

Guam Power Authority
Summary of Revenue Requirement (\$000)

EXHIBIT A

DATE: **10/01/09**
Public Utilities Commission of Guam

Test Year: **2010**
Individual Responsible:
Randy Wiegand, CFO

| Row # | Description | FY 2008 ACTUAL | FY 2009 CURRENT | UTILITY PROPOSED TEST YEAR 2010 | | Reference |
|-------|---|-------------------|--------------------|------------------------------------|-------------------|--------------|
| | | | | PROJECTED | WITH REQUEST | |
| 1 | Proforma Income Statement | | | | | |
| 2 | Base Revenues | \$ 131,895 | \$ 134,725 | \$ 141,593 | \$ 141,593 | Schedule B |
| 3 | Fuel Revenues | 237,063 | 256,906 | 236,374 | 236,374 | Schedule B |
| 4 | Miscellaneous Revenues | 2,587 | 1,439 | 1,477 | 1,477 | Schedule B |
| 5 | Revenue from Allowed Rate Change | - | - | - | 10,541 | Schedule B-1 |
| 6 | | | | | | |
| 7 | Total Revenues | \$ 371,544 | \$ 393,070 | \$ 379,444 | \$ 389,985 | |
| 8 | | | | | | |
| 9 | Production Fuel | 237,063 | 256,906 | 236,374 | 236,374 | Schedule D |
| 10 | IPP Costs | 18,883 | 19,263 | 19,658 | 19,658 | Schedule E |
| 11 | | | | | | |
| 12 | Production Non-fuel | 20,083 | 21,915 | 24,350 | 24,350 | |
| 13 | Transmission and Distribution | 10,284 | 11,102 | 12,574 | 12,574 | |
| 14 | Administrative and General | 23,853 | 23,661 | 29,626 | 29,626 | |
| 15 | Customer Accounting | 3,900 | 3,587 | 4,936 | 4,936 | |
| 16 | Total O&M Expenses | 58,120 | 60,265 | 71,486 | 71,486 | Schedule C |
| 17 | Depreciation | 27,170 | 27,285 | 27,762 | 27,762 | MFR Wkpp10 |
| 18 | | | | | | |
| 19 | Total Operating Expenses | 341,235 | 363,719 | 355,280 | 355,280 | |
| 20 | | | | | | |
| 21 | Earnings From Operations | 30,309 | 29,351 | 24,164 | 34,705 | |
| 22 | | | | | | |
| 23 | Other Revenues (Expenses): | | | | | |
| 24 | Investment Income | 3,501 | 2,016 | 2,132 | 2,132 | MFR Wkpp3 |
| 25 | Interest expense (ST Debt) | (2,291) | (2,436) | (1,290) | (1,290) | MFR Wkpp9 |
| 26 | Interest expense (Bonds) | (20,401) | (20,072) | (19,688) | (19,688) | Schedule F |
| 27 | Interest expense (IPP's) | (16,780) | (15,971) | (15,056) | (15,056) | Schedule E |
| 28 | AFUDC | 686 | - | 500 | 500 | MFR Wkpp17 |
| 29 | Amortization of Issuance Costs | (1,774) | (1,514) | (1,514) | (1,514) | MFR Wkpp18 |
| 30 | COLA/supplemental benefits | (2,006) | (1,927) | (2,200) | (2,200) | Schedule C |
| 31 | Recovery of GovGuam receivable | 13,489 | - | - | - | |
| 32 | | | | | | |
| 33 | Net Earnings | \$ 4,734 | \$ (10,552) | \$ (12,952) | \$ (2,411) | |
| 34 | | | | | | |
| 35 | Debt Service Coverage Calculation | | | | | |
| 36 | Earnings From Operations | \$ 30,309 | \$ 29,351 | \$ 24,164 | \$ 34,705 | |
| 37 | Add: Interest Income (Net of Const. Fund Interest & Amort. Of DC) | \$ 3,086 | \$ 1,269 | \$ 1,348 | \$ 1,348 | |
| 38 | Add: Depreciation | 27,170 | 27,285 | 27,762 | 27,762 | |
| 39 | Balance Available for Debt Service | \$ 60,565 | \$ 57,905 | \$ 53,274 | \$ 63,815 | |
| 40 | Debt Service | | | | | |
| 41 | Bond Interest Expense | 20,401 | 20,072 | 19,688 | 19,688 | |
| 42 | Bond Principal | 7,080 | 7,374 | 7,795 | 7,795 | Schedule F |
| 43 | Total Debt Service | \$ 27,481 | \$ 27,445 | \$ 27,483 | \$ 27,483 | |
| 44 | | | | | | |
| 45 | Debt Service Coverage | 2.20 | 2.11 | 1.94 | 2.32 | |
| 46 | Debt Service Coverage w/o IPP Acctg change | 1.36 | 1.27 | 1.10 | 1.48 | |
| 47 | | | | | | |
| 48 | Internal Cashflow Statement | | | | | |
| 49 | Total Cash Generated | \$ 32,992 | \$ 18,247 | \$ 15,824 | \$ 26,365 | |
| 50 | CIP's-Internally Funded | (6,915) | (12,643) | (9,642) | (9,642) | Schedule G |
| 51 | Cabras 3 & 4 (CIPS & PIPS) | (980) | (633) | (1,596) | (1,596) | Schedule G |
| 52 | Cabras 1 & 2 (CIPS & PIPS) | (3,408) | (2,429) | (3,117) | (3,117) | Schedule G |
| 53 | Principal Payment (1993 & 1999 Series) | (7,080) | (7,374) | (7,795) | (7,795) | Schedule F |
| 54 | Principal Payment (IPP's) | (6,305) | (7,113) | (8,028) | (8,028) | Schedule E |
| 55 | Principal Payment (\$20M TCP Loan) | - | - | (3,462) | (3,462) | MFR Wkpp9 |
| 56 | Decrease (Increase) in Working Capital Requirements: | | | | | |
| 57 | Note Payment from GPSS | 1,627 | 1,953 | 2,069 | 2,069 | MFR Wkpp6 |
| 58 | Note Payment from GWA | 2,013 | 1,285 | 2,084 | 2,084 | MFR Wkpp5 |
| 59 | Fuel Cost Over(Under) Recovery | 6,721 | (10,094) | 5,514 | 5,514 | Schedule H |
| 60 | Materials Inventory | (212) | (1,148) | (1,500) | (1,500) | MFR Wkpp13 |
| 61 | Fuel Inventory ⁽¹⁾ | (7,406) | 8,619 | - | - | Schedule H |
| 62 | Other Working Capital Requirement | (14,136) | 11,392 | 873 | (425) | Schedule H |
| 63 | WC Fund Funding Requirement | 0 | (6,786) | (2,599) | (2,599) | MFR Wkpp14 |
| 64 | Escrow Account-Margin Call | (5,500) | 5,000 | 0 | - | |
| 65 | Proceeds from \$20M TCP Loan | 0 | 0 | 2,917 | 2,917 | MFR Wkpp12 |
| 66 | Regulatory Asset amortization | 1,500 | 2,471 | - | - | MFR Wkpp16 |
| 67 | Construction Fund Interest Income | (415) | (747) | (784) | (784) | MFR Wkpp3 |
| 68 | | | | | | |
| 69 | Cash (Deficiency)/Surplus | \$ (7,504) | \$ 0 | \$ (9,244) | \$ 0 | |

Note (1) Fuel Inventory carrying cost is covered under LEAC effective 10/01/08.