



GUAM POWER AUTHORITY

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GPA Recommends 20.3% Decrease in Fuel Recovery Charge or Levelized Energy Adjustment Clause (LEAC)

(Fadian, Mangilao) – During today's Consolidated Commission on Utilities (CCU) work session, the Guam Power Authority (GPA) proposed a notable reduction in the Fuel Recovery Charge (Levelized Energy Adjustment Clause or LEAC) for the February 1, 2025, through July 31, 2025, billing period. The recommendation aims to lower the LEAC rate from \$0.261995 to \$0.208802 per kilowatt-hour, a 20.3% decrease. For the average residential customer using 1,000 kilowatt-hours per month, this adjustment would result in a 14.8% reduction in their total monthly electric bill, saving approximately \$53.19.

This proposed reduction comes as GPA's under-recovery balance is expected to reach a more manageable level of \$4.3 million, following efforts to shield customers from abrupt rate increases during previous periods of high fuel prices. The adjustment reflects a decline in projected fuel costs, which GPA estimates to average \$100.01 per barrel during the period. For Guam's residents, this decrease represents much-needed relief from the strain of high energy costs, driven largely by volatile global fuel markets.

"We know that energy costs have been weighing heavily on our customers, and this proposed decrease is a step toward easing that burden," said John M. Benavente, P.E., General Manager of the Guam Power Authority. "While the cost of fuel remains unpredictable, we've worked hard to stabilize rates and reduce impacts on families and businesses. Every decision we make is based on our goal to deliver reliable power at the lowest cost possible on a sustained basis."

If approved by the CCU during its regular meeting on November 26, 2024, the recommendation will then be forwarded to the Public Utilities Commission (PUC) for final review and approval. Pending regulatory approval, customers will see the lower LEAC rate reflected in their bills starting February 1, 2025.

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