

**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] petitioned PUC on March 18, 2005 that the current LEAC factor [\$0.059753], which PUC established for the period October 1, 2004 until a new factor is established in April 2005, be increased to \$0.0730096 per kWh for meters read on and after April 22, 2005 and continuing through September 30, 2005. GPA seeks no recovery of deferred fuel expenses in its petition. The GPA request represents an increase in the average residential power bill of about 11%. The request is driven by rising fuel costs.

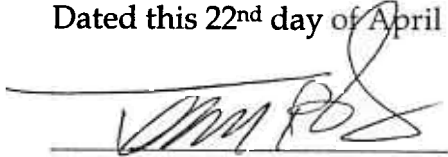
On April 8, 2005 PUC conducted a duly noticed public hearing to consider GPA's petition, an April 1, 2005 report from regulatory consultant, Georgetown Consulting Group (GCG), and a stipulation between GPA and GCG dated March 31, 2005 [*copy made Attachment A*]. The Stipulation proposes: a) a process under which GPA could recover its \$7 million dollar deferred fuel expense balance; b) a standard to determine the reasonableness of incurred fuel expenses; and c) semi-annual reporting requirements. PUC also received a briefing from GPA on: a) the process recommended in the Stipulation for enabling GPA to recover its deferred fuel expenses and b) performance standards; and c) GPA's oil hedging program.

After carefully reviewing the record in this proceeding and after discussion at a duly noticed public meeting held on April 22, 2005, 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 \$0.0730096 per kWh shall be used by GPA for all civilian bills, for meters read on and after April 22, 2005 and through September 30, 2005 to recover its forecasted fuel and related expenses for that period.

2. The GPA - GCG Stipulation dated March 31, 2005 [Attachment A] is hereby approved. GPA is ordered to comply with its terms.
3. GPA is reminded of its duty under PUC Order dated October 14, 2004 to file quarterly reports regarding its plan and efforts to reduce line losses.
4. GPA's petition for the establishment of the next LEAC factor [October 1, 2005 through March 30, 2006] shall be filed with PUC not later than August 15, 2005.

Dated this 22nd day of April 2005.



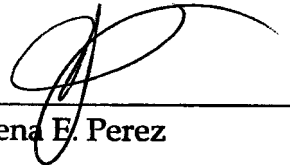
Terrence M. Brooks



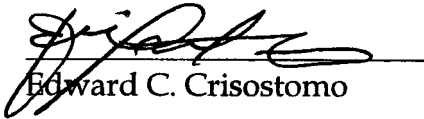
Filomena M. Cantoria



Joseph McDonald



Rowena E. Perez



Edward C. Crisostomo

Richie T. Lim