



GUAM POWER AUTHORITY

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PUC Approves GPA LEAC Adjustment Effective July 1 *Avoids larger all-at-once increase while helping GPA continue fuel purchases*

(Fadian, Mangilao) - The Guam Public Utilities Commission (PUC) approved Guam Power Authority's (GPA) petition to adjust the Levelized Energy Adjustment Clause (LEAC), also known as the Fuel Recovery Charge, from \$0.135840 per kilowatt-hour to \$0.194150 per kilowatt-hour for meters read on or after July 1, 2026, through January 31, 2027.

For an average residential customer using 1,000 kilowatt-hours per month, the approved adjustment will result in an estimated increase of approximately \$58 per month.

The PUC's approval follows the Consolidated Commission on Utilities' (CCU) approval of GPA's recommendation to adjust the LEAC in response to extraordinary fuel cost increases tied to global fuel market volatility and impacts to fuel supply.

GPA General Manager John M. Benavente, P.E., said the approved adjustment is intended to help GPA continue purchasing fuel while spreading fuel cost impacts over time. "We understand that customers are concerned about any increase to their monthly bills," Benavente said. "This adjustment is not intended to recover the full projected fuel under-recovery at once. It is intended to keep that balance from growing while helping ensure GPA can continue purchasing fuel and spread fuel cost impacts over time, rather than asking customers to absorb a larger increase all at once."

The PUC's review noted that GPA had several options for addressing the fuel under-recovery. A full recovery approach would have required a higher LEAC rate and a larger monthly bill increase for the average customer. Leaving the LEAC unchanged would have allowed the fuel under-recovery to grow significantly, creating greater pressure on GPA's ability to purchase fuel and increasing the risk of larger impacts in future LEAC periods. The approved adjustment reflects the middle approach: bringing fuel recovery closer to actual costs while spreading fuel cost impacts over time.

Even with the approved adjustment, GPA's combined base and fuel surcharge rates will be approximately 32 cents per kilowatt-hour for average residential customers and remain among the lowest rates in the region based on GPA's regional rate comparison chart as of May 15, 2026.

Fuel shipment costs have increased sharply since the recent geopolitical conflicts. GPA's March fuel cost shipment was at \$26.2 million, while the April shipment increased to about \$53.5 million. GPA's most recent fuel shipment cost for May is about \$37.9 million, with continuing pressure on fuel recovery and cash flow.

GPA has worked to lessen the impact of global fuel volatility by holding the LEAC steady since March, managing fuel purchases carefully, evaluating alternative fuel supply options, applying available Ukudu liquidated damages to GPA's fuel under-recovery balance, relying on the Ukudu Power Plant's efficiency, and using available solar energy to reduce the amount of fuel needed to serve customers.

The PUC review also noted that GPA has taken additional measures to reduce the impact of fuel costs on ratepayers, including applying Ukudu liquidated damages directly to the LEAC under-recovery balance and securing approval for a short-term line of credit to help support fuel purchases during the current period of elevated fuel prices.

GPA noted that the LEAC is not a profit charge and does not pay for payroll, debt service, capital projects, or general operations. The LEAC is the mechanism used to recover the actual cost of fuel needed to generate electricity for customers.

As Guam moves into warmer months, GPA encourages customers to look for simple ways to reduce daily energy use, especially from air conditioning and water heating. Using ceiling fans to help circulate cool air, setting air conditioners between 75°F and 77°F, installing a water heater timer, and turning off lights and appliances when not in use can help customers better manage their monthly bills. Customers may also use MyEnergyGuam.com to monitor usage, review consumption patterns, and identify ways to save.

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