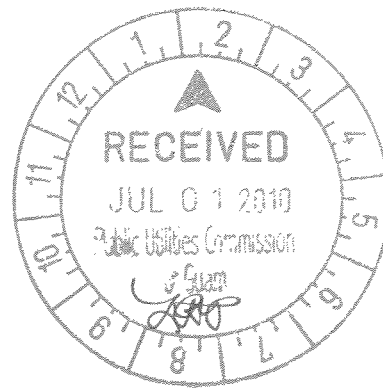


1 **D GRAHAM BOTHA, ESQ.**
2 **Legal Counsel**
3 **Guam Power Authority**
4 **1911 Army Drive, Suite 227**
5 **Harmon, Guam 96913**
6 **Ph: (671) 648-3203/3002**
7 **Fax: (671) 648-3290**



8 **BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

9 IN THE MATTER OF:

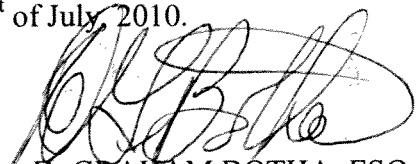
10 Guam Power Authority's Filing Regarding
11 Schedule and Scope for Cost of Service Study

) **DOCKET NO. 07-10**

) **FILING RE SCHEDULE AND SCOPE
FOR COST OF SERVICE STUDY**

12
13 **COMES NOW**, the GUAM POWER AUTHORITY (GPA), by and through its counsel
14 of record, D. GRAHAM BOTHA, ESQ., and hereby files its Schedule and Scope for Cost of
15 Service Study. In accordance with the February 2010 PUC Order, GPA is providing the attached
16 schedule and proposed scope for the cost of service study. The load research study involves
17 meter reading, load data analysis and preparation of load study reports to analyze the rate spread
18 between current rates and cost-based rates. The initial studies are expected to be completed by
19 December 2010, with the rate design expected to be completed by July 2011.

20
21 **RESPECTFULLY SUBMITTED** this 1st of July, 2010.

22 
23 **D. GRAHAM BOTHA, ESQ.**
24 **GPA Legal Counsel**

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COPY



GUAM POWER AUTHORITY

ATURIDÁT ILEKTRESEDÁT GUAHAN
P.O.BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

July 1, 2010

Fred Horecky
PUC Legal Counsel
The Guam Public Utilities Commission
Suite 207, GCIC Building
Hagatna, GU 96932

Subject: Schedule and Scope for Cost of Service Study

This filing addresses GPA's commitment to continue to work together to propose to the PUC a schedule and scope for a full cost of service study and a rate design study.

GPA has divided this effort into three phases:

- Load Research Study
- Cost-of-Service Study (Allocation)
- Rate Design.

The Load Research Study and Cost-of-Service Study is being performed by Black & Veatch and Economists.com. Table 1 shows the schedule for the Load Research Study. Table 2 shows the schedule for the Cost-of-Service Study. The Cost-of-Service Study performed by B&V/Economists.com is simply a rate spread analysis within the current rate structure, and does not perform alternative rate design. GPA will fold the information from these two phases into the rate design effort. RW Beck is GPA's rate consultant. GPA will perform rate design with R.W. Beck. The Rate Design effort will investigate:

- Moving rates closer to true cost-of-service over time
- Demand response rates
- Generation back-up rates (Schedule M)
- Efficacy of breaking up Residential Customers into several new rate classes to better distribute lifeline subsidies
- Net metering rates
- Alternate rate designs.

GPA estimates that the Rate Design effort will begin January 2011 and complete June 2011.


Table 1, Load Research Study Schedule

Load Research Study Schedule	
Task	Date
1. Complete Meter Reading	Oct-10
2. Complete Load Data Analysis	Nov-10
3. Complete Load Study Reports & Documentation	Dec-10
4. Complete Presentation of Report Results	Dec-10

Table 2, Cost-of-Service Study

Task	Date
1. Analyze rate spread (current rates vs. cost-based rates) under GPA's existing cost-of-service methodology	Dec-10
2. Prepare executive presentation on spread between current rates and cost-based rates, and going forward options	Dec-10

Sincerely,



J.C. Flores, P.E.
General Manager

Load Research Study Schedule	
Task	Date
1. Complete Meter Reading	Oct-10
2. Complete Load Data Analysis	Nov-10
3. Complete Load Study Reports & Documentation	Dec-10
4. Complete Presentation of Report Results	Dec-10

Rate Spread Analysis (Partial Cost of Service)	
Task	Date
1. Analyze rate spread (current rates vs. cost-based rates) under GPA's existing cost-of-service methodology	Dec-10
2. Prepare executive presentation on spread between current rates and cost-based rates, and going forward options	Dec-10

**GPA Load Study - Updated Cost to Complete and Variance Analysis
Through January 2010 Billings**

Task	Total Project to Date	Total To Complete	Projected Project Total	Original Budget	Variance	Comments
1. Finalize workplan & team	\$ 3,146	\$ -	\$ 3,146	\$ 2,090	\$ 1,056	
2. Meter procurement planning & testing	\$ 7,326	\$ -	\$ 7,326	\$ 2,830	\$ 4,496	
3. CCU briefing on load study purpose	\$ -	\$ -	\$ -	\$ 3,550	\$ (3,550)	
4. Coordination with GPUC consultants	\$ 1,887	\$ -	\$ 1,887	\$ 2,320	\$ (433)	Time required to complete sample design and sample drawing more than estimated, due to stretch-out of project schedule and more extensive scrubbing of sample data sets.
5. Load study design	\$ 25,824	\$ -	\$ 25,824	\$ 11,640	\$ 14,184	Actual meter costs close to estimate. PCs and probes not in original estimate (\$14.4k); added at GPA's request. Many more hours than estimated for meter procurement process, due to multiple quotes, resolution of compatibility issues, slow vendor responses, and GPA LOC process.
6. Customer sampling	\$ 23,809	\$ -	\$ 23,809	\$ 12,510	\$ 11,299	More meters installed than estimated (203 vs. 180). Hours per install higher than estimated. Meter shipment processing, also. Programming changes as requested by GPA required additional programming efforts and site visits by USSI.
7. Meter procurement receipt	\$ 154,439	\$ -	\$ 154,439	\$ 138,217	\$ 16,222	Many more meter problems than budgeted. Faulty readings, meter failures, change-outs, etc.
8. Meter installation	\$ 49,970	\$ -	\$ 49,970	\$ 28,018	\$ 21,952	Total reads increased on commercials from bimonthly to monthly. Residents remain on bimonthly. Total read time per meter is correct. Total meters is higher than originally planned. Programming was updated on the meters twice at GPA request requiring additional site visits. Batteries have failed on 10+ meters requiring additional site visits. Several customer changeouts required additional planning and site visits.
9. Meter problems	\$ 41,041	\$ 5,500	\$ 46,541	\$ 3,973	\$ 42,568	
10. Meter reading	\$ 54,033	\$ 73,800	\$ 127,833	\$ 81,497	\$ 46,336	
13. Load data analysis	\$ -	\$ 29,500	\$ 29,500	\$ 27,640	\$ 1,860	
14. Load study reports and documentation	\$ -	\$ 16,820	\$ 16,820	\$ 15,160	\$ 1,660	
15. Presentation of report results	\$ -	\$ 16,820	\$ 16,820	\$ 7,170	\$ 9,650	Trip expense for presentation added; had been included in Task 17 (training)
16. Load study meter removal [deleted]	\$ -	\$ 300	\$ 300	\$ 25,380	\$ (25,080)	
17. Training of GPA personnel [deleted]	\$ -	\$ -	\$ -	\$ 17,100	\$ (17,100)	
18. Administration and contingency	\$ 26,718	\$ 17,580	\$ 44,298	\$ 26,343	\$ 17,955	Contractual reports, reproduction, fees, procurement coordination, etc. Higher than estimate due to all above factors.
New. Probes and Computers	\$ 23,440	\$ -	\$ 23,440	\$ -	\$ 23,440	Not included in original budget
Monthly Totals	\$ 411,631	\$ 160,320	\$ 571,951	\$ 405,438	\$ 166,513	Recommend \$175,000 in additional budget, to be on the safe side.

SUB-TASKS:	ESTIMATED TOTAL COST
1. Finalize workplan and team.	\$2,090.00
2. Review meter types and test meter software; obtain quotes on standard and telecom-enabled meters for study.	\$2,830.00
3. Develop briefing to Guam CCU on use of load study data and likely adjustments to rate spread between customer classes.	\$3,550.00
4. Coordinate with Guam PUC consultants on objectives and design.	\$2,320.00
5. Finalize load study design.	\$11,640.00
6. Stratify sample, draw customers for load study sample.	\$12,510.00
7. Purchase load study meters.	\$138,217.00
8. Install ~ 180 load study meters.	\$28,018.00
9. Resolve any meter problems.	\$3,973.00
10. Read all load study meters on bimonthly basis. - Assume 30 minutes per meter to read each meter and download data into PC, including travel time.	\$81,497.00
11. Analyze data collected over first four months of load study; analyze extend of changes in class load characteristics since 1994 (optional).	\$0.00
12. Develop interim report on updated estimates of GPA class load characteristics for rate case purposes (optional).	\$0.00
13. Analyze full-year load data, statistical results, and estimated load characteristics.	\$27,640.00

14. Document all assumptions, methods, input data and results in draft and final reports.	\$15,160.0
15. Prepare executive presentation summarizing the information contained in the final report.	\$7,170.00
16. Remove/store load study meters and replace with standard meters.	\$25,380.0
17. Train GPA personnel in meter reading protocols, meter change out methods, and load analysis, for future use of load study meters.	\$17,100.0

TOTAL:	\$405,438.0

Estimated Cost

SUB-TASKS:

0

- 1. Finalize workplan and team, \$ 2,090
- 2. Review meter types and test meter software obtain quotes on standard and telecom-enabled meters for study. \$ 2,830

- 3. Develop briefing to Guam CCU on use of load study data and likely adjustments to rate spread between customer classes \$ 3,550

- 4. Coordinate with Guam PUC consultants on objective and design \$ 2,320

)

- 5. Finalize load study design. \$ 11,640

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- 6. Stratify sample, draw customers for load study sample \$ 12,510

)0

- 7. Purchase load study meters. \$ 138,217

)

- 8. Install ~180 load study meters. \$ 28,018

- 9. Resolve any meter problems. \$ 3,973

)

- 10. Read all load study meters on bimonthly basis. Assume 30 minutes per meter to read each meter and download data into PC, including travel time. \$ 81,497

- 11. Analyze data collected over first four months of load study; analyze extent of changes in class load characteristics since 1994 (optional) .

- 12. Develop Interim report on updated estimates of GPA class load characteristics for rate case purgoooo (optional) .

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- 13. Analyze full-year load data, statistical results, and estimated load characteristics. \$ 27,640

10	14. Document all assumptions, methods, input data and results in draft and final reports.	\$ 15,160
1	15. Prepare executive presentation summarizing the information contained in the final report	\$ 7,170
10	16. Remove/replace load study meters and replace with standard meters.	\$ 25,380
10	17. Train GPA personnel in meter reading protocols, meter change out methods, and load analysis, for future use of load study meters.	\$ 17,100
-		
10	Contingency	\$ 26,343
		\$ 405,438

Invoice Date	Billing Period From:	Billing Period To:	Payments for Goods Svcs	Invoiced for B & V	Invoiced for Econ	Invoiced for USSI	Sum Total	Total Invoiced	Difference
1	11-Feb-09	22-Aug-08	26-Dec-08	\$57,193.75	\$4,450.00	\$0.00	\$61,643.75	\$61,643.75	\$0.00
2	20-Mar-09	1-Jan-09	1-Jun-09	\$5,720.00	\$4,620.00	\$0.00	\$10,340.00	\$10,340.00	\$0.00
3	Purchase of Meters (Pro Forr)			\$119,153.04	\$17,638.00		\$136,791.04	\$141,770.00	\$4,978.96
4	15-Jul-09	Mar-09	30-Jun-09	\$5,967.48	\$3,730.00	\$18,114.50	\$27,811.98	22833.02	-\$4,978.96
5	15-Sep-09	1-Jul-09	10-Sep-09	\$5,305.00	\$1,200.00	\$73,348.00	\$79,853.00	\$79,853.00	\$0.00
6	13-Oct-09	11-Sep-09	30-Sep-09	\$ 2,135.00	\$1,120.00	\$28,552.00	\$31,807.00	\$31,807.00	\$0.00
7	21-Dec-09	1-Oct-09	30-Nov-09	\$1,645.00	\$400.00	\$38,984.95	\$41,029.95	\$41,029.95	\$0.00
8	20-Jan-09	1-Dec-09	30-Dec-09	\$0.00	\$80.00	\$12,497.30	\$12,577.30	\$12,577.30	\$0.00
9	15-Feb-09	1-Jan-10	30-Jan-10	\$0.00	\$340.00	\$7,708.91	\$8,048.91	\$8,048.91	\$0.00
Totals				\$77,966.23	\$33,578.00	\$179,205.66	\$409,902.93	\$409,902.93	#VALUE!
	Meter Purch and charges			\$119,153.04					
	Shown on Task Summary			\$79,502	\$152,731	\$179,398	\$411,631		
	Invoiced			\$77,966	\$152,731	\$179,206	\$409,903		

Difference	-\$1,536	\$0	-\$192	-\$1,728
	B & V	Econ	USSI	Total