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GOVERNMENT OF GUAM  
OFFICE OF THE GOVERNOR  
AGANA, GUAM

EXECUTIVE ORDER NO. 84-7

POWER RATE INCREASE

WHEREAS, the Board of Directors of the Guam Power Authority have adopted Resolution No. 76, relative to the increase and modification of rates and charges of the Guam Power Authority; and

WHEREAS, said rates as adopted by the Board of Directors of the Guam Power Authority have been submitted to the Governor, pursuant to subsection (4) of §21503 of the Government Code, as codified by 12 GCA Section 8104; and

WHEREAS, §21503.2 of the Government Code, as codified by 12 GCA, §8106, provides that the Board shall not institute any rate schedule causing an increase in rates without the approval of the Governor; and

WHEREAS, it is in the best interest to the social and economic development of Guam for Guam Power Authority to establish itself as a viable financially sound public owned utility capable of serving the people of Guam with dependable electrical service and of serving military customers they should desire; and

WHEREAS, the Guam Power Authority is statutorily mandated to fix charges and rates to yield annual revenues equal to the annual principal payments and interest charges and reserve fund requirements on all bonds issued and outstanding, the annual system operation and maintenance costs and the annual principal payments and interest charges on all other outstanding indebtedness incurred by the Board; and

WHEREAS, the Guam Power Authority is empowered to enter into covenants to increase rates or charges from time to time as may be necessary pursuant to any such contractual obligations and the Guam Power Authority has covenanted with its bondholders in Resolution No. 1 and Resolution No. 19 that it will establish rates and charges and collect said rates and charges which will adequately protect the bondholders and shall increase rates and charges whenever necessary to produce revenues to meet GPA's obligations to its bondholders; and

WHEREAS, in order for Guam Power Authority to meet its obligations, the annual revenue of the Guam Power Authority must be increased so as to equal the projected annual revenue to be derived from the schedules and rates attached hereto; and

WHEREAS, considerable testimonies as well as materials by management including the Stone and Webster Report of June 7, 1982, the Government Accounting Office Report to the Congress of the United States of July 2, 1982, the Peat, Marwick, Mitchell and Company recommendation of September 16, 1982, and the report of Touche Ross and Company, have been considered by the Board as warranting a need for an increase in rates,

NOW, THEREFORE, I, RICARDO J. BORDALLO, Governor of Guam, by virtue of the authority vested in me by the Organic Act and §21503.2 of the Government Code of Guam, do hereby order and direct:

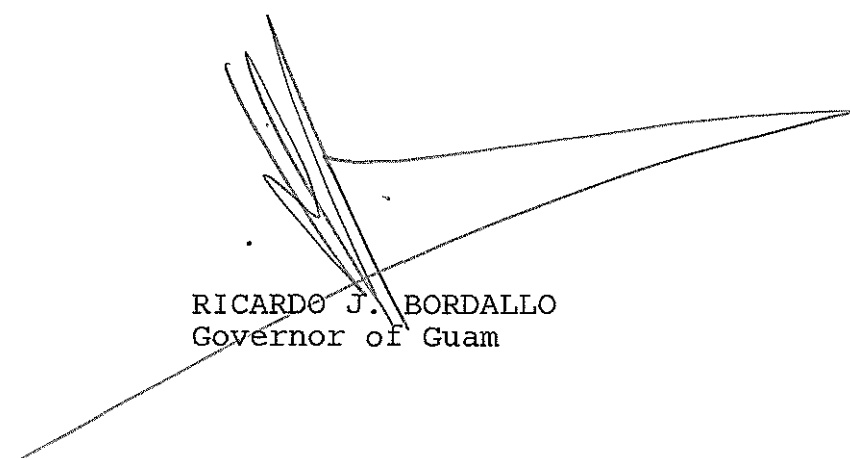
1. The proposed electric rates, service charges, service rules and regulations attached hereto as Exhibit "A" adopted by the Board of Directors on the 13th day of March 1984, are just and reasonable and are approved for the purpose of Guam Power Authority meeting its lawful obligations and providing essential services to the public.

2. The new rates as set out on Exhibit "A", attached hereto and by this reference incorporated herein in their entirety, are hereby adopted and shall become effective on meters read on and after March 21, 1984.

3. In the event the obligations for the Federal Financing Bank are restructured in a manner significantly reducing the obligations of the Guam Power Authority, said rates shall be reviewed and may be revised to reflect any such adjustment.

4. That the Board of Guam Power Authority conduct a review on the financial condition of Guam Power Authority every six (6) months and prepare recommendations to the Governor relative to the power rate structure affecting the consumers.

Signed and promulgated at Agana, Guam this 20th day of March, 1984.



RICARDO J. BORDALLO  
Governor of Guam

COUNTERSIGNED:



EDWARD D. REYES  
Lieutenant Governor of Guam