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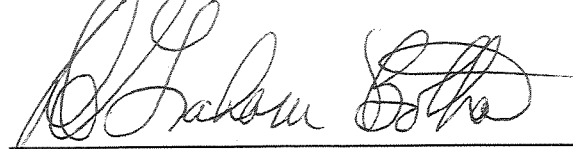
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 9 *Attorney for the Guam Power Authority*

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 11 **BEFORE THE PUBLIC UTILITIES COMMISSION**

13	IN THE MATTER OF	)	DOCKET NO.99-12
14		)	
15	The Guam Power Authority's Quality	)	<b>PROGRESS STATUS REPORT FOR</b>
16	Management Plan for the Cost Effective	)	<b>THE 3<sup>RD</sup> QUARTER OF FY007</b>
17	Reduction of Unaccounted for Energy	)	
18	_____	)	

19  
 20 **COMES NOW**, GUAM POWER AUTHORITY (GPA), and hereby files its Progress  
 21 Status Report for the third (3<sup>rd</sup>) Quarter of Fiscal Year 2007 for GPA's Quality Management  
 22 Plan (QMP) for the Cost Effective Reduction of Unaccounted for Energy. The Report is attached  
 23 herein as Exhibit A and incorporated by reference herein. This filing complies with the  
 24 requirements set forth in the Public Utilities Commission's (PUC) Order dated October 14,  
 25 2004 in Docket No. 99-12, and the quarterly reporting outlined in Appendix A of Document  
 26 No. QMP-002-2004.

27 **RESPECTFULLY SUBMITTED** this 31<sup>st</sup> day of July, 2007, by:

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 29   
 30 \_\_\_\_\_  
 31 **D. GRAHAM BOTHA, ESQ.**  
 32 Legal Counsel for the Guam Power Authority

COPY



# GUAM POWER AUTHORITY

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July 31, 2007

Mr. Harry Boertzel, Esq. ALJ  
Guam Public Utilities Commission  
Suite 207, GCIC Building  
Hagatna, Guam 96932

RE: Quarterly Filing (3rd Quarter), Progress Status (Appendix A) - QMP 002-2004

Dear Mr. Boertzel:

In compliance with PUC Docket 99-12 dated October 14, 2004, GPA hereby submits its quarterly reporting as outlined in Appendix-A of Document Number: QMP-002-2004. This provides the latest progress status as stated in its Quality Management Plan for the Cost Effective Reduction of Unaccounted for Energy.

Should you have any questions regarding this matter, please do not hesitate to call me at 648-3225.

Sincerely,

*JB* Joaquin C. Flores, P.E.  
General Manager  
Guam Power Authority

## APPENDIX A

### Progress Reporting for 3<sup>rd</sup> Quarter – FY'07

KEY MANAGEMENT OBJECTIVE	TASK DESCRIPTION	STATUS
1	<p>Accurate metering and billing of the U.S. Navy</p> <p>Navy account set in Utiligy for quantum and electro mechanical meters in all metering points</p>	<ul style="list-style-type: none"> <li>Completed the process of connecting all 19 metering points to the applicable agreement. Actual billing of Navy has been set up in the Utiligy system and test billing runs will be completed next quarter.</li> </ul>
	<p>Defining metering performance standards (generation, substation and Navy)</p>	<ul style="list-style-type: none"> <li>No progress – have not started</li> </ul>
	<p>Perform Engineering study to determine economic impact and performance of the latest metering systems. Identify the most economical and reliable meter replacements.</p>	<ul style="list-style-type: none"> <li>90 % completed, documentation to be submitted at a later time</li> </ul>
	<p>SOP for Navy Metering</p>	<ul style="list-style-type: none"> <li>Draft completed – July 2007 review</li> </ul>
	<p>Install energy logger to verify accuracy for Navy meter readings</p>	<ul style="list-style-type: none"> <li>10 energy logger installed, none remaining to be completed</li> </ul>
	<p>As-built connection wiring diagram for Navy Metering points</p>	<ul style="list-style-type: none"> <li>19 metering points completed, none remaining to be completed</li> </ul>

KEY MANAGEMENT OBJECTIVE	TASK DESCRIPTION	STATUS
Accurate metering and billing of the U.S. Navy	All Quantum meter readings downloaded on the 1 <sup>st</sup> and 15 <sup>th</sup> of the month	<ul style="list-style-type: none"> <li>• 93 Quantum meters and 211 Mechanical meters read on 1<sup>st</sup> of every month</li> <li>• 93 Quantum meters read on the 15<sup>th</sup> of every month</li> </ul>
	Exploring the feasibility of aggregate reading	<ul style="list-style-type: none"> <li>• Currently unavailable this quarter; working with software developer</li> </ul>
2 Accurate metering and billing of civilian loads	Meter Task Force (MTFC) continues to oversee, assess, and issue recommendations for QA/QC of metering and billing accuracy	<p><u>System Losses Report Data</u></p> <ul style="list-style-type: none"> <li>• April 2007 <ul style="list-style-type: none"> <li>○ Three-phase meter accounts (MTF) <ul style="list-style-type: none"> <li>▪ Accounts investigated: -0-</li> </ul> </li> <li>○ Single &amp; Three Phase Meter Field Investigations (MFI) <ul style="list-style-type: none"> <li>▪ Accounts w/no meter discrepancies: -0-</li> <li>▪ Accounts w/meter discrepancies: 24</li> </ul> </li> </ul> </li> <li>• May 2007 <ul style="list-style-type: none"> <li>○ Three-phase meter accounts (MTF) <ul style="list-style-type: none"> <li>▪ Accounts investigated w/no meter discrepancies: 21</li> <li>▪ Accounts investigated w/meter discrepancies: 16</li> </ul> </li> <li>○ Single &amp; Three Phase Meter Field Investigations (MFI) <ul style="list-style-type: none"> <li>▪ Accounts w/no meter discrepancies: -0-</li> <li>▪ Accounts w/meter discrepancies: 13</li> </ul> </li> </ul> </li> <li>• June 2007 <ul style="list-style-type: none"> <li>○ Three-phase meter accounts (MTF) <ul style="list-style-type: none"> <li>▪ Accounts investigated w/no meter discrepancies: 108</li> <li>▪ Accounts investigated w/meter discrepancies: 71</li> </ul> </li> <li>○ Single &amp; Three Phase Meter Field Investigations (MFI) <ul style="list-style-type: none"> <li>▪ Accounts w/no meter discrepancies: -0-</li> <li>▪ Accounts w/meter discrepancies: 20</li> </ul> </li> </ul> </li> </ul>
Customer service continuing to resolve issues for hard to read or inaccessible meters	Customer service continuing to resolve issues for hard to read or inaccessible meters	<p><u>Hard to read or inaccessible meters (gate lock, vicious dog, etc.)</u></p> <ul style="list-style-type: none"> <li>• April 2007: 653</li> <li>• May 2007: 440 accounts</li> <li>• June 2007: 471 accounts</li> <li>• GPA coordinating with Customers for actual readings on a monthly basis after billings estimated at twice the average consumption. Adjustments are made based on actual verified readings and consumptions.</li> </ul>

KEY MANAGEMENT OBJECTIVE	TASK DESCRIPTION	STATUS
Accurate metering and billing of civilian loads	Identify all zero consumption billings and perform required field investigations	<ul style="list-style-type: none"> <li>• 570 total accounts identified and investigated from February 2007 report for zero consumption billings/minimum charges</li> <li>• As of June 30, 2007 identified 477 accounts with zero consumption billings/minimum charges</li> <li>• Investigations of 570 accounts revealed vacant units, defective meters, unlisted electric energy consumers and true minimum usage.</li> <li>• Rejected reads are addressed monthly and developer (AMX) working to resolve problematic areas.</li> </ul>
3 Systematic analysis of billing accounts for possible outliers	Enhancement of meter download/upload procedures to reduce the number of rejected reads  Continuous documentation for systematic billing analysis	<ul style="list-style-type: none"> <li>• Descriptive statistics are performed to identify customer accounts for further investigations.</li> <li>• Analysis/refinements addressed as problems are encountered</li> <li>• Continuous - reading exception reports are verified for accuracy</li> </ul>
	Monitoring of reading exception reports in Utiligy system	<ul style="list-style-type: none"> <li>• Continuous – reports are generated monthly to assist in billing analysis</li> </ul>
	Additional reports generated monthly in Utiligy system to assist in billing analysis	
4 Accurate Monitoring, Measurement and Reporting System Losses	Civilian load recovery reported by the MTFC monthly on a system losses report	<p><u>System Losses Report – Revenue &amp; Energy (kWh) Recoveries:</u></p> <ul style="list-style-type: none"> <li>• April 2007 <ul style="list-style-type: none"> <li>○ Three-phase meter accounts (MTF) <ul style="list-style-type: none"> <li>▪ -0- accounts w/adjustments for backbilling</li> </ul> </li> <li>○ Single &amp; Three phase Meter Field Investigations (MFI) <ul style="list-style-type: none"> <li>▪ 13 accounts w/adjustments for backbilling</li> <li>▪ Revenue: \$6,650.24</li> <li>▪ kWh: 39,834</li> </ul> </li> </ul> </li> </ul>

KEY MANAGEMENT OBJECTIVE	TASK DESCRIPTION	STATUS
<p>Accurate Monitoring, Measurement and Reporting of System Losses</p>	<p>Civilian load recovery reported by the MTFC monthly on a system losses report</p>	<ul style="list-style-type: none"> <li>• May 2007               <ul style="list-style-type: none"> <li>○ Three-phase meter accounts (MTF)                   <ul style="list-style-type: none"> <li>▪ -0- accounts w/adjustments for backbilling</li> </ul> </li> <li>○ Single &amp; Three phase Meter Field Investigations (MFI)                   <ul style="list-style-type: none"> <li>▪ 7 accounts w/adjustments for backbilling</li> <li>⚡ Revenue: \$4,801.35</li> <li>⚡ kWh: 28,507</li> </ul> </li> </ul> </li> <li>• June 2007               <ul style="list-style-type: none"> <li>○ Three-phase meter accounts (MTF)                   <ul style="list-style-type: none"> <li>▪ -0- accounts w/adjustments for backbilling</li> </ul> </li> <li>○ Single &amp; Three phase Meter Field Investigations (MFI)                   <ul style="list-style-type: none"> <li>▪ 14 accounts w/adjustments for backbilling</li> <li>⚡ Revenue: \$19,151.48</li> <li>⚡ kWh: 102,818</li> </ul> </li> </ul> </li> </ul>
	<p>Identify present metering discrepancies</p>	<ul style="list-style-type: none"> <li>• 8 total metering discrepancies found</li> <li>• 5 metering discrepancies resolved</li> <li>• 3 metering discrepancies to be resolved next quarter</li> </ul>
	<p>Procure equipment &amp; systems</p>	<ul style="list-style-type: none"> <li>• MV90xi software procured</li> <li>• 2 Itron element meters for spares need to be procured</li> <li>• 3 Itron element meter for spares need to be procured</li> <li>• 13 additional Itron meters are needed for next quarter</li> <li>• Cost of meters and spares est. \$50,000</li> </ul>
	<p>Install, test, debug &amp; operate metering and reporting systems</p>	<ul style="list-style-type: none"> <li>• Installed and tested the MV90xi software</li> <li>• 13 new Quantum meters have been installed</li> </ul>

KEY MANAGEMENT OBJECTIVE	TASK DESCRIPTION	STATUS
<p><b>Accurate Monitoring, Measurement and Reporting of System Losses</b></p>	<p>Metering points set up in the Utility system for all generating plants, substations and feeders currently in test environment stage in Utility system.</p> <p>Set up service address in Utility system and in the meter master record for GPA generating plants, station use, Navy and GPA substation; attachment of meters to applicable addresses, input of meter reads, billing of accts., and creation of reports to monitor the usage and determination of losses.</p>	<ul style="list-style-type: none"> <li>• 19 metering points completed</li> <li>• 180 one-line diagram has been completed</li> <li>• None remaining for next quarter</li> <li>• 90% completed; attachment of meters to applicable addresses is pending verification and report from Engineering.</li> <li>• Billing cycle for Rt. 26 (Navy) has been set up in Utility system</li> <li>• New billing cycles for Rt.27 &amp; Rt. 28 (GPA substation, generation plants, station use) will be established next quarter</li> </ul>
<p><b>5 Identification of unlisted electric energy consumers</b></p>	<p>Refinement of process; process in place to identify and minimize occurrences in Unlisted consuming meters.</p>	<ul style="list-style-type: none"> <li>• Various reports are generated monthly to identify unlisted energy consumers (i.e., exception, minimum charge reports, etc.)</li> <li>• Investigations are conducted daily on disconnected/terminated accounts, active accounts and unauthorized removal of meters reported based on work orders or meter read discrepancies</li> </ul>
	<p>Tampering and Illegal connections Investigated and documented through GPA Revenue Protection Section, Internal Audit Section.</p>	<ul style="list-style-type: none"> <li>• April – May 2007 Meter Tampering/Investigations Conducted <ul style="list-style-type: none"> <li>○ Disconnected/Terminated Accts: 13</li> <li>○ Unauthorized Removal of Meter: 1</li> <li>○ Active Accounts (i.e., defective metering, Seal/strap cut or missing): 26</li> </ul> </li> <li>• June 2007 Meter Tampering/Investigations Conducted <ul style="list-style-type: none"> <li>○ Disconnected/Terminated Accts: 4</li> <li>○ Unauthorized Removal of Meter: 2</li> <li>○ Active Accounts: 25</li> </ul> </li> </ul>
<p><b>6 Power system design and procurement guides considering optimization of system costs and losses</b></p>	<p>Prepare transformer losses evaluation methodology</p>	<ul style="list-style-type: none"> <li>• Completed – Reference document is GPA specification E003 &amp; E004</li> </ul>

KEY MANAGEMENT OBJECTIVE	TASK DESCRIPTION	STATUS
Power system design and procurement guides considering optimization of system costs and losses	Prepare transformer sizing guidelines	<ul style="list-style-type: none"> <li>• Completed – Reference document is SDG&amp;E distribution design manual</li> </ul>
	Prepare conductor economics selection and evaluation guidelines	<ul style="list-style-type: none"> <li>• Completed – Reference document is SDG&amp;E distribution design manual</li> </ul>
	Stock appropriate transformer	<ul style="list-style-type: none"> <li>• Greater than 1,000 inappropriate stations identified</li> <li>• No change-outs performed to correct improperly size transformers this reporting period</li> </ul>
7 Metering assessment and correction of customer power factor	Evaluating large demand customers to define magnitude of power factor problem.	<ul style="list-style-type: none"> <li>• No progress this quarter</li> <li>• No anticipated start date</li> </ul>
	Evaluating economics of power factor improvement	<ul style="list-style-type: none"> <li>• No progress this quarter</li> <li>• No anticipated start date</li> </ul>
	File new rate – cost of service study	<ul style="list-style-type: none"> <li>• Contractor is Economist.com</li> <li>• Negotiated fee is \$550K</li> <li>• Progress for next reporting period will be issuing the “Notice to Proceed” and awaiting PUC approval to use “Excess Bond Funding.”</li> </ul>
8 Cost effective reactive power compensation	Perform long range transmission planning study	<ul style="list-style-type: none"> <li>• Contractor is R.W. Beck</li> <li>• Cost of the study is \$150K including contingencies</li> <li>• Anticipated progress is awaiting PUC approval to use “Excess Bond Funding.”</li> </ul>

KEY MANAGEMENT OBJECTIVE	TASK DESCRIPTION	STATUS
<p><b>Cost effective reactive power compensation</b></p>	<p>Capacitor bank savings and loss factor calculations to determine optimum capacitor installations recommended system wide</p>	<ul style="list-style-type: none"> <li>• Completed – reference memorandum to AGM-O dated 12/14/06 - methodology as follows:               <ul style="list-style-type: none"> <li>○ Capacitor Bank worksheet was based on simulations performed on GE PSLF program to provide data on generation, load, and losses at various power factors (PF).</li> <li>○ The Loss Factor calculation was based on simulations on the GE PSLF program. The MW loss provided by the program was simulated over a 24-hour period as system generation varied.</li> </ul> </li> </ul>
	<p>Procure and Install substations capacitors</p>	<ul style="list-style-type: none"> <li>• Completed - procured and delivered 6000 MVRs each (total 24,000 MVRs) in 2005; installed at San Vitores, Talofoto, Tumon and Yigo.</li> </ul>
	<p>Connectivity model of distribution circuit and building load model</p>	<ul style="list-style-type: none"> <li>• Contractor is Power Engineers</li> <li>• Contract and cost is unavailable; cost needs to be renegotiated</li> <li>• 3 months for project completion</li> </ul>
	<p>Perform medium range distribution planning study</p>	<ul style="list-style-type: none"> <li>• Contractor is Power Engineers</li> <li>• Contract and cost is unavailable; cost needs to be renegotiated</li> <li>• 3 months for project completion</li> </ul>
	<p>Procure and install distribution capacitors</p>	<ul style="list-style-type: none"> <li>• No progress this quarter</li> <li>• No anticipated start date</li> </ul>
<p><b>9 Quality Systems Design &amp; Implementation</b></p>	<p>Quality documents and supporting documents are regularly updated and maintained.</p>	<ul style="list-style-type: none"> <li>• Documents updated and submitted quarterly</li> </ul>

**GUAM POWER AUTHORITY**  
**GROSS GENERATION, SALES, LINE LOSSES**  
**FY 2007**

	YTD	3rd Quarter	Jun-07	May-07	Apr-07	2nd Quarter	Mar-07	Feb-07	Jan-07	1st Quarter
A Gross Generation	1,397,707,379	486,631,683	164,834,229	163,617,200	158,180,254	441,548,193	150,158,124	138,296,522	153,093,547	469,527,503
B Station Use	77,534,914	27,288,096	9,787,491	9,067,911	8,432,694	23,865,661	8,487,965	7,060,797	8,316,899	26,381,157
C Net Send Out (A-B)	1,320,172,466	459,343,587	155,046,738	154,549,289	149,747,560	417,682,532	141,670,159	131,235,725	144,776,648	443,146,347
D Sales to Navy (@34.5Kv)	245,171,509	84,193,209	28,054,822	28,100,485	28,037,902	77,906,540	26,581,120	24,473,254	26,852,166	83,071,760
E GPA-metered (C-D)	1,075,000,957	375,150,378	126,991,916	126,448,804	121,709,658	339,775,992	115,089,039	106,762,471	117,924,482	360,074,587
F Power factor adj.							0			
G Adjusted (E-F)	1,075,000,957	375,150,378	126,991,916	126,448,804	121,709,658	339,775,992	115,089,039	106,762,471	117,924,482	360,074,587
GPA KWH Accountability:										
H Sales to customers (accrual basis)	972,658,783	339,708,734	117,955,114	111,929,343	109,824,277	305,125,725	105,072,659	93,108,105	106,944,961	327,824,324
I GPA use-KWH	2,244,423	765,465	262,311	250,437	252,717	737,572	224,809	239,701	273,062	741,386
No of days	365	91	30	31	30	90	31	28	31	92
J Unaccounted for KWH (G-H)	102,342,174	35,441,644	9,036,802	14,519,461	11,885,381	34,650,267	10,016,380	13,654,366	10,979,521	32,250,263
Ratio of Unaccounted KWH:										
K Ratio to Gross Generation (J/A)	7.32%	7.28%	5.48%	8.87%	7.51%	7.85%	6.67%	9.87%	7.17%	6.87%
L Ratio to Net Generation (J/C)	7.75%	7.72%	5.83%	9.39%	7.94%	8.30%	7.07%	10.40%	7.58%	7.28%