



# GUAM POWER AUTHORITY

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## **PUC Approves Base Rate Adjustment to Support Ukudu Investment; LEAC Reduced Effective January 2026**

(Fadian, Mangilao) – The Public Utilities Commission (PUC) has approved new base rates and a reduction to the Levelized Energy Adjustment Clause (LEAC) for the Guam Power Authority (GPA), with both rate changes taking effect together beginning January 1, 2026.

The PUC found the base rate adjustment to be necessary to support long-term investments in modern generation, maintain system reliability, and ensure financial stability as fuel-related charges continue to decline. While GPA submitted proposed rates for consideration, the final rates approved reflect the PUC's independent review, findings, and determinations, as required by law.

Average residential customers are ultimately ending up in the same overall cost position GPA proposed in its petition filed last year; however, with two significant LEAC reductions implemented earlier in 2025, customers received fuel savings sooner than originally anticipated. When the base rate adjustment and current LEAC reduction now take effect together in January 2026, the timing of those adjustments results in a nominal increase of approximately \$8 for the average residential customer using 1,000 kilowatt-hours per month.

To date, customers have already realized substantial savings in advance of the Ukudu Power Plant's full commissioning. In 2025, earlier LEAC reductions lowered fuel charges well before the new plant was fully commissioned. As a result, the typical residential customer has saved approximately \$1,000 cumulatively to date since January 2025, even while GPA continued to rely on higher-cost generation to meet system demand during the delayed commissioning period.

"Customers are benefiting from a new power plant without paying more for it," said GPA General Manager John M. Benavente, P.E. "At a time when costs are rising across nearly every sector, GPA customers are benefiting from a new, approximately \$600 million power plant while overall bills are lower than they were a year ago. Once fully online, Ukudu will continue to reduce fuel use and help stabilize costs over the long term."

"GPA's proposal was structured so that fuel savings and base rate recovery would align with the commissioning of the new power plant," said John Kim, Chief Financial Officer of Guam Power Authority. "The PUC's final decision adjusted that timing by implementing fuel charge reductions earlier, delivering immediate savings to customers during the period when the commissioning of Ukudu was delayed. When the base rate adjustment now takes effect, the result is a nominal increase, while customers still realize more than \$1,000 in net savings on an annual basis compared to the start of 2025."

The base rate adjustment supports GPA's transition away from older, less efficient generation units and helps reduce exposure to volatile fuel prices. Once fully commissioned, the Ukudu Power Plant is expected to reduce fuel consumption by more than 900,000 barrels per year, helping stabilize fuel-related charges over time.

As part of its final decision, the PUC approved rate changes affecting commercial and government customers based on the ALJ's findings, determining that adjustments were needed to better align the two rate schedules with the cost of service and ensure rates more accurately reflect the cost to serve each customer class.

Under the approved LEAC adjustment, fuel charges will decrease beginning January 2026. The PUC reaffirmed that the LEAC is a flexible, self-correcting mechanism, reviewed twice each year to reflect actual fuel costs and system conditions.

The PUC's order includes continued oversight and follow-up actions to ensure accountability, transparency, and ongoing review of GPA's financial and operational performance.

Customers seeking additional information may contact GPA Customer Service at [customersfirst@gpagwa.com](mailto:customersfirst@gpagwa.com) or (671) 647-5787, visit [www.guampowerauthority.com](http://www.guampowerauthority.com), or follow GPA on Facebook and Instagram for updates and additional information.

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