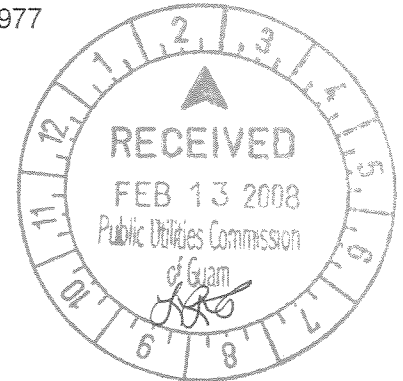


COPY



# GUAM POWER AUTHORITY

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



06 February 2008

Mr. Harry Boertzel, Esq.  
Administrative Law Judge  
Guam Public Utilities Commission  
Suite 207, GCIC Building  
414 West Soledad Avenue  
Hagatna, Guam 96910


**Subject: Docket 94-04 General Matters**  
**Ref: Monthly Financial Statements (September 2007 through November 2007)**

Dear Mr. Boertzel:

Attached is the authority's Monthly Financial Statements for the months ending September 2007 through November 2007.

This is pursuant to a stipulation with the Public Utilities Commission of Guam – Administrative Docket “Contract Review Protocol for Guam Power Authority” - *Section 11: GPA shall file with PUC monthly financial reports within five working days of presentation of monthly financial reports to its governing body.*

Sincerely,

  
for RANDALL V. WIEGAND  
Chief Financial Officer

cc: Mr. J. C. Flores, P. E. General Manager  
Ms. Cora Montellano, Assistant Chief Financial Officer  
Mr. G. Botha, Staff Attorney  
CFO 061 08

**EXHIBIT A**  
**SEPT. 2007 FINANCIAL**  
**STATEMENT**

**GUAM POWER AUTHORITY**  
Balance sheets

| <u>ASSETS</u>                                | Unaudited<br>September<br>2007 | Audited<br>September<br>2006 | Change from<br>Sept 30<br>2006 |
|--|--------------------------------|------------------------------|--------------------------------|
| <b>Utility plant at cost:</b>                |                                |                              |                                |
| Electric plant in service                    | \$ 819,361,626                 | \$ 809,869,967               | \$ 9,491,659                   |
| Construction work in progress                | 20,562,791                     | 25,869,073                   | (5,306,282)                    |
|  | 839,924,417                    | 835,739,040                  | 4,185,377                      |
| Less: Accumulated depreciation               | (305,851,417)                  | (284,111,333)                | (21,740,084)                   |
| Total utility plant at cost                  | <u>534,073,000</u>             | <u>551,627,707</u>           | <u>(17,554,707)</u>            |
| <b>Restricted funds</b>                      |                                |                              |                                |
| Reserve funds held by trustee                |                                |                              |                                |
| Revenue bonds                                | 27,488,252                     | 27,488,252                   | 0                              |
| Self insurance fund                          | 1,292,936                      | 2,140,544                    | (847,608)                      |
| Total restricted funds                       | <u>28,781,188</u>              | <u>29,628,796</u>            | <u>(847,608)</u>               |
| <b>Funds identified for special purposes</b> |                                |                              |                                |
| Interest and principal funds                 |                                |                              |                                |
| held by Trustee for debt repayment           | 18,696,315                     | 17,941,919                   | 754,396                        |
| Bond Funds held by Trustee                   | 19,343,598                     | 21,806,712                   | (2,463,114)                    |
| Reserve funds for LC (Fuel/others)           | 25,087                         | 24,995                       | 92                             |
| Reserve funds held by GPA                    |                                |                              |                                |
| Bond indenture funds held by GPA             | 25,065,313                     | 17,053,812                   | 8,011,501                      |
| Total cash reserves                          | <u>63,130,313</u>              | <u>56,827,438</u>            | <u>6,302,875</u>               |
| Accounts receivable (net of allowance)       | 55,124,798                     | 48,371,628                   | 6,753,170                      |
| Materials and supplies                       | 12,421,042                     | 13,421,025                   | (999,983)                      |
| Fuel oil                                     | 33,583,554                     | 29,500,641                   | 4,082,913                      |
| Deferred fuel cost - current portion         | 0                              | 1,172,177                    | (1,172,177)                    |
| Prepaid expenses                             | 791,208                        | 1,188,592                    | (397,384)                      |
| Total current assets                         | <u>165,050,915</u>             | <u>150,481,501</u>           | <u>14,569,414</u>              |
| <b>Other assets</b>                          |                                |                              |                                |
| Long term notes receivable                   | 21,358,674                     | 23,014,226                   | (1,655,552)                    |
| Long term accounts receivable                | 4,276,352                      | 6,776,352                    | (2,500,000)                    |
| Regulatory asset                             | 3,970,992                      | 0                            | 3,970,992                      |
| Unamortized costs                            | 6,411,618                      | 5,491,991                    | 919,627                        |
| Non current deferred fuel costs              | 2,141,464                      | 7,397,262                    | (5,255,798)                    |
| Deferred asset                               | 3,665,072                      | 3,824,423                    | (159,351)                      |
| Other assets                                 | 1,823,358                      | 1,951,194                    | (127,836)                      |
| Total other assets                           | <u>43,647,531</u>              | <u>48,455,448</u>            | <u>(4,807,917)</u>             |
| <b>Total Assets</b>                          | <u>\$ 771,552,633</u>          | <u>\$ 780,193,452</u>        | <u>\$ (8,640,819)</u>          |

**GUAM POWER AUTHORITY**  
Balance sheets

| <u>LIABILITIES AND NET ASSETS</u>                             | <u>Unaudited<br/>September<br/>2007</u> | <u>Audited<br/>September<br/>2006</u> | <u>Change from<br/>Sept 30<br/>2006</u> |
|---|---|---------------------------------------|---|
| <b>Current liabilities</b>                                    |   |                                       |   |
| Current portion, debt   |   |                                       |   |
| Revenue bonds, Series A                                       | \$ 6,770,000                            | \$ 6,480,000                          | \$ 290,000                              |
| Accrued bond interest   | 10,570,649                              | 10,573,510                            | (2,861)                                 |
| Current obligation under capital lease                        | 5,589,841                               | 5,589,841                             | 0                                       |
| Accounts payable  |   |                                       |   |
| Operations & fuel oil   | 29,354,799                              | 34,528,730                            | (5,173,931)                             |
| Accrued payroll & benefits                                    | 1,123,991                               | 1,089,336                             | 34,655                                  |
| Current portion of employees' annual leave                    | 185,982                                 | 1,078,856                             | (892,874)                               |
| Bid bond and customers' deposits                              | 4,480,789                               | 3,858,707                             | 622,082                                 |
| Interest payable on customers' deposit                        | 701,718                                 | 701,713                               | 5                                       |
| Deferred credit - self insurance                              | 1,337,850                               | 2,112,546                             | (774,696)                               |
| Current portion, Deferred credit repurchase agreement         | 584,018                                 | 584,018                               | 0                                       |
| TCP- short term notes payable                                 | <u>20,000,000</u>                       | <u>20,000,000</u>                     | <u>0</u>                                |
| <b>Total current liabilities</b>                              | <b><u>80,699,637</u></b>                | <b><u>86,597,257</u></b>              | <b><u>(5,897,620)</u></b>               |
| <br>  |   |                                       |   |
| Deferred credit - repurchase agreement (less current portion) | 12,848,387                              | 13,432,405                            | (584,018)                               |
| Employee annual leave, less current portion                   | 2,065,107                               | 1,969,683                             | 95,424                                  |
| Unfunded retirement deferred contributions                    | 9,105,058                               | 9,105,058                             | 0                                       |
| Obligation under capital lease (less current portion)         | 132,985,820                             | 138,575,390                           | (5,589,570)                             |
| Long term debt, less current maturities                       | 374,825,390                             | 380,407,966                           | (5,582,576)                             |
| <b>Total liabilities</b>                                      | <b><u>612,529,399</u></b>               | <b><u>630,087,759</u></b>             | <b><u>(17,558,360)</u></b>              |
| <b>Commitments and contingencies</b>                          |   |                                       |   |
| <b>Net assets</b>   |   |                                       |   |
| Invested in capital assets, net of related debt               | 14,648,481                              | 21,443,215                            | (6,794,734)                             |
| Restricted  | 52,477,785                              | 53,270,776                            | (792,991)                               |
| Unrestricted  | <u>91,896,968</u>                       | <u>75,391,701</u>                     | <u>16,505,267</u>                       |
| <b>Total net assets</b>                                       | <b><u>159,023,234</u></b>               | <b><u>150,105,692</u></b>             | <b><u>8,917,542</u></b>                 |
| <br>  |   |                                       |   |
| <b>Total liabilities and net assets</b>                       | <b><u>\$ 771,552,633</u></b>            | <b><u>\$ 780,193,452</u></b>          | <b><u>\$ (8,640,819)</u></b>            |

**GUAM POWER AUTHORITY**  
Statement of Revenues, Expenses and Changes in Net Assets

|   | September 30          |                       | % of<br>change<br>Inc (dec) | Twelve Months<br>Ending<br>September 30 |                       | % of<br>change<br>Inc (dec) |
|---|-----------------------|-----------------------|-----------------------------|---|-----------------------|-----------------------------|
|   | Unaudited<br>2007     | Audited<br>2006       |                             | Unaudited<br>2007                       | Audited<br>2006       |                             |
| <b>Revenues</b>                                   |                       |                       |                             |   |                       |                             |
| Sales of electricity                              | \$ 26,240,364         | \$ 25,121,043         | 4                           | \$ 305,868,888                          | \$ 288,525,090        | 6                           |
| Miscellaneous                                     | 173,557               | 127,876               | 36                          | 2,176,746                               | 1,673,628             | 30                          |
| Total revenues                                    | 26,413,921            | 25,248,919            | 5                           | 308,045,634                             | 290,198,718           | 36                          |
| <b>Operating and maintenance expenses</b>         |                       |                       |                             |   |                       |                             |
| Production fuel                                   | 15,661,308            | 14,222,441            | 10                          | 174,747,638                             | 157,121,698           | 11                          |
| Other production                                  | 876,089               | 1,644,606             | (47)                        | 16,157,796                              | 18,644,307            | (13)                        |
|   | 16,537,397            | 15,867,047            | 4                           | 190,905,434                             | 175,766,005           | 9                           |
| Depreciation                                      | 2,209,450             | 1,102,412             | 100                         | 26,414,707                              | 24,267,639            | 9                           |
| Energy conversion cost                            | 1,595,705             | 1,600,037             | (0)                         | 18,276,394                              | 17,981,177            | 2                           |
| Transmission & distribution                       | 429,323               | 896,593               | (52)                        | 8,301,284                               | 10,559,206            | (21)                        |
| Customer accounting                               | 155,641               | 657,442               | (76)                        | 2,716,553                               | 3,209,423             | (15)                        |
| Administrative & general                          | 2,252,758             | 3,829,860             | (41)                        | 22,491,404                              | 23,555,622            | (5)                         |
| Total operating and maintenance expenses          | 23,180,274            | 23,953,391            | (3)                         | 269,105,775                             | 255,339,072           | 5                           |
| <b>Operating income</b>                           | <b>3,233,647</b>      | <b>1,295,528</b>      | <b>150</b>                  | <b>38,939,859</b>                       | <b>34,859,646</b>     | <b>12</b>                   |
| <b>Other income (expenses)</b>                    |                       |                       |                             |   |                       |                             |
| Interest income                                   | 413,836               | 490,921               | (16)                        | 4,216,944                               | 4,421,405             | (5)                         |
| Interest expense                                  | (3,342,567)           | (4,313,887)           | (23)                        | (39,722,136)                            | (40,345,567)          | (2)                         |
| Allowance for funds used<br>during construction   | 42,331                | 40,460                | 5                           | 512,692                                 | 580,861               | (12)                        |
| COLA/Supplemental annuities                       | 0                     | (519,865)             | N/A                         | (1,030,906)                             | (1,552,084)           | N/A                         |
| Inventory losses                                  | 0                     | 0                     | N/A                         | (100,882)                               | 0                     | N/A                         |
| Gain on regulatory asset                          | 0                     | 0                     |                             | 4,500,000                               | 0                     |                             |
| Losses due to typhoon/earthquake                  | (303,729)             | 87,793                | N/A                         | 236,133                                 | (153,334)             | 0                           |
| Other   | (143,998)             | (136,346)             | 6                           | (1,712,673)                             | (1,636,152)           | 5                           |
| Total other income (expenses)                     | (3,334,127)           | (4,350,924)           | (23)                        | (33,100,828)                            | (38,684,871)          | (14)                        |
| <b>Income (loss) before capital contributions</b> | <b>(100,480)</b>      | <b>(3,055,396)</b>    | <b>(97)</b>                 | <b>5,839,031</b>                        | <b>(3,825,225)</b>    | <b>(253)</b>                |
| <b>Capital contributions</b>                      | <b>1,391,802</b>      | <b>(199,419)</b>      | <b>N/A</b>                  | <b>3,078,510</b>                        | <b>2,080,057</b>      | <b>N/A</b>                  |
| <b>Increase (decrease) in net assets</b>          | <b>1,291,322</b>      | <b>(3,254,815)</b>    | <b>(140)</b>                | <b>8,917,541</b>                        | <b>(1,745,168)</b>    | <b>(611)</b>                |
| <b>Total net assets at beginning of period</b>    | <b>157,731,910</b>    | <b>153,360,505</b>    | <b>N/A</b>                  | <b>150,105,692</b>                      | <b>151,850,858</b>    | <b>(1)</b>                  |
| <b>Total net assets at end of period</b>          | <b>\$ 159,023,233</b> | <b>\$ 150,105,690</b> | <b>6</b>                    | <b>\$ 159,023,233</b>                   | <b>\$ 150,105,690</b> | <b>6</b>                    |

**Guam Power Authority  
Statement of Cash Flows  
September 30, 2007**

|   | <u>Month Ending</u><br><u>9/30/2007</u> | <u>YTD Ending</u><br><u>9/30/2007</u> |
|---|---|---------------------------------------|
| <b>Increase(decrease) in cash and cash equivalents</b>                    |   |                                       |
| <b>Cash flows from operating activities:</b>                              |   |                                       |
| Cash received from customers  | \$26,413,920                            | 308,045,634                           |
| Cash payments to suppliers and employees<br>for goods and services        | <u>23,384,720</u>                       | <u>251,220,754</u>                    |
| Net cash provided by operating activities                                 | \$3,029,200                             | 56,824,880                            |
| <b>Cash flows from investing activities:</b>                              |   |                                       |
| Interest and dividends on investments and<br>bank accounts                | <u>413,835</u>                          | <u>4,216,944</u>                      |
|   | 413,835                                 | 4,216,944                             |
| <b>Cash flows from non-capital financing activities</b>                   |   |                                       |
| Interest paid on short term debt  | (192,710)                               | (1,372,080)                           |
| Funds for LC payments   | (13)                                    | (92)                                  |
| Provision for self insurance funds  | <u>845,322</u>                          | <u>847,608</u>                        |
| Net cash provided by noncapital financing activities                      | 652,599                                 | (524,564)                             |
| <b>Cash flows from capital and related financing activities</b>           |   |                                       |
| Acquisition of utility plant  | (1,917,403)                             | (8,860,000)                           |
| Principal paid on bonds and other long-term debt                          | -                                       | (6,480,000)                           |
| Interest paid on bonds(net of capitalized interest)                       | 42,331                                  | (20,345,486)                          |
| Interest paid on capital lease obligations                                | (1,431,794)                             | (17,494,735)                          |
| Interest & principal funds held by trustee                                | (2,631,861)                             | (754,396)                             |
| Bond funds held by trustee  | (329,498)                               | 2,463,114                             |
| Additional grant from US Government                                       | 1,391,802                               | 3,078,510                             |
| Principal payment on capital lease obligations                            | (491,899)                               | (5,589,570)                           |
| Debt issuance costs/loss on defeasance                                    | <u>123,067</u>                          | <u>1,476,804</u>                      |
| Net cash provided by(used in) capital and related<br>financing activities | (5,245,254)                             | (52,505,758)                          |
| Net (decrease) increase in cash and cash equivalents                      | (1,149,620)                             | 8,011,501                             |
| Cash and cash equivalents, beginning                                      | <u>26,214,934</u>                       | <u>17,053,812</u>                     |
| Cash and cash equivalents, September 30, 2007                             | <u>\$ 25,065,313</u>                    | <u>\$ 25,065,313</u>                  |

Guam Power Authority  
Statement of Cash Flows  
September 30, 2007

|   | Month Ending<br><u>9/30/2007</u> | YTD Ending<br><u>9/30/2007</u> |
|---|----------------------------------|--------------------------------|
| <b>Reconciliation of operating earnings to net cash provided by operating activities:</b> |                                  |                                |
| Operating earnings net of depreciation expense and excluding interest income              | \$3,233,646                      | \$38,939,859                   |
| Adjustments to reconcile operating earnings to net cash provided by operating activities: |                                  |                                |
| Depreciation and amortization   | 2,209,450                        | 26,414,707                     |
| Other expense   | (447,727)                        | 1,891,672                      |
| (Increase) decrease in assets:  |                                  |                                |
| Accounts receivable   | (6,383,298)                      | (6,753,170)                    |
| Materials and inventory   | (147,905)                        | 999,983                        |
| Fuel inventory  | (2,913,749)                      | (4,082,913)                    |
| Deferred fuel costs   | 2,299,990                        | 6,427,975                      |
| Prepaid expenses  | 275,899                          | 397,384                        |
| Long term notes receivable  | 1,439,947                        | 1,655,552                      |
| Long term accounts receivable   | 2,500,000                        | 2,500,000                      |
| Regulatory asset  | -                                | (3,970,992)                    |
| Unamortized costs   | 7,652                            | (1,209,006)                    |
| Deferred asset  | (13,279)                         | 159,351                        |
| Other assets  | 21,567                           | 127,836                        |
| Increase (decrease) in liabilities:   |                                  |                                |
| Accounts payable-operations   | 1,895,687                        | (5,173,931)                    |
| Customers deposits  | 98,826                           | 622,082                        |
| Accrued payroll and employees' benefits   | 204,415                          | 34,655                         |
| Deferred credit-self insurance funds  | (377,382)                        | (774,696)                      |
| Deferred credit repurchase agreement  | (48,668)                         | (584,018)                      |
| Employees' annual leave, current portion  | (852,429)                        | (797,450)                      |
| <b>Net cash provided by operating activities</b>  | <b><u>\$3,029,200</u></b>        | <b><u>\$56,824,880</u></b>     |

**EXHIBIT B**  
**OCT. 2007 FINANCIAL**  
**STATEMENT**

**GUAM POWER AUTHORITY**  
Balance sheets

| <u>ASSETS</u>                                | <u>Unaudited<br/>October<br/>2007</u> | <u>Unaudited<br/>September<br/>2007</u> | <u>Change from<br/>Sept 30<br/>2007</u> |
|--|---------------------------------------|---|---|
| <b>Utility plant at cost:</b>                |                                       |   |   |
| Electric plant in service                    | \$ 819,358,777                        | \$ 819,361,627                          | \$ (2,850)                              |
| Construction work in progress                | <u>22,345,942</u>                     | <u>20,562,802</u>                       | <u>1,783,140</u>                        |
|  | 841,704,719                           | 839,924,429                             | 1,780,290                               |
| Less: Accumulated depreciation               | <u>(308,080,929)</u>                  | <u>(305,851,417)</u>                    | <u>(2,229,512)</u>                      |
| <b>Total utility plant at cost</b>           | <b><u>533,623,790</u></b>             | <b><u>534,073,012</u></b>               | <b><u>(449,222)</u></b>                 |
| <b>Restricted funds</b>                      |                                       |   |   |
| Reserve funds held by trustee                |                                       |   |   |
| Revenue bonds                                | 27,488,252                            | 27,488,252                              | 0                                       |
| Self insurance fund                          | <u>1,460,551</u>                      | <u>1,292,936</u>                        | <u>167,615</u>                          |
| <b>Total restricted funds</b>                | <b><u>28,948,803</u></b>              | <b><u>28,781,188</u></b>                | <b><u>167,615</u></b>                   |
| <b>Funds identified for special purposes</b> |                                       |   |   |
| Interest and principal funds                 |                                       |   |   |
| held by Trustee for debt repayment           | 3,860,652                             | 18,696,315                              | (14,835,663)                            |
| Bond Funds held by Trustee                   | 19,777,449                            | 19,343,598                              | 433,851                                 |
| Reserve funds for LC (Fuel/others)           | 25,087                                | 25,087                                  | 0                                       |
| Reserve funds held by GPA                    |                                       |   |   |
| Bond indenture funds held by GPA             | <u>26,884,577</u>                     | <u>25,065,313</u>                       | <u>1,819,264</u>                        |
| <b>Total cash reserves</b>                   | <b><u>50,547,765</u></b>              | <b><u>63,130,313</u></b>                | <b><u>(12,582,548)</u></b>              |
| Accounts receivable (net of allowance)       | 51,924,565                            | 55,124,798                              | (3,200,233)                             |
| Materials and supplies                       | 12,388,615                            | 12,421,030                              | (32,415)                                |
| Fuel oil                                     | 34,572,652                            | 33,583,554                              | 989,098                                 |
| Deferred fuel cost - current portion         | 510,734                               | 0                                       | 510,734                                 |
| Prepaid expenses                             | <u>729,084</u>                        | <u>791,208</u>                          | <u>(62,124)</u>                         |
| <b>Total current assets</b>                  | <b><u>150,673,415</u></b>             | <b><u>165,050,903</u></b>               | <b><u>(14,377,488)</u></b>              |
| <b>Other assets</b>                          |                                       |   |   |
| Long term notes receivable                   | 21,358,674                            | 21,358,674                              | 0                                       |
| Long term accounts receivable                | 4,276,352                             | 4,276,352                               | 0                                       |
| Regulatory asset                             | 3,970,992                             | 3,970,992                               | 0                                       |
| Unamortized costs                            | 6,379,851                             | 6,411,618                               | (31,767)                                |
| Non current deferred fuel costs              | 2,141,464                             | 2,141,464                               | 0                                       |
| Deferred asset                               | 3,651,792                             | 3,665,072                               | (13,280)                                |
| Other assets                                 | <u>1,837,597</u>                      | <u>1,823,358</u>                        | <u>14,239</u>                           |
| <b>Total other assets</b>                    | <b><u>43,616,723</u></b>              | <b><u>43,647,531</u></b>                | <b><u>(30,808)</u></b>                  |
| <b>Total Assets</b>                          | <b><u>\$ 756,862,731</u></b>          | <b><u>\$ 771,552,634</u></b>            | <b><u>\$ (14,689,904)</u></b>           |

**GUAM POWER AUTHORITY**  
Balance sheets

| <u>LIABILITIES AND NET ASSETS</u>                             | <u>Unaudited<br/>October<br/>2007</u> | <u>Unaudited<br/>September<br/>2007</u> | <u>Change from<br/>Sept 30<br/>2007</u> |
|---|---------------------------------------|---|---|
| <b>Current liabilities</b>                                    |                                       |   |   |
| Current portion, debt   |                                       |   |   |
| Revenue bonds, Series A                                       | \$ 7,080,000                          | \$ 6,770,000                            | \$ 310,000                              |
| Accrued bond interest   | 1,966,036                             | 10,570,649                              | (8,604,613)                             |
| Current obligation under capital lease                        | 5,589,841                             | 5,589,841                               | 0                                       |
| Accounts payable  |                                       |   |   |
| Operations & fuel oil   | 30,898,492                            | 29,354,799                              | 1,543,693                               |
| Accrued payroll & benefits                                    | 1,399,399                             | 1,123,991                               | 275,408                                 |
| Current portion of employees' annual leave                    | 183,254                               | 185,982                                 | (2,728)                                 |
| Bid bond and customers' deposits                              | 4,532,205                             | 4,480,789                               | 51,416                                  |
| Interest payable on customers' deposit                        | 701,854                               | 701,718                                 | 136                                     |
| Deferred credit - self insurance                              | 1,501,795                             | 1,337,850                               | 163,945                                 |
| Current portion, Deferred credit repurchase agreement         | 584,018                               | 584,018                                 | 0                                       |
| TCP- short term notes payable                                 | <u>20,000,000</u>                     | <u>20,000,000</u>                       | <u>0</u>                                |
| <b>Total current liabilities</b>                              | <b><u>74,436,894</u></b>              | <b><u>80,699,637</u></b>                | <b><u>(6,262,743)</u></b>               |
| <br>  |                                       |   |   |
| Deferred credit - repurchase agreement (less current portion) | 12,799,719                            | 12,848,387                              | (48,668)                                |
| Employee annual leave, less current portion                   | 2,065,107                             | 2,065,107                               | 0                                       |
| Unfunded retirement deferred contributions                    | 9,105,058                             | 9,105,058                               | 0                                       |
| Obligation under capital lease (less current portion)         | 132,488,963                           | 132,985,820                             | (496,857)                               |
| Long term debt, less current maturities                       | 367,844,343                           | 374,825,390                             | (6,981,047)                             |
| <b>Total liabilities</b>                                      | <b><u>598,740,084</u></b>             | <b><u>612,529,399</u></b>               | <b><u>(13,789,315)</u></b>              |
| <b>Commitments and contingencies</b>                          |                                       |   |   |
| <b>Net assets</b>   |                                       |   |   |
| Invested in capital assets, net of related debt               | 21,356,993                            | 14,648,492                              | 6,708,501                               |
| Restricted  | 46,803,430                            | 52,815,772                              | (6,012,342)                             |
| Unrestricted  | <u>89,962,223</u>                     | <u>91,558,969</u>                       | <u>(1,596,746)</u>                      |
| <b>Total net assets</b>                                       | <b><u>158,122,646</u></b>             | <b><u>159,023,233</u></b>               | <b><u>(900,587)</u></b>                 |
| <br>  |                                       |   |   |
| <b>Total liabilities and net assets</b>                       | <b><u>\$ 756,862,731</u></b>          | <b><u>\$ 771,552,634</u></b>            | <b><u>\$ (14,689,904)</u></b>           |

**GUAM POWER AUTHORITY**  
Statement of Revenues, Expenses and Changes in Net Assets

|   | October 31            |                       | % of<br>change<br>inc (dec) | One Month<br>Ending<br>October 31 |                       | % of<br>change<br>inc (dec) |
|---|-----------------------|-----------------------|-----------------------------|-----------------------------------|-----------------------|-----------------------------|
|   | Unaudited<br>2007     | Unaudited<br>2006     |                             | Unaudited<br>2007                 | Unaudited<br>2006     |                             |
| <b>Revenues</b>                                   |                       |                       |                             |                                   |                       |                             |
| Sales of electricity                              | \$ 27,615,478         | \$ 25,085,775         | 10                          | \$ 27,615,478                     | \$ 25,085,775         | 10                          |
| Miscellaneous                                     | 64,590                | 228,704               | (72)                        | 64,590                            | 228,704               | (72)                        |
| Total revenues                                    | <u>27,680,068</u>     | <u>25,314,479</u>     | 9                           | <u>27,680,068</u>                 | <u>25,314,479</u>     | (62)                        |
| <b>Operating and maintenance expenses</b>         |                       |                       |                             |                                   |                       |                             |
| Production fuel                                   | 16,813,955            | 14,225,496            | 18                          | 16,813,955                        | 14,225,496            | 18                          |
| Other production                                  | <u>1,417,382</u>      | <u>1,388,164</u>      | 2                           | <u>1,417,382</u>                  | <u>1,388,164</u>      | 2                           |
|   | <u>18,231,337</u>     | <u>15,613,660</u>     | 17                          | <u>18,231,337</u>                 | <u>15,613,660</u>     | 17                          |
| Depreciation                                      | 2,229,512             | 2,239,201             | (0)                         | 2,229,512                         | 2,239,201             | (0)                         |
| Energy conversion cost                            | 1,605,183             | 1,475,286             | 9                           | 1,605,183                         | 1,475,286             | 9                           |
| Transmission & distribution                       | 646,208               | 763,414               | (15)                        | 646,208                           | 763,414               | (15)                        |
| Customer accounting                               | 309,916               | 255,626               | 21                          | 309,916                           | 255,626               | 21                          |
| Administrative & general                          | <u>1,732,840</u>      | <u>2,809,253</u>      | (38)                        | <u>1,732,840</u>                  | <u>2,809,253</u>      | (38)                        |
| Total operating and maintenance expenses          | <u>24,754,996</u>     | <u>23,156,440</u>     | 7                           | <u>24,754,996</u>                 | <u>23,156,440</u>     | 7                           |
| <b>Operating income</b>                           | <u>2,925,072</u>      | <u>2,158,039</u>      | 36                          | <u>2,925,072</u>                  | <u>2,158,039</u>      | 36                          |
| <b>Other income (expenses)</b>                    |                       |                       |                             |                                   |                       |                             |
| Interest income                                   | 320,362               | 289,200               | 11                          | 320,362                           | 289,200               | 11                          |
| Interest expense                                  | (3,283,940)           | (3,268,024)           | 0                           | (3,283,940)                       | (3,268,024)           | 0                           |
| Allowance for funds used<br>during construction   | 44,865                | 40,466                | 11                          | 44,865                            | 40,466                | 11                          |
| COLA/Supplemental annuities                       | (762,952)             | 0                     | N/A                         | (762,952)                         | 0                     | N/A                         |
| Inventory losses                                  | 0                     | 0                     | N/A                         | 0                                 | 0                     | N/A                         |
| Gain on regulatory asset                          | 0                     | 0                     | 0                           | 0                                 | 0                     | 0                           |
| Losses due to typhoon/earthquake                  | 0                     | 29,070                | N/A                         | 0                                 | 29,070                | 0                           |
| Other   | <u>(143,998)</u>      | <u>(136,346)</u>      | 6                           | <u>(143,998)</u>                  | <u>(136,346)</u>      | 6                           |
| Total other income (expenses)                     | <u>(3,825,663)</u>    | <u>(3,045,634)</u>    | 26                          | <u>(3,825,663)</u>                | <u>(3,045,634)</u>    | 26                          |
| <b>Income (loss) before capital contributions</b> | (900,591)             | (887,595)             | 1                           | (900,591)                         | (887,595)             | 1                           |
| <b>Capital contributions</b>                      | <u>0</u>              | <u>0</u>              | N/A                         | <u>0</u>                          | <u>0</u>              | N/A                         |
| <b>Increase (decrease) in net assets</b>          | (900,591)             | (887,595)             | 1                           | (900,591)                         | (887,595)             | 1                           |
| <b>Total net assets at beginning of period</b>    | <u>159,023,233</u>    | <u>150,105,692</u>    | N/A                         | <u>159,023,233</u>                | <u>150,105,692</u>    | 6                           |
| <b>Total net assets at end of period</b>          | <u>\$ 158,122,642</u> | <u>\$ 149,218,097</u> | 6                           | <u>\$ 158,122,642</u>             | <u>\$ 149,218,097</u> | 6                           |

Guam Power Authority  
Statement of Cash Flows  
October 31, 2007

|   | Month Ending<br><u>10/31/2007</u> | YTD Ending<br><u>10/31/2007</u> |
|---|-----------------------------------|---------------------------------|
| <b>Increase(decrease) in cash and cash equivalents</b>                    |                                   |                                 |
| Cash flows from operating activities:                                     |                                   |                                 |
| Cash received from customers  | \$27,680,068                      | 27,680,068                      |
| Cash payments to suppliers and employees<br>for goods and services        | <u>19,623,620</u>                 | <u>19,623,620</u>               |
| Net cash provided by operating activities                                 | \$8,056,448                       | 8,056,448                       |
| Cash flows from investing activities:                                     |                                   |                                 |
| Interest and dividends on investments and<br>bank accounts                | <u>320,362</u>                    | <u>320,362</u>                  |
|   | 320,362                           | 320,362                         |
| Cash flows from non-capital financing activities                          |                                   |                                 |
| Interest paid on short term debt  | (105,859)                         | (105,859)                       |
| Funds for LC payments   | -                                 | -                               |
| Provision for self insurance funds  | <u>(167,615)</u>                  | <u>(167,615)</u>                |
| Net cash provided by noncapital financing activities                      | (273,474)                         | (273,474)                       |
| Cash flows from capital and related financing activities                  |                                   |                                 |
| Acquisition of utility plant  | (1,780,283)                       | (1,780,283)                     |
| Principal paid on bonds and other long-term debt                          | (6,770,000)                       | (6,770,000)                     |
| Interest paid on bonds(net of capitalized interest)                       | (10,310,861)                      | (10,310,861)                    |
| Interest paid on capital lease obligations                                | (1,426,835)                       | (1,426,835)                     |
| Interest & principal funds held by trustee                                | 14,835,663                        | 14,835,663                      |
| Bond funds held by trustee  | (433,851)                         | (433,851)                       |
| Additional grant from US Government                                       | -                                 | -                               |
| Principal payment on capital lease obligations                            | (496,857)                         | (496,857)                       |
| Debt issuance costs/loss on defeasance                                    | <u>98,952</u>                     | <u>98,952</u>                   |
| Net cash provided by(used in) capital and related<br>financing activities | (6,284,072)                       | (6,284,072)                     |
| Net (decrease) increase in cash and cash equivalents                      | 1,819,264                         | 1,819,264                       |
| Cash and cash equivalents, beginning                                      | <u>25,065,313</u>                 | <u>25,065,313</u>               |
| Cash and cash equivalents, October 31, 2007                               | <u>\$ 26,884,577</u>              | <u>\$ 26,884,577</u>            |

Guam Power Authority  
Statement of Cash Flows  
October 31, 2007

|  | <u>Month Ending</u><br><u>10/31/2007</u> | <u>YTD Ending</u><br><u>10/31/2007</u> |
|--|--|--|
| <b>Reconciliation of operating earnings to net cash provided</b>                             |  |  |
| <b>by operating activities:</b>  |  |  |
| Operating earnings net of depreciation expense<br>and excluding interest income              | \$2,925,072                              | \$2,925,072                            |
| Adjustments to reconcile operating earnings to net cash<br>provided by operating activities: |  |  |
| Depreciation and amortization  | 2,229,512                                | 2,229,512                              |
| Other expense  | (906,950)                                | (906,950)                              |
| (Increase) decrease in assets:   |  |  |
| Accounts receivable  | 3,200,233                                | 3,200,233                              |
| Materials and inventory  | 32,415                                   | 32,415                                 |
| Fuel inventory   | (989,098)                                | (989,098)                              |
| Deferred fuel costs  | (510,734)                                | (510,734)                              |
| Prepaid expenses   | 62,124                                   | 62,124                                 |
| Long term notes receivable   | -  | -                                      |
| Long term accounts receivable  | -  | -                                      |
| Regulatory asset   | -  | -                                      |
| Unamortized costs  | 31,767                                   | 31,767                                 |
| Deferred asset   | 13,280                                   | 13,280                                 |
| Other assets   | (14,239)                                 | (14,239)                               |
| Increase (decrease) in liabilities:  |  |  |
| Accounts payable-operations  | 1,543,693                                | 1,543,693                              |
| Customers deposits   | 51,416                                   | 51,416                                 |
| Accrued payroll and employees' benefits  | 275,408                                  | 275,408                                |
| Deferred credit-self insurance funds   | 163,945                                  | 163,945                                |
| Deferred credit repurchase agreement   | (48,668)                                 | (48,668)                               |
| Employees' annual leave, current portion   | (2,728)                                  | (2,728)                                |
| <b>Net cash provided by operating activities</b>   | <b>\$8,056,448</b>                       | <b>\$8,056,448</b>                     |

**EXHIBIT C**  
**NOV. 2007 FINANCIAL**  
**STATEMENT**

GUAM POWER AUTHORITY  
Balance sheets

| <u>ASSETS</u>                                | <u>Unaudited<br/>November<br/>2007</u> | <u>Unaudited<br/>September<br/>2007</u> | <u>Change from<br/>Sept 30<br/>2007</u> |
|--|--|---|---|
| <b>Utility plant at cost:</b>                |  |   |   |
| Electric plant in service                    | \$ 819,854,871                         | \$ 819,361,627                          | \$ 493,244                              |
| Construction work in progress                | 22,475,507                             | 20,562,802                              | 1,912,705                               |
|  | 842,330,378                            | 839,924,429                             | 2,405,949                               |
| Less: Accumulated depreciation               | (310,269,462)                          | (305,851,417)                           | (4,418,045)                             |
| Total utility plant at cost                  | <u>532,060,916</u>                     | <u>534,073,012</u>                      | <u>(2,012,096)</u>                      |
| <b>Restricted funds</b>                      |  |   |   |
| Reserve funds held by trustee                |  |   |   |
| Revenue bonds                                | 27,488,252                             | 27,488,252                              | 0                                       |
| Self insurance fund                          | 1,629,463                              | 1,292,936                               | 336,527                                 |
| Total restricted funds                       | <u>29,117,715</u>                      | <u>28,781,188</u>                       | <u>336,527</u>                          |
| <b>Funds identified for special purposes</b> |  |   |   |
| Interest and principal funds                 |  |   |   |
| held by Trustee for debt repayment           | 6,149,398                              | 18,696,315                              | (12,546,917)                            |
| Bond Funds held by Trustee                   | 20,216,275                             | 19,343,598                              | 872,677                                 |
| Reserve funds for LC (Fuel/others)           | 25,087                                 | 25,087                                  | 0                                       |
| Reserve funds held by GPA                    |  |   |   |
| Bond indenture funds held by GPA             | 23,092,582                             | 25,065,313                              | (1,972,731)                             |
| Total cash reserves                          | <u>49,483,342</u>                      | <u>63,130,313</u>                       | <u>(13,646,971)</u>                     |
| Accounts receivable (net of allowance)       | 51,637,549                             | 55,124,798                              | (3,487,249)                             |
| Materials and supplies                       | 12,244,785                             | 12,421,030                              | (176,245)                               |
| Fuel oil                                     | 37,732,926                             | 33,583,554                              | 4,149,372                               |
| Deferred fuel cost - current portion         | 123,836                                | 0                                       | 123,836                                 |
| Prepaid expenses                             | 928,733                                | 791,208                                 | 137,525                                 |
| Total current assets                         | <u>152,151,171</u>                     | <u>165,050,903</u>                      | <u>(12,899,732)</u>                     |
| <b>Other assets</b>                          |  |   |   |
| Long term notes receivable                   | 21,358,674                             | 21,358,674                              | (0)                                     |
| Long term accounts receivable                | 4,276,352                              | 4,276,352                               | 0                                       |
| Regulatory asset                             | 3,970,992                              | 3,970,992                               | 0                                       |
| Unamortized costs                            | 6,348,084                              | 6,411,618                               | (63,534)                                |
| Non current deferred fuel costs              | 2,141,464                              | 2,141,464                               | (0)                                     |
| Deferred asset                               | 3,638,513                              | 3,665,072                               | (26,559)                                |
| Other assets                                 | 1,882,724                              | 1,823,358                               | 59,366                                  |
| Total other assets                           | <u>43,616,803</u>                      | <u>43,647,531</u>                       | <u>(30,728)</u>                         |
| <b>Total Assets</b>                          | <u>\$ 756,946,605</u>                  | <u>\$ 771,552,634</u>                   | <u>\$ (14,606,030)</u>                  |

**GUAM POWER AUTHORITY**  
Balance sheets

| <u>LIABILITIES AND NET ASSETS</u>                                    | <u>Unaudited<br/>November<br/>2007</u> | <u>Unaudited<br/>September<br/>2007</u> | <u>Change from<br/>Sept 30<br/>2007</u> |
|--|--|---|---|
| <b>Current liabilities</b>   |  |   |   |
| Current portion, debt  |  |   |   |
| Revenue bonds, Series A  | \$ 7,080,000                           | \$ 6,770,000                            | \$ 310,000                              |
| Accrued bond interest  | 3,691,787                              | 10,570,649                              | (6,878,862)                             |
| Current obligation under capital lease                               | 5,589,841                              | 5,589,841                               | 0                                       |
| Accounts payable   |  |   |   |
| Operations & fuel oil  | 30,762,996                             | 29,354,799                              | 1,408,197                               |
| Accrued payroll & benefits   | 472,497                                | 1,123,991                               | (651,494)                               |
| Current portion of employees' annual leave                           | 250,685                                | 185,982                                 | 64,703                                  |
| Bid bond and customers' deposits                                     | 4,673,998                              | 4,480,789                               | 193,209                                 |
| Interest payable on customers' deposit                               | 702,134                                | 701,718                                 | 416                                     |
| Deferred credit - self insurance                                     | 1,667,336                              | 1,337,850                               | 329,486                                 |
| Current portion, Deferred credit repurchase agreement                | 584,018                                | 584,018                                 | 0                                       |
| TCP- short term notes payable  | 20,000,000                             | 20,000,000                              | 0                                       |
| <b>Total current liabilities</b>                                     | <b>75,475,292</b>                      | <b>80,699,637</b>                       | <b>(5,224,345)</b>                      |
| <br>   |  |   |   |
| <b>Deferred credit - repurchase agreement (less current portion)</b> | <b>12,751,051</b>                      | <b>12,848,387</b>                       | <b>(97,336)</b>                         |
| <br>   |  |   |   |
| <b>Employee annual leave, less current portion</b>                   | <b>2,065,107</b>                       | <b>2,065,107</b>                        | <b>0</b>                                |
| <br>   |  |   |   |
| <b>Unfunded retirement deferred contributions</b>                    | <b>9,105,058</b>                       | <b>9,105,058</b>                        | <b>0</b>                                |
| <br>   |  |   |   |
| <b>Obligation under capital lease (less current portion)</b>         | <b>131,987,096</b>                     | <b>132,985,820</b>                      | <b>(998,724)</b>                        |
| <br>   |  |   |   |
| <b>Long term debt, less current maturities</b>                       | <b>367,943,295</b>                     | <b>374,825,390</b>                      | <b>(6,882,095)</b>                      |
| <b>Total liabilities</b>   | <b>599,326,899</b>                     | <b>612,529,399</b>                      | <b>(13,202,500)</b>                     |
| <br>   |  |   |   |
| <b>Commitments and contingencies</b>                                 |  |   |   |
| <br>   |  |   |   |
| <b>Net assets</b>  |  |   |   |
| Invested in capital assets, net of related debt                      | 20,186,851                             | 14,648,492                              | 5,538,359                               |
| Restricted   | 47,591,467                             | 52,815,772                              | (5,224,305)                             |
| Unrestricted   | 89,841,387                             | 91,558,969                              | (1,717,582)                             |
| <b>Total net assets</b>  | <b>157,619,705</b>                     | <b>159,023,233</b>                      | <b>(1,403,528)</b>                      |
| <br>   |  |   |   |
| <b>Total liabilities and net assets</b>                              | <b>\$ 756,946,605</b>                  | <b>\$ 771,552,634</b>                   | <b>\$ (14,606,030)</b>                  |

**GUAM POWER AUTHORITY**  
**Statement of Revenues, Expenses and Changes in Net Assets**

|   | November 30           |                       | % of<br>change<br>Inc (dec) | Two months<br>Ending<br>November 30 |                       | % of<br>change<br>Inc (dec) |
|---|-----------------------|-----------------------|-----------------------------|-------------------------------------|-----------------------|-----------------------------|
|   | Unaudited<br>2007     | Unaudited<br>2006     |                             | Unaudited<br>2007                   | Unaudited<br>2006     |                             |
| <b>Revenues</b>                                   |                       |                       |                             |                                     |                       |                             |
| Sales of electricity                              | \$ 27,421,277         | \$ 24,250,356         | 13                          | \$ 55,036,755                       | \$ 49,336,131         | 12                          |
| Miscellaneous                                     | 208,558               | 173,370               | 20                          | 273,148                             | 402,074               | (32)                        |
| Total revenues                                    | 27,629,835            | 24,423,726            | 13                          | 55,309,903                          | 49,738,205            | (21)                        |
| <b>Operating and maintenance expenses</b>         |                       |                       |                             |                                     |                       |                             |
| Production fuel                                   | 16,637,158            | 13,652,353            | 22                          | 33,451,113                          | 27,877,849            | 20                          |
| Other production                                  | 1,436,321             | 1,658,984             | (13)                        | 2,853,703                           | 3,047,148             | (6)                         |
|   | 18,073,479            | 15,311,337            | 18                          | 36,304,816                          | 30,924,997            | 17                          |
| Depreciation                                      | 2,229,333             | 2,211,835             | 1                           | 4,458,845                           | 4,451,036             | 0                           |
| Energy conversion cost                            | 1,571,920             | 1,469,612             | 7                           | 3,177,103                           | 2,944,898             | 8                           |
| Transmission & distribution                       | 609,459               | 749,151               | (19)                        | 1,255,667                           | 1,512,565             | (17)                        |
| Customer accounting                               | 288,982               | 245,731               | 18                          | 598,898                             | 501,357               | 19                          |
| Administrative & general                          | 1,836,782             | 839,260               | 119                         | 3,569,622                           | 3,648,513             | (2)                         |
| Total operating and maintenance expenses          | 24,609,955            | 20,826,926            | 18                          | 49,364,951                          | 43,983,366            | 12                          |
| <b>Operating income</b>                           | <b>3,019,880</b>      | <b>3,596,800</b>      | <b>(16)</b>                 | <b>5,944,952</b>                    | <b>5,754,839</b>      | <b>3</b>                    |
| <b>Other income (expenses)</b>                    |                       |                       |                             |                                     |                       |                             |
| Interest income                                   | 309,908               | 298,295               | 4                           | 630,270                             | 587,495               | 7                           |
| Interest expense                                  | (3,251,230)           | (3,226,639)           | 1                           | (6,535,170)                         | (6,494,663)           | 1                           |
| Allowance for funds used<br>during construction   | 47,091                | 44,824                | 5                           | 91,956                              | 85,290                | 8                           |
| COLA/Supplemental annuities                       | (484,590)             | (1,037,650)           | N/A                         | (1,247,542)                         | (1,037,650)           | N/A                         |
| Inventory losses                                  | 0                     | 0                     | N/A                         | 0                                   | 0                     | N/A                         |
| Gain on regulatory asset                          | 0                     | 0                     | 0                           | 0                                   | 0                     | 0                           |
| Losses due to typhoon/earthquake                  | 0                     | 0                     | N/A                         | 0                                   | 29,070                | 0                           |
| Other   | (143,998)             | (136,346)             | 6                           | (287,996)                           | (272,692)             | 6                           |
| Total other income (expenses)                     | (3,522,819)           | (4,057,516)           | (13)                        | (7,348,482)                         | (7,103,150)           | 3                           |
| <b>Income (loss) before capital contributions</b> | <b>(502,939)</b>      | <b>(460,716)</b>      | <b>9</b>                    | <b>(1,403,530)</b>                  | <b>(1,348,311)</b>    | <b>4</b>                    |
| <b>Capital contributions</b>                      | <b>0</b>              | <b>78,147</b>         | <b>N/A</b>                  | <b>0</b>                            | <b>78,147</b>         | <b>N/A</b>                  |
| <b>Increase (decrease) in net assets</b>          | <b>(502,939)</b>      | <b>(382,569)</b>      | <b>31</b>                   | <b>(1,403,530)</b>                  | <b>(1,270,164)</b>    | <b>10</b>                   |
| <b>Total net assets at beginning of period</b>    | <b>158,122,642</b>    | <b>149,218,097</b>    | <b>N/A</b>                  | <b>159,023,233</b>                  | <b>150,105,692</b>    | <b>6</b>                    |
| <b>Total net assets at end of period</b>          | <b>\$ 157,619,703</b> | <b>\$ 148,835,528</b> | <b>6</b>                    | <b>\$ 157,619,703</b>               | <b>\$ 148,835,528</b> | <b>6</b>                    |

Guam Power Authority  
Statement of Cash Flows  
November 30, 2007

|   | Month Ending<br><u>11/30/2007</u> | YTD Ending<br><u>11/30/2007</u> |
|---|-----------------------------------|---------------------------------|
| <b>Increase(decrease) in cash and cash equivalents</b>                    |                                   |                                 |
| Cash flows from operating activities:                                     |                                   |                                 |
| Cash received from customers  | \$27,602,448                      | 55,309,903                      |
| Cash payments to suppliers and employees<br>for goods and services        | <u>26,308,619</u>                 | <u>45,959,621</u>               |
| Net cash provided by operating activities                                 | \$1,293,829                       | 9,350,282                       |
| Cash flows from investing activities:                                     |                                   |                                 |
| Interest and dividends on investments and<br>bank accounts                | <u>309,908</u>                    | <u>630,270</u>                  |
|   | 309,908                           | 630,270                         |
| Cash flows from non-capital financing activities                          |                                   |                                 |
| Interest paid on short term debt  | (103,370)                         | (209,229)                       |
| Funds for LC payments   | -                                 | -                               |
| Provision for self insurance funds  | <u>(168,912)</u>                  | <u>(336,527)</u>                |
| Net cash provided by noncapital financing activities                      | (272,282)                         | (545,756)                       |
| Cash flows from capital and related financing activities                  |                                   |                                 |
| Acquisition of utility plant  | (666,460)                         | (2,446,748)                     |
| Principal paid on bonds and other long-term debt                          | -                                 | (6,770,000)                     |
| Interest paid on bonds(net of capitalized interest)                       | 47,091                            | (10,263,770)                    |
| Interest paid on capital lease obligations                                | (1,421,824)                       | (2,848,659)                     |
| Interest & principal funds held by trustee                                | (2,288,746)                       | 12,546,917                      |
| Bond funds held by trustee  | (438,826)                         | (872,677)                       |
| Additional grant from US Government                                       | -                                 | -                               |
| Principal payment on capital lease obligations                            | (501,867)                         | (998,724)                       |
| Debt issuance costs/loss on defeasance                                    | <u>147,182</u>                    | <u>246,134</u>                  |
| Net cash provided by(used in) capital and related<br>financing activities | (5,123,450)                       | (11,407,527)                    |
| Net (decrease) increase in cash and cash equivalents                      | (3,791,995)                       | (1,972,731)                     |
| Cash and cash equivalents, beginning                                      | <u>26,884,577</u>                 | <u>25,065,313</u>               |
| <b>Cash and cash equivalents, November 30, 2007</b>                       | <b><u>\$ 23,092,582</u></b>       | <b><u>\$ 23,092,582</u></b>     |

Guam Power Authority  
Statement of Cash Flows  
November 30, 2007

|   | Month Ending<br><u>11/30/2007</u> | YTD Ending<br><u>11/30/2007</u> |
|---|-----------------------------------|---------------------------------|
| <b>Reconciliation of operating earnings to net cash provided<br/>by operating activities:</b> |                                   |                                 |
| Operating earnings net of depreciation expense<br>and excluding interest income               | \$2,565,050                       | \$5,944,952                     |
| Adjustments to reconcile operating earnings to net cash<br>provided by operating activities:  |                                   |                                 |
| Depreciation and amortization   | 2,229,333                         | 4,458,845                       |
| Other expense   | (628,588)                         | (1,535,538)                     |
| (Increase) decrease in assets:  |                                   |                                 |
| Accounts receivable   | 314,398                           | 3,487,249                       |
| Materials and inventory   | 143,830                           | 176,245                         |
| Fuel inventory  | (3,160,274)                       | (4,149,372)                     |
| Deferred fuel costs   | 814,341                           | (123,836)                       |
| Prepaid expenses  | (199,649)                         | (137,525)                       |
| Long term notes receivable  | -                                 | -                               |
| Long term accounts receivable   | -                                 | -                               |
| Regulatory asset  | -                                 | -                               |
| Unamortized costs   | (16,463)                          | 15,304                          |
| Deferred asset  | 13,279                            | 26,559                          |
| Other assets  | (45,127)                          | (59,366)                        |
| Increase (decrease) in liabilities:   |                                   |                                 |
| Accounts payable-operations   | (135,496)                         | 1,408,197                       |
| Customers deposits  | 141,793                           | 193,209                         |
| Accrued payroll and employees' benefits   | (926,902)                         | (651,494)                       |
| Deferred credit-self insurance funds  | 165,541                           | 329,486                         |
| Deferred credit repurchase agreement  | (48,668)                          | (97,336)                        |
| Employees' annual leave,current portion   | 67,431                            | 64,703                          |
| <b>Net cash provided by operating activities</b>  | <b><u>\$1,293,829</u></b>         | <b><u>\$9,350,282</u></b>       |