



# GUAM POWER AUTHORITY

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

17 October 2007

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  
Monthly Financial Statement (August 2007)**

Dear Mr. Boertzel:

Attached is the authority's Monthly Financial Statement for the month ending August 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,

  
 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 012 08

**GUAM POWER AUTHORITY**  
Balance sheets

	<u>Unaudited</u> <u>August</u> <u>2007</u>	<u>Audited</u> <u>September</u> <u>2006</u>	<u>Change from</u> <u>Sept 30</u> <u>2006</u>
<b><u>ASSETS</u></b>			
<b>Utility plant at cost:</b>			
Electric plant in service	\$ 818,471,436	\$ 809,869,967	\$ 8,601,469
Construction work in progress	<u>19,650,632</u>	<u>25,869,073</u>	<u>(6,218,441)</u>
	838,122,068	835,739,040	2,383,028
Less: Accumulated depreciation	<u>(303,757,023)</u>	<u>(284,111,333)</u>	<u>(19,645,690)</u>
<b>Total utility plant at cost</b>	<b><u>534,365,045</u></b>	<b><u>551,627,707</u></b>	<b><u>(17,262,662)</u></b>
<b>Restricted funds</b>			
Reserve funds held by trustee			
Revenue bonds	27,488,252	27,488,252	0
Self insurance fund	<u>2,138,258</u>	<u>2,140,544</u>	<u>(2,286)</u>
<b>Total restricted funds</b>	<b><u>29,626,510</u></b>	<b><u>29,628,796</u></b>	<b><u>(2,286)</u></b>
<b>Funds identified for special purposes</b>			
Interest and principal funds			
held by Trustee for debt repayment	16,064,454	17,941,919	(1,877,465)
Bond Funds held by Trustee	19,014,100	21,806,712	(2,792,612)
Reserve funds for LC (Fuel/others)	25,074	24,995	79
Reserve funds held by GPA			
Bond indenture funds held by GPA	<u>26,214,934</u>	<u>17,053,812</u>	<u>9,161,122</u>
<b>Total cash reserves</b>	<b><u>61,318,562</u></b>	<b><u>56,827,438</u></b>	<b><u>4,491,124</u></b>
Accounts receivable (net of allowance)	48,741,500	48,371,628	369,872
Materials and supplies	12,273,137	13,421,025	(1,147,888)
Fuel oil	30,669,805	29,500,641	1,169,164
Deferred fuel cost - current portion	0	1,172,177	(1,172,177)
Prepaid expenses	<u>1,067,107</u>	<u>1,188,592</u>	<u>(121,485)</u>
<b>Total current assets</b>	<b><u>154,070,111</u></b>	<b><u>150,481,501</u></b>	<b><u>3,588,610</u></b>
<b>Other assets</b>			
Long term notes receivable	22,798,621	23,014,226	(215,605)
Long term accounts receivable	6,776,352	6,776,352	0
Regulatory asset	3,970,992	0	3,970,992
Unamortized costs	6,443,385	5,491,991	951,394
Non current deferred fuel costs	4,441,454	7,397,262	(2,955,808)
Deferred asset	3,678,351	3,824,423	(146,072)
Other assets	<u>1,844,925</u>	<u>1,951,194</u>	<u>(106,269)</u>
<b>Total other assets</b>	<b><u>49,954,080</u></b>	<b><u>48,455,448</u></b>	<b><u>1,498,632</u></b>
<b>Total Assets</b>	<b><u>\$ 768,015,746</u></b>	<b><u>\$ 780,193,452</u></b>	<b><u>\$ (12,177,706)</u></b>

**GUAM POWER AUTHORITY**  
Balance sheets

<u>LIABILITIES AND NET ASSETS</u>	<u>Unaudited August 2007</u>	<u>Audited September 2006</u>	<u>Change from Sept 30 2006</u>
<b>Current liabilities</b>			
Current portion, debt			
Revenue bonds, Series A	\$ 6,770,000	\$ 6,480,000	\$ 290,000
Accrued bond interest	8,851,789	10,573,510	(1,721,721)
Current obligation under capital lease	5,589,841	5,589,841	0
Accounts payable			
Operations & fuel oil	27,459,112	34,528,730	(7,069,618)
Accrued payroll & benefits	919,576	1,089,336	(169,760)
Current portion of employees' annual leave	1,133,835	1,078,856	54,979
Bid bond and customers' deposits	4,381,963	3,858,707	523,256
Interest payable on customers' deposit	702,514	701,713	801
Deferred credit - self insurance	1,715,232	2,112,546	(397,314)
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>78,107,880</u></b>	<b><u>86,597,257</u></b>	<b><u>(8,489,377)</u></b>
Deferred credit - repurchase agreement (less current portion)	12,897,055	13,432,405	(535,350)
Employee annual leave, less current portion	1,969,683	1,969,683	0
Unfunded retirement deferred contributions	9,105,058	9,105,058	0
Obligation under capital lease (less current portion)	133,477,719	138,575,390	(5,097,671)
Long term debt, less current maturities	374,726,438	380,407,966	(5,681,528)
<b>Total liabilities</b>	<b><u>610,283,833</u></b>	<b><u>630,087,759</u></b>	<b><u>(19,803,926)</u></b>
<b>Commitments and contingencies</b>			
<b>Net assets</b>			
Invested in capital assets, net of related debt	14,557,759	21,443,215	(6,885,456)
Restricted	50,548,227	53,968,114	(3,419,887)
Unrestricted	<u>92,625,927</u>	<u>74,694,363</u>	<u>17,931,564</u>
<b>Total net assets</b>	<b><u>157,731,913</u></b>	<b><u>150,105,692</u></b>	<b><u>7,626,221</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 768,015,746</u></b>	<b><u>\$ 780,193,452</u></b>	<b><u>\$ (12,177,706)</u></b>

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

	August 31		% of change inc (dec)	Eleven Months Ending August 31		% of change inc (dec)
	Unaudited 2007	Audited 2006		Unaudited 2007	Audited 2006	
<b>Revenues</b>						
Sales of electricity	\$ 27,577,823	\$ 24,456,012	13	\$ 279,628,524	\$ 263,404,047	6
Miscellaneous	175,399	293,596	(40)	2,003,189	1,545,752	30
Total revenues	27,753,222	24,749,608	12	281,631,713	264,949,799	36
<b>Operating and maintenance expenses</b>						
Production fuel	16,446,121	13,539,680	21	159,086,330	142,899,257	11
Other production	1,450,847	1,812,261	(20)	15,281,707	16,999,701	(10)
	<u>17,896,968</u>	<u>15,351,941</u>	<u>17</u>	<u>174,368,037</u>	<u>159,898,958</u>	<u>9</u>
Depreciation	2,203,547	2,094,488	5	24,205,257	23,165,227	4
Energy conversion cost	1,592,517	1,516,621	5	16,680,689	16,381,140	2
Transmission & distribution	1,002,791	743,089	35	7,871,961	9,662,613	(19)
Customer accounting	233,916	231,022	1	2,560,912	2,551,981	0
Administrative & general	1,643,916	1,815,110	(9)	20,238,646	19,725,762	3
Total operating and maintenance expenses	<u>24,573,655</u>	<u>21,752,271</u>	<u>13</u>	<u>245,925,502</u>	<u>231,385,681</u>	<u>6</u>
<b>Operating income</b>	<u>3,179,567</u>	<u>2,997,337</u>	<u>6</u>	<u>35,706,211</u>	<u>33,564,118</u>	<u>6</u>
<b>Other income (expenses)</b>						
Interest income	399,680	397,864	0	3,803,108	3,930,484	(3)
Interest expense	(3,248,655)	(3,306,178)	(2)	(36,379,569)	(36,031,680)	1
Allowance for funds used during construction	40,201	38,776	4	470,361	540,401	(13)
COLA/Supplemental annuities	0	0	N/A	(1,030,906)	(1,032,219)	N/A
Inventory losses	0	0	N/A	(100,882)	0	N/A
Gain on regulatory asset	0	0	N/A	4,500,000	0	0
Losses due to typhoon/earthquake	(36,010)	(98)	N/A	539,862	(241,127)	0
Other	(176,647)	(63,046)	180	(1,568,675)	(1,499,806)	5
Total other income (expenses)	<u>(3,021,431)</u>	<u>(2,932,682)</u>	<u>3</u>	<u>(29,766,701)</u>	<u>(34,333,947)</u>	<u>(13)</u>
<b>Income (loss) before capital contributions</b>	158,136	64,655	145	5,939,510	(769,829)	(872)
<b>Capital contributions</b>	<u>653,883</u>	<u>29,635</u>	<u>N/A</u>	<u>1,686,708</u>	<u>2,279,476</u>	<u>N/A</u>
<b>Increase (decrease) in net assets</b>	812,019	94,290	761	7,626,218	1,509,647	405
<b>Total net assets at beginning of period</b>	<u>156,919,891</u>	<u>151,839,553</u>	<u>N/A</u>	<u>150,105,692</u>	<u>150,424,196</u>	<u>(0)</u>
<b>Total net assets at end of period</b>	<u>\$ 157,731,910</u>	<u>\$ 151,933,843</u>	<u>4</u>	<u>\$ 157,731,910</u>	<u>\$ 151,933,843</u>	<u>4</u>

**Guam Power Authority  
Statement of Cash Flows  
August 31, 2007**

	<u>Month Ending</u> <u>8/31/2007</u>	<u>YTD Ending</u> <u>8/31/2007</u>
<b>Increase(decrease) in cash and cash equivalents</b>		
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$27,753,349	281,631,714
Cash payments to suppliers and employees for goods and services	<u>25,644,262</u>	<u>227,836,034</u>
Net cash provided by operating activities	\$2,109,087	53,795,680
<b>Cash flows from investing activities:</b>		
Decrease in bond reserve funds	-	-
Interest and dividends on investments and bank accounts	<u>399,682</u>	<u>3,803,110</u>
	399,682	3,803,110
<b>Cash flows from non-capital financing activities</b>		
Proceeds from short term debt	-	-
Principal paid on short-term debt	-	-
Pay off of fuel credit line	-	-
Interest paid on short term debt	(46,910)	(1,179,371)
Funds for LC payments	-	(79)
Provision for self insurance funds	<u>46,035</u>	<u>2,286</u>
Net cash provided by noncapital financing activities	(875)	(1,177,164)
<b>Cash flows from capital and related financing activities</b>		
Acquisition of utility plant	(380,715)	(6,942,597)
Principal paid on bonds and other long-term debt	-	(6,480,000)
Interest paid on bonds(net of capitalized interest)	40,201	(20,387,817)
Interest paid on capital lease obligations	(1,436,703)	(16,062,941)
Interest & principal funds held by trustee	(2,290,121)	1,877,465
Bond funds held by trustee	(586,202)	2,792,612
Additional grant from US Government	653,883	1,686,708
Principal payment on capital lease obligations	(486,989)	(5,097,671)
Proceeds from capital related short-term debt	-	-
Deferred credits-repurchase agreement-Working Capital Funds	-	-
Debt issuance costs/loss on defeasance	<u>123,066</u>	<u>1,353,737</u>
Net cash provided by(used in) capital and related financing activities	(4,363,580)	(47,260,504)
Net (decrease) increase in cash and cash equivalents	(1,855,686)	9,161,122
Cash and cash equivalents, beginning	<u>28,070,620</u>	<u>17,053,812</u>
<b>Cash and cash equivalents, August 31, 2007</b>	<u>\$ 26,214,934</u>	<u>\$ 26,214,934</u>

Guam Power Authority  
Statement of Cash Flows  
August 31, 2007

	Month Ending <u>8/31/2007</u>	YTD Ending <u>8/31/2007</u>
<b>Reconciliation of operating earnings to net cash provided</b>		
<b>by operating activities:</b>		
Operating earnings net of depreciation expense and excluding interest income	\$3,179,695	\$35,706,213
Adjustments to reconcile operating earnings to net cash provided by operating activities:		
Depreciation and amortization	2,203,547	24,205,257
Other expense	(212,657)	2,339,399
(Increase) decrease in assets:		
Accounts receivable	(1,413,952)	(369,872)
Materials and inventory	216,311	1,147,888
Fuel inventory	(2,290,933)	(1,169,164)
Deferred fuel costs	1,674,545	4,127,985
Prepaid expenses	(225,185)	121,485
Long term notes receivable	215,605	215,605
Long term accounts receivable	-	-
Regulatory asset	529,008	(3,970,992)
Unamortized Inarajan Boat ramp costs	40,300	(1,216,658)
Deferred asset	13,279	146,072
Other assets	17,549	106,269
Increase (decrease) in liabilities:		
Accounts payable-operations	(988,101)	(7,069,618)
Customers deposits	(172,273)	523,256
Accrued payroll and employees' benefits	207,556	(169,760)
Deferred credit-self insurance funds	(795,319)	(397,314)
Deferred credit repurchase agreement	(48,669)	(535,350)
Employees' annual leave,current portion	(41,219)	54,979
<b>Net cash provided by operating activities</b>	<b>\$2,109,087</b>	<b>\$53,795,680</b>