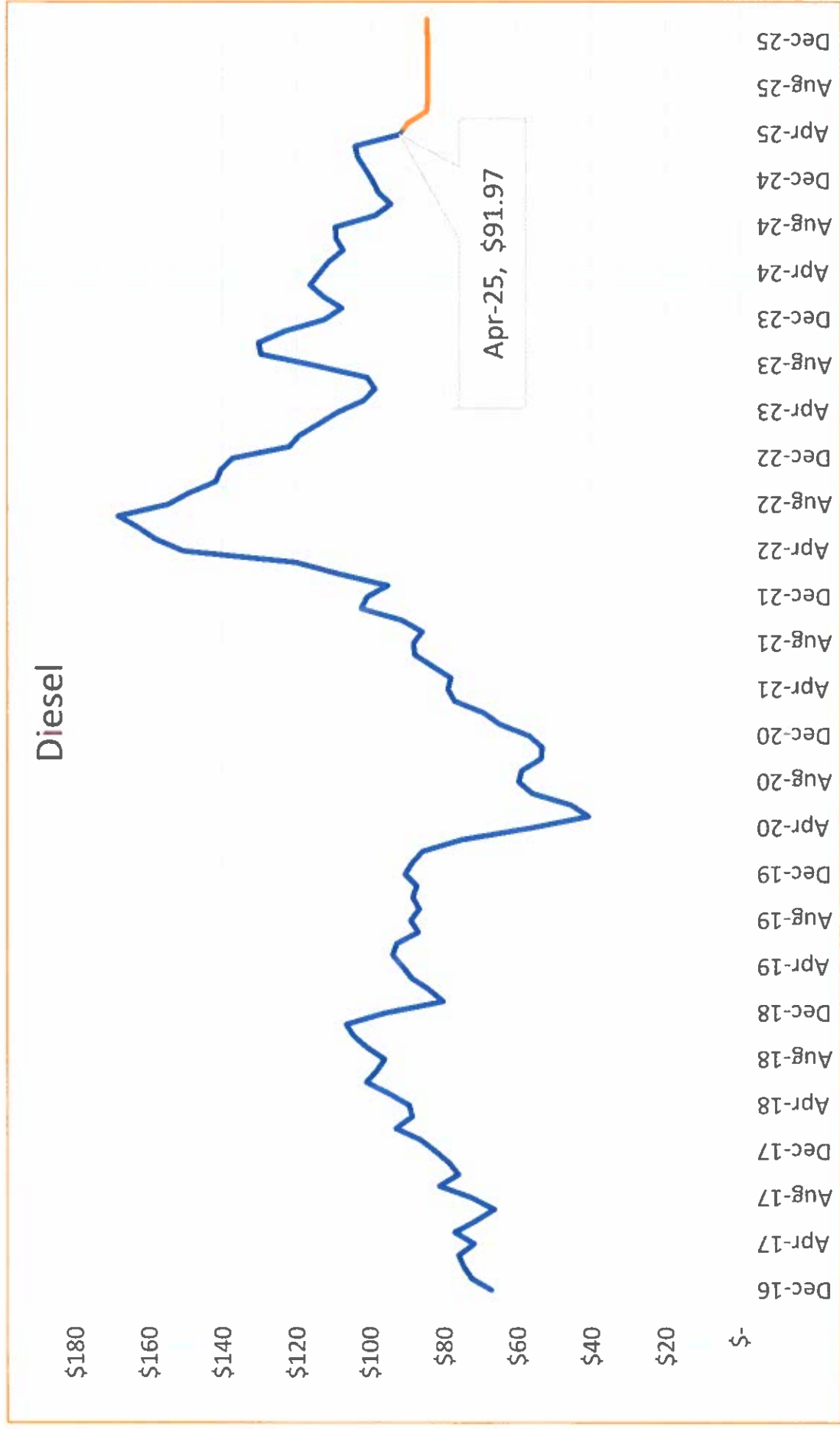
10
11 AYES: 5
12 NAYS: 0
13 ABSENT: 0
14 ABSTAIN: 0
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LEAC Update - GPA RFO Purchases (Per Barrel)

RFO





Purchased
Projected price



Note:

- Russia invaded Ukraine on February 24, 2022



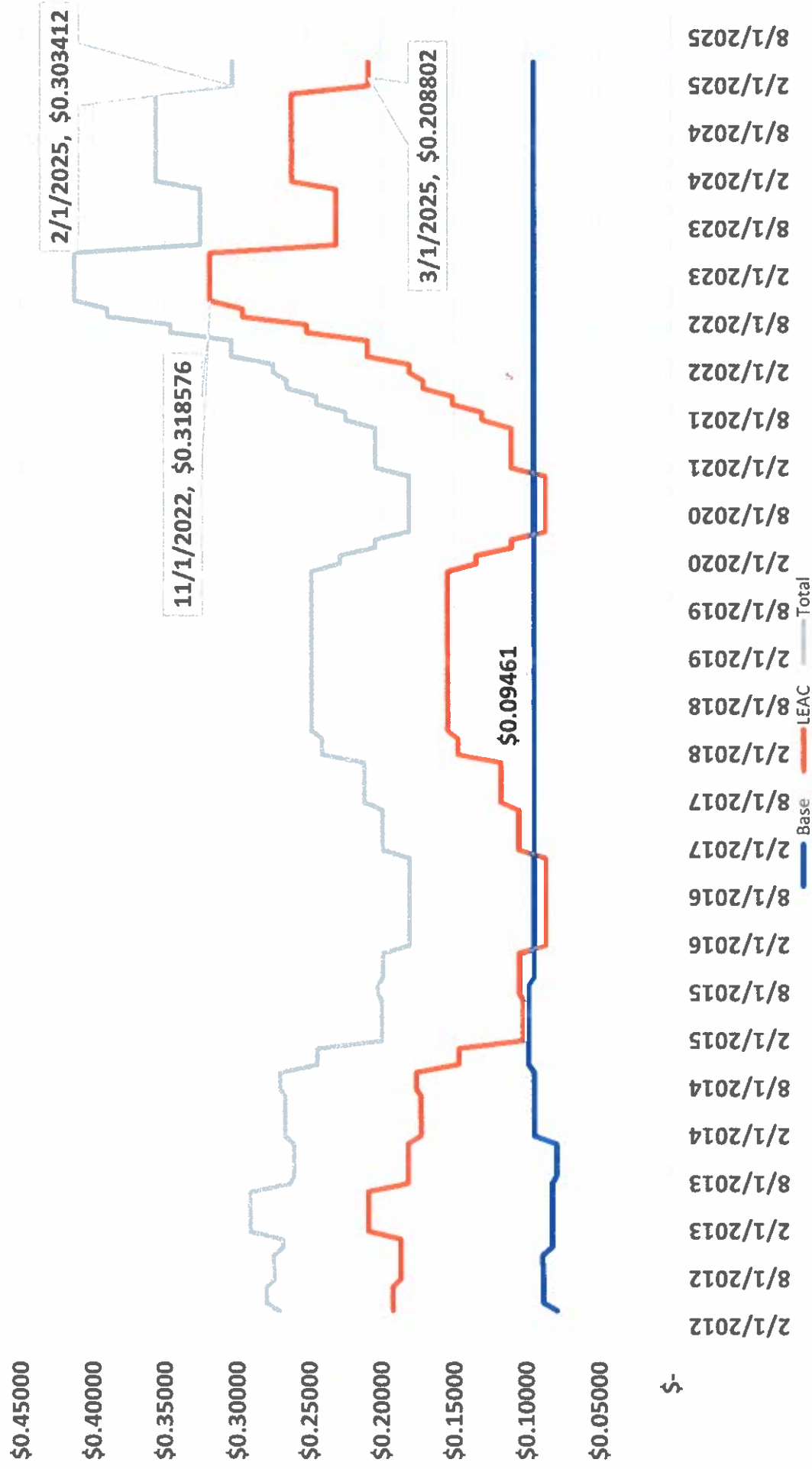
Date	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
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Gassoil 10ppm

5/5/2025	75.09	74.21	73.91	73.91	73.93	73.99	73.99	73.99	74.25
5/6/2025	76.97	76.17	75.83	75.79	75.82	75.77	75.77	75.77	76.02
5/7/2025	77.85	77.17	76.87	76.85	76.86	76.84	76.84	76.84	77.08
5/8/2025	76.44	75.84	75.59	75.63	75.63	75.71	75.71	75.71	76.03
5/12/2025	79.82	79.14	78.78	78.74	78.75	78.52	78.52	78.52	78.54

Five-day average	\$ 77.23	\$ 76.51	\$ 76.20	\$ 76.19	\$ 76.20	\$ 76.17	\$ 76.17	\$ 76.17	\$ 76.38
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LEAC Update - Historical Residential LEAC Rate



LEAC Update - Historical LEAC Over / (Under) Recovery

LEAC Period		Approved LEAC		Actual Over	
From	To	Rate	(Under)	Recovery	
2/1/2017	7/31/2017	\$ 0.105051	\$	(14,050,504)	
8/1/2017	1/31/2018	\$ 0.117718	\$	(16,775,982)	
2/1/2018	4/30/2018	\$ 0.147266	\$	(13,005,689)	
5/1/2018	7/31/2018	\$ 0.154242	\$	(8,422,674)	
8/1/2018	1/31/2019	\$ 0.154242	\$	(13,336,698)	
2/1/2019	7/31/2019	\$ 0.154242	\$	(10,225,349)	
8/1/2019	1/31/2020	\$ 0.154242	\$	(2,193,618)	
2/1/2020	3/31/2020	\$ 0.134474	\$	(1,803,778)	
4/1/2020	5/31/2020	\$ 0.110039	\$	(2,981,023)	
6/1/2020	7/31/2020	\$ 0.086800	\$	(3,563,177)	
8/1/2020	1/31/2021	\$ 0.086800	\$	(13,230,995)	
2/1/2021	7/31/2021	\$ 0.110000	\$	(32,452,576)	
8/1/2021	9/30/2021	\$ 0.130400	\$	(14,168,086) (a)	
10/1/2021	11/30/2021	\$ 0.150800	\$	(19,695,128)	
12/1/2021	1/31/2022	\$ 0.171458	\$	(22,490,844)	
2/1/2022	3/31/2022	\$ 0.180837	\$	(29,444,602)	
4/1/2022	6/30/2022	\$ 0.209522	\$	(42,759,975)	
7/1/2022	8/31/2022	\$ 0.251638	\$	(47,101,089)	
9/1/2022	10/31/2022	\$ 0.296043	\$	(41,914,469)	
11/1/2022	1/31/2023	\$ 0.318576	\$	(32,523,031)	
2/1/2023	5/31/2023	\$ 0.318576	\$	(12,423,514)	
6/1/2023	1/31/2024	\$ 0.231144	\$	(33,303,174)	
2/1/2024	7/31/2024	\$ 0.261995	\$	(21,569,123)	
8/1/2024	1/31/2025	\$ 0.261995	\$	5,340,255	
2/1/2025	7/31/2025	\$ 0.208802	\$	1,786,830	Estimated

Notes:
(a) \$15 million received from GovGuam

LEAC Update - Proposed Rate

Average Price per Bbl-RFO & ULSFO 0.20%
 Average Price per Bbl-Diesel
 Number 6 (HSFO/LSFO)
 Number 2 (Diesel)
 Renewable (Solar)
 TOTAL COST
 Handling Costs
 Total Current Fuel Expense
 Civilian Allocation
 LEAC Current Fuel Expense
 Estimated DSM for this period
 Deferred Fuel Expense at the beginning of the period
 Total LEAC Expense
 Less: Trans. Level Costs
 Distribution Level Costs
 Over recovery/(Under) at the end of the period
 Adjusted Distribution Level Costs
 Distribution Level Sales (mWh)
 LEAC Factor Distribution
 Current LEAC Factor Distribution
 Increase/(Decrease)
 Monthly Increase/(Decrease) - 1000 kWh
 % Increase/(Decrease) in LEAC
 % Increase/(Decrease) in Total Bill
 Discount (3%) - Primary 13.8 KV
 Discount (4%) - 34.5 KV
 Discount (5%) - 115 KV

	FEB 25 - JUL 25 MS Pricing from 05.05.25 to 05.12.25	AUG 2025 MS Pricing from 05.05.25 to 05.12.25	SEPT 25 - JAN 26 MS Pricing from 05.05.25 to 05.12.25
\$	114.67	101.69	101.69
\$	93.97	84.30	84.30
\$	48,009	34,497	34,497
\$	91,185	59,752	59,752
\$	11,602	11,672	11,672
\$	150,796	105,921	105,921
\$	11,961	10,709	10,709
\$	162,757	116,630	116,630
\$	78.820%	78.741%	78.741%
\$	128,829	91,836	91,836
\$	-	-	-
\$	(5,340)	(1,787)	(3,261)
\$	123,489	90,049	88,575
\$	7,891	5,308	5,308
\$	115,598	84,741	83,267
\$	(1,787)	(3,261)	441
\$	113,811	81,480	83,708
\$	570,628	583,662	583,662
\$	\$0.208802	\$0.188781	\$0.135840
\$	0.261995	0.208802	0.188781
	(0.053193)	(0.020021)	(0.052941)
\$	(53.19)	(20.02)	(22.26)
	-20.30%	-9.59%	-28.04%
	-14.80%	-6.54%	-7.78%
\$	0.201762	0.183092	0.131752
\$	0.201106	0.182565	0.131373
\$	0.198308	0.180317	0.129756

SCHEDULE R - RESIDENTIAL

RATE SCHEDULE R									
Existing Rate Eff 02-01-25		Proposed Eff 08-01-25			Proposed Eff 09-01-25				
KWH									
Monthly Charge									
Non-Fuel Energy Charge									
First 500 KWH									
Over 500 KWH									
Emergency Water-well charge									
Self-Insurance Charge									
Working Capital Fund Surcharge									
Total Electric Charge before Fuel Recovery Charges									
Fuel Recovery Charge									
Total Electric Charge									
Increase/(Decrease) in Total Bill									
% Increase/(Decrease) in Total Bill									
% Increase/(Decrease) in LEAC rate									

SCHEDULE G - SINGLE PHASE

RATE SCHEDULE G (Single Phase)					
Existing Rate Eff 02-01-25		Proposed Eff 08-01-25		Proposed Eff 09-01-25	
SINGLE PHASE					
KWH					
Monthly Charge					
Non-Fuel Energy Charge					
First 350 KWH per month					
Over 350 KWH per month					
Emergency Water-well charge					
Self-Insurance Charge					
WCF Surcharge					
Total Electric Charge before Fuel Recovery Charges					
Fuel Recovery Charge					
Total Electric Charge					
Increase(Decrease) in Total Bill					
% Increase/(Decrease) in Total Bill					
% Increase/(Decrease) in LEAC rate					

SCHEDULE J - SINGLE PHASE

		RATE SCHEDULE J (Single Phase)				
		Existing Rate Eff 02-01-25		Proposed Eff 08-01-25		Proposed Eff 09-01-25
SINGLE PHASE			25,000		25,000	25,000
KWH						
DEMAND	35					
Monthly Charge		\$ 38.33	\$ 38.33	\$ 38.33	\$ 52.00	\$ 52.00
Demand Charge (\$/kW-month)	35	\$ 6.16	\$ 215.60	\$ 6.16	\$ 8.18	\$ 286.30
Energy Charge						
First Block - First 2,000 kWh per month (\$/kWh)	2,000	0.196760	\$ 393.52	0.196760	0.26136	\$ 522.72
Second Block - > 2,000 kWh per month (\$/kWh)	23,000	0.065540	\$ 1,507.42	0.065540	0.08706	\$ 2,002.38
Emergency Water-well charge	25,000	0.002790	\$ 69.75	0.002790	0.00279	\$ 69.75
Self-Insurance Charge	25,000	0.002900	\$ 72.50	0.002900	0.00290	\$ 72.50
WCF Surcharge	25,000	-	-	-	-	-
Total Electric Charge before Fuel Recovery Charges		\$ 2,297.12	\$ 2,297.12	\$ 2,297.12	\$ 3,005.65	\$ 3,005.65
Fuel Recovery Charge		\$ 5,220.05	\$ 5,220.05	\$ 4,719.53	\$ 0.135840	\$ 3,396.00
Total Electric Charge		\$ 7,517.17	\$ 7,517.17	\$ 7,016.65	\$ 6,401.65	\$ 6,401.65
Increase(Decrease) in Total Bill				\$ (500.52)	\$ (615.00)	\$ (615.00)
% Increase/(Decrease) in Total Bill				-6.66%	-8.76%	-8.76%
% Increase/(Decrease) in LEAC rate				-9.59%	-28.04%	-28.04%

