

GPA 2007 Base Rate Case Village Meetings
(May 29 – June 1)

Issue #6: Surcharge to Government Agencies to pay for GovGuam Debt

In 1996, GovGuam agencies started not to pay their power bills, using the money allocated by the Legislature for utilities elsewhere. The Consolidated Commission reversed this practice by ensuring that GovGuam is current on utility bills, and current on payment plans for past due balances.

The Government of Guam with the exception of the Department of Public Works (Streetlight Arrears) are on payment plans to pay down their past arrears. There were only three agencies that had large past arrears for electric service: GMH, DPW, GWA, and DOE/GPSS. Recently, the Guam Memorial Hospital paid its past arrears in full on June 20, 2007. This means that only three Government of Guam agencies have past due balances. GPSS and GWA have payment plans. There is no need for additional surcharges to pay for these agencies debt. However, DPW does not have an active payment plan.

Because of Government of Guam's failure to reimburse the Authority for streetlight billings in prior years, the proposed rate increase for all rate classes is a little higher than if otherwise. The CCU determined that a credit surcharge should be established to encourage the Government to fully allocate funds for streetlights as well as to pay down DPW's arrears. The concept of this credit surcharge is that for any month that the past due streetlight payment is made in accordance with GPA's amortization schedule, the funds would be returned to all ratepayer classes. For periods that the government does not make streetlight payments, the credit surcharge will not be given to ratepayers. The amount of this credit surcharge will be \$.002154/ kWh.

If you multiply \$.002154/ kWh by your energy consumption for the month, the result would be the credit you would receive on your bill. This would lower the power bill for all rate classes.