

Issued March 14, 2002
Effective with meters read
on and after March 15, 2002

Rate Schedule "Z"

GUAM POWER AUTHORITY

SCHEDULE "Z"

Levelized Energy Adjustment Clause

[LEAC]

The calculation of each bill, pursuant to the rates and charges contained in the applicable rate schedule, shall be subject to an adjustment for variations in fuel cost. The adjustment will be made by multiplying a Fuel Recovery Charge times the total kilowatt hours for which the bill is rendered.

The Fuel Recovery Charge will be calculated by the following formula:

$$\text{Fuel Recovery Charge} = A +/-B +/-C$$

D

Where:

A – Equals the projected prudent fuel expenses as approved by the Public Utilities Commission for the next LEAC period, including amounts GPA is required to pay under the fuel risk management program, but excluding net fuel reimbursements from the Navy through the Customer Agreement settlements.

B – Equals the difference between the prior six month's fuel revenue and actual prudently incurred fuel expenses as approved by the Public Utilities Commission, including the true up of the second prior six month period, excluding net revenue from Navy through the Customer Agreement settlements.

C – Refunds or credits from supplier, excluding legal settlements.

D – Equals the projected retail kWh sales for the next six months.

The Fuel Factor will be recalculated semi-annually for a six month period and be subject to the approval of the Guam Public Utilities Commission. In the event that GPA has a cumulative under [or over] recovery balance of more than \$2 million or if the under [over] recovery balance is projected to exceed \$2 million during the six-month levelized period, excluding net revenues from the Navy under the Customer Agreement, the Fuel Factor may be adjusted to recover such deficit, subject to PUC approval.