



GUAM POWER AUTHORITY

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FOR IMMEDIATE RELEASE

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**GUAM PUBLIC UTILITIES COMMISSION (GPUC) APPROVES
3-PHASE INCREASE TO LEAC RATE
FOR THE PERIOD AUGUST 1, 2021 THROUGH JANUARY 31, 2022**

At its regular monthly meeting on Thursday July 29, 2021 the Guam Public Utilities Commission (GPUC) voted and approved a 3-phase implementation to set GPA's Levelized Energy Adjustment Clause (LEAC) rate or Fuel Recovery Surcharge on customers' monthly energy statements. The phased-in increases for the LEAC period August 1, 2021 through January 1, 2021 are as follows:

- \$0.1304 cents/kWh for August and September 2021
- \$0.1508 cents/kWh for October and November 2021
- \$0.1714 cents/kWh for December 2021 and January 2022

This increase on the overall GPA average residential customer bill is necessary to reduce the under-recovery of fuel costs incurred during the peak of the pandemic when the LEAC rate was held at \$0.0868/kWh for 8 months and for the severe rise in the cost of fuel oil in the global market that followed. GPA has no control over this factor in the LEAC calculation.

GPA must recover, to a reasonable extent, the under-recovered fuel costs for the current period and costs carried over from the prior LEAC period. "GPA, the CCU and the GPUC recognize that this phased-in approach to the fuel recovery should be done now, which is still manageable in order to avoid a more substantial increase in the future," said GPA General Manager John M. Benavente, P.E.

"GPA explored all opportunities to reduce its operating costs and has used \$10 million from its self-insurance fund and deferred another \$5 million from our capital improvement projects. These amounts help to offset part of the \$30 million in projected unrecovered fuel costs. Governor Leon Guerrero has also committed funding assistance for our ratepayers in the amount of \$15 million from the Coronavirus State Fiscal Recovery Funds. All combined, GPA's under-recovery could be approximately \$7 million at the end of this LEAC period on January 31, 2022. This is all to bring relief to our customers as we persevere through this unprecedented and ongoing pandemic," explained Benavente.

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"Amidst the severe rise in the cost of fuel oil, it is prudent fiscal management that GPA takes the unpopular steps to increase the LEAC rate adjustment for this period, to ensure GPA can purchase the fuel oil it needs to keep its operations going," Benavente concluded.

	RATE SCHEDULE R							
	Existing Rate		1st Phase		2nd Phase			
	Eff 02-01-21		Eff 08-01-21		Eff 10-01-21			
KWH		1,000		1,000		1,000		1,000
Monthly Charge	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00
Non-Fuel Energy Charge								
First 500 KWH	0.069550	34.78	0.069550	34.78	0.069550	34.78	0.069550	34.78
Over 500 KWH	0.086870	43.44	0.086870	43.44	0.086870	43.44	0.086870	43.44
Emergency Water-well charge	0.002790	1.40	0.002790	1.40	0.002790	1.40	0.002790	1.40
Self-Insurance Charge	0.000000	-	0.002900	2.90	0.002900	2.90	0.002900	2.90
Working Capital Fund Surcharge	0.000000	-	0.000000	-	0.000000	-	0.000000	-
Total Electric Charge before Fuel Recovery Charges		94.62		97.51		97.51		97.51
Fuel Recovery Charge	0.110000	110.00	0.130400	130.40	0.150800	150.80	0.171458	171.46
Total Electric Charge		\$ 204.62		\$ 227.91		\$ 248.31		\$ 268.96
Increase/(Decrease) in Total Bill				\$ 23.29		\$ 20.40		\$ 20.66
% Increase/(Decrease) in Total Bill				11.38%		8.95%		8.32%
% Increase/(Decrease) in LEAC rate				18.55%		15.64%		13.70%

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Editor's notes:

1. Customers, may view this information at guampowerauthority.com, GPA's Facebook page or GPA Instagram
2. Customers can explore the GPA LEAC Rate Calculator at http://guampowerauthority.com/home/home_rate_calculator to help with making calculations for household budgeting
3. Register and log onto myenergyguam.com and track your home energy consumption