

GUAM PUBLIC UTILITIES COMMISSION

DOCKET NO. 07-10

DIRECT TESTIMONY OF

RANDALL V. WIEGAND

ON BEHALF OF

GUAM POWER AUTHORITY

Hagatna, Guam

October 04, 2007

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

In the Matter of)
Guam Power Authority's Petition for Base)
Rate Increase) Docket No. 07-10
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)

AFFIDAVIT OF RANDALL V. WIEGAND

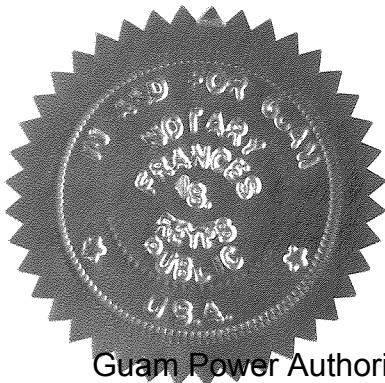
TERRITORY OF GUAM)
)
)

RANDALL V. WIEGAND, being first duly sworn on his oath, states:

- 1. My name is RANDALL V. WIEGAND. My office is in Harmon, Guam, and I am employed by Guam Power Authority as the CHIEF FINANCIAL OFFICER.
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Guam Power Authority, consisting of Ninety- Six (96) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.
3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

[Handwritten signature of Randall V. Wiegand]
RANDALL V. WIEGAND

Subscribed and sworn before me this 04th day of October 2007.



[Handwritten signature of Frances S. Reyes]
Notary Public
FRANCES S. REYES
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: Oct. 02, 2010
P.O. Box 2977 Hagatna, Guam 96932

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DIRECT TESTIMONY OF

RANDALL V. WIEGAND

DOCKET NO. 07-10

1. QUALIFICATIONS

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is RANDALL V. WIEGAND. My business address is 1911
Route 16, Dededo, Guam 96912.

**Q. HAVE YOU PREVIOUSLY TESTIFIED IN A PROCEEDING BEFORE
THE GUAM PUBLIC UTILITIES COMMISSION OR ANY OTHER
UTILITY REGULATORY AGENCY?**

A. Yes. I have testified before the Guam Public Utilities Commission (GPUC).

2. PURPOSE OF TESTIMONY

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS
PROCEEDING?**

A. I am testifying in favor of the 19.72% rate increase being sought by the Guam
Power Authority.

**Q. HAS ANYONE ASSISTED YOU IN THE PREPARATION OF THIS
TESTIMONY?**

1 A. Yes. Ms. Corazon Montellano, Assistant Chief Financial Officer has assisted in
2 the preparation of this testimony. Ms. Montellano has more than 15 years of
3 experience working on regulatory matters and assisting in the preparation of base
4 rate petitions.

5

6 **Discussion of Revenue Requirements**

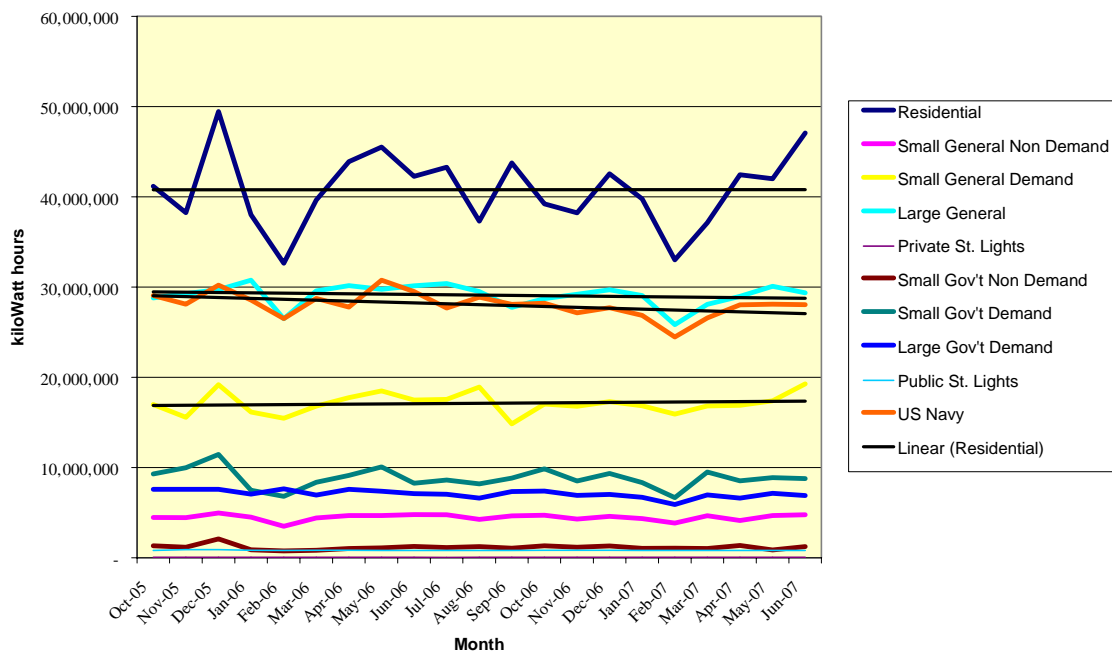
7 **Q. WHAT WERE THE FACTORS THAT LED GPA TO PETITION FOR A**
8 **BASE RATE INCREASE?**

9 A. GPA's debt service coverage ratio has been between 1.3x and 1.5x debt service
10 since the Consolidated Commission on Utilities took office in 2003. For most of
11 the time, the ratio has been below 1.4x. GPA's fuel costs have been increasing,
12 raw material costs have been increasing, construction costs have been increasing,
13 Government of Guam Defined Benefit Retirement Plan costs are increasing¹,
14 employee health insurance costs are increasing, O&M costs have been increasing
15 as a result of the performance management contracts, GPA's energy conversion
16 agreements include escalation factors tied to inflation indices, and GPA has been
17 required by law to assume payment responsibilities for payment of supplemental
18 annuities, cost of living allowances, and health insurance for retirees. All this has
19 been happening at a time when GPA's sales have been flat as the chart below
20 shows:

21

¹ The employer contribution factors established each year by Guam law have been increasing steadily over the last few years as a result of the increasing unfunded liability of the Government of Guam Defined Benefit Retirement Plan.

Sales Activity (kWh)



1

2 For the last two years, GPA has not had sufficient cash to fully fund its Working Capital
 3 Fund, Materials and Supplies Inventories have been depleted, and GPA has been
 4 prevented from continuing the system improvements that began when the Consolidated
 5 Commission on Utilities assumed governance of the Authority as a result of cash
 6 shortfalls. In Fiscal Year 2007, it became apparent that GPA could no longer continue to
 7 provide the level of service desired by GPA customers without seeking rate relief. This
 8 position was bolstered when the Public Utilities Commission issued an order on February
 9 2, 2007 directing the Georgetown Consulting Group to investigate why GPA has not
 10 petitioned for a base rate increase in light of the cash flow problems faced by the
 11 Authority. The Georgetown Consulting Group further supported GPA's position when
 12 they issued their preliminary investigation report dated February 23, 2007 in which they

1 concluded “there would appear to be a prima facie case for an upward base rate
2 adjustment to improve coverage ratios, net income and cash flow.”

3 For all of these reasons, GPA determined that a base rate petition should be filed.
4

5 **Q. WHAT IS THE TEST YEAR OF THE BASE RATE PETITION?**

6 A. The test year is Fiscal Year 2008 on a projected basis.
7

8 **Q. WHAT CRITERIA SHOULD THE PUBLIC UTILITIES COMMISSION
9 UTILIZE IN ORDER TO ESTABLISH APPROPRIATE RATES FOR THE
10 AUTHORITY?**

11 A. The PUC should use the long established debt service coverage target of 1.75x
12 debt service as the criteria for determining the appropriate base rate increase.
13 Because GPA’s debt service coverage ratio has been well below the target level of
14 1.75x for the last few years and in order to avoid rate shock to GPA ratepayers,
15 the Consolidated Commission on Utilities authorized GPA to file for a two step
16 approach to reach or exceed the 1.75x minimum debt service coverage level.
17 The PUC established the 1.75x minimum debt service coverage ratio target many
18 years ago. This has been referred to as an important factor by rating agencies in
19 their credit updates concerning the Guam Power Authority. (See Appendix A).
20 This is also consistent with the level of seriousness with which the Public Utilities
21 Commission has approached GPA bond covenants in the past.² Additionally, the
22 passage of the ratepayer’s bill of rights act a few years ago increases the

² GPA’s bond indenture agreement includes a rate covenant wherein GPA has covenanted that its debt service coverage ratio will not be allowed to fall below 1.3x annual debt service.

1 importance of a cushion between GPA's debt service coverage ratio and GPA rate
2 covenant.

3

4 **Q. IS GPA SEEKING FOR A BASE RATE INCREASE TO TAKE EFFECT**
5 **ON THE SINGLE DATE OF FEBRUARY 1, 2008?**

6

7 A. No. When GPA was requesting authorization from the Consolidated Commission
8 on Utilities to petition the Public Utilities Commission for this base rate increase,
9 the CCU determined that rather than asking for a \$26.9 million base rate
10 adjustment to take effect all at one time, the rate should be smoothed by
11 requesting for 2/3 of the increase to be effective on February 1, 2008 and 1/3 of
12 the increase to be effective on October 1, 2008.

13

14 In order to fit the increase into the limits of the authorization obtained from the
15 CCU, the Authority determined that certain items should be postponed/delayed
16 until the second part of the rate increase can be secured. A table showing the
17 changes that were made to arrive at the delayed costs is shown below.

18

19 **Q. HOW DID GPA DETERMINE WHAT COSTS TO DEFER TO**
20 **ACCOMMODATE THE CCU AUTHORIZATION TO PETITION FOR A**
21 **PHASED IN RATE INCREASE?**

22 A. The following discussion explains the adjustments that were made to the revenue
23 requirement to accommodate the phased in rate increase as directed by the CCU:

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2

FY 2008 REVENUE REQUIREMENT CROSSWALK TABLES

3

Table 1 below shows the total revenue requirement from the original request of \$26.9 million (100%) to \$17.9 million (66.7%). As was mentioned previously in the testimony, the authorization GPA received from the Consolidated Commission on Utilities was for a two phase increase where two-thirds of the \$26.9 rate increase would be received effective February 1, 2008 and the following one-third would be received October 1, 2008. As will be seen, the change to a two step phased in rate increase does not fit neatly within the normal format for seeking rate increases, however, GPA requests the forbearance of the PUC to accommodate this rather unique request from the Authority.

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The changes made are in the Operations and Maintenance expenses by \$2.9 million, Capital Improvement Projects (CIPs) by \$2.1 million and working capital requirement by \$4.0 million.

14

1 **TABLE 1 REVENUE REQUIREMENT SUMMARY (IN MILLIONS)**

		100%	66.7%	Variance
1	O&M	\$ 70.0	\$ 67.1	\$ 2.9
2	IPP's	\$ 41.6	\$ 41.6	\$ -
3	CIP's	\$ 22.4	\$ 20.3	\$ 2.1
4	Debt Service-Bond	\$ 27.5	\$ 27.5	\$ -
5	Debt Service-TECP & \$10M Loan	\$ 3.0	\$ 3.0	\$ -
6	Increase in Working Capital Fund	\$ 3.4	\$ 3.4	\$ -
7	Increase/(Decrease) in Working Capital Requirement	\$ 1.5	\$ (2.5)	\$ 4.0
8	Total Revenue Requirement	\$ 169.4	\$ 160.4	\$ 9.0
9	Base Revenues	\$ 136.2	\$ 136.2	\$ -
10	Credit for DPW Streetlight Payments	\$ (2.4)	\$ (2.4)	\$ -
11	Other Revenues	\$ 8.7	\$ 8.7	\$ -
12	Total Revenues	\$ 142.5	\$ 142.5	\$ -
13	Base Rate Increase	\$ 26.9	\$ 17.9	\$ 9.0

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OPERATION AND MAINTENANCE

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Labor consists of 592 FTE’s at a total cost of \$38.1 million and retiree benefits of \$1.3 million. At the 66.7% level, the 66 FTE vacancies are funded only for six (6) months and the new 8 FTE positions for three (3) months, thus reducing labor by \$2.2 million. The reduction in the non-labor portion is mostly in contracts by \$.7 million. These are the Cabras units’ performance testing, apprentice labor and training, engineering studies and contractual services for CT. Table 2 shows the variances in O&M by category from 100% to 66.7%.

TABLE 2 O & M SUMMARY

		100%	66.7%	Variance
		In Millions		
1	Total Labor	\$ 39.4	\$ 37.2	2.20
2	Total Non-Labor	<u>\$ 35.1</u>	<u>\$ 34.4</u>	<u>0.70</u>
3	Total Labor and Non-Labor	\$ 74.5	\$ 71.6	\$ 2.9
4	Less Capitalized O&M	<u>\$ 4.5</u>	<u>\$ 4.5</u>	<u>0</u>
5	Budgeted O&M	\$ 70.0	\$ 67.1	\$ 2.9

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14

CAPITAL IMPROVEMENT PROJECTS

As Table 3 shows, the total revenue requirement for CIP's is \$22.4 million; however some projects would have to be deferred in FY08. The reductions are in the Line Extension projects by \$.5 million, deferred General Plant additions by \$1.1 million such as the Yigo satellite office, security cameras, machine shop monorail, garage building, CT generator, CT exhaust ducting, insulator washer and transportation equipment and deferred some PMC projects by \$.5 million such as generator rotor rewinding and turbo charger rotor. Some of these projects were given delayed start dates to reduce the cash requirement in Fiscal Year 2008.

TABLE 3 – CIP SUMMARY

		100%	66.7%	Variance
		In Millions		
1	Line Extension Projects	\$ 3.5	\$ 3.0	\$ 0.5
2	General Plant	\$ 7.5	\$ 6.4	\$ 1.1
3	Engineering Projects	\$ 4.2	\$ 4.2	\$ -
4	PMC Projects	<u>\$ 7.2</u>	<u>\$ 6.7</u>	<u>\$ 0.5</u>
5	Budgeted CIPs	\$ 22.4	\$ 20.3	\$ 2.1

1 **WORKING CAPITAL REQUIREMENT**

2
3 The Authority is requesting an additional revenue requirement of \$1.5 million in the
4 working capital requirement. Table 4 below shows the composition of this request.

5 At 66.7%, the Authority would still have a revenue shortfall of \$4 million despite the
6 reductions in O & M and CIP's and to make up for such shortfall, the Authority made
7 adjustments in the assumptions of the number of days for the Accounts Receivable which
8 was temporarily reduced to approximately 48 days³ as opposed to the average 53 days at
9 year-end and the number of days for Accounts payable was temporarily increased to 35
10 days instead of the normal 30 days. GPA has concerns that these temporary targets may
11 not be achievable. GPA will make best efforts to accomplish this, but GPA requests
12 some understanding on the part of the PUC that GPA was placed in a difficult position
13 when the CCU authorized only a phased in approach to what GPA had concluded was a
14 fully supported \$26.9 million revenue increase.

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³ The calculation of this number includes some unbilled receivables that are accrued for financial statement purposes.

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TABLE 4 WORKING CAPITAL REQUIREMENT

	(Sources)/Uses Of Cash	100%	66.7%	Variance
		In Millions		
1	Increase in Fuel Inventory	\$ 5.3	\$ 5.3	\$ -
2	Increase in Materials and Supplies	\$ 1.5	\$ 1.5	\$ -
3	Note Payment from GMH & GPSS	\$ (4.0)	\$ (4.0)	\$ -
4	Note Payment from DPW	\$ (1.8)	\$ (1.8)	\$ -
5	Increase(Decrease) in Accounts Receivable		\$ (1.1)	\$ 1.10
6	Decrease/(Increase) in Accounts Payable		\$ (2.9)	\$ 2.90
7	Other Working Capital Requirement	<u>\$ 0.5</u>	<u>\$ 0.5</u>	\$ -
8	Increase/(Dec) in Working Capital Requirement	\$ 1.5	\$ (2.5)	\$ 4.0

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Q. HOW MUCH ADDITIONAL REVENUE WILL GPA COLLECT IN FISCAL YEAR 2008 UNDER THIS RATE INCREASE PROPOSAL?

A. GPA expects to collect \$11.9 out of the \$17.9 million in the rate change due to the fact that the increase will only be in effect for 8 months of the year.

1 **Q. HOW WILL GPA MAKE UP FOR THE SHORTFALL IN CASH CAUSED**
2 **BY THE MID-YEAR RATE IMPLEMENTATION?**

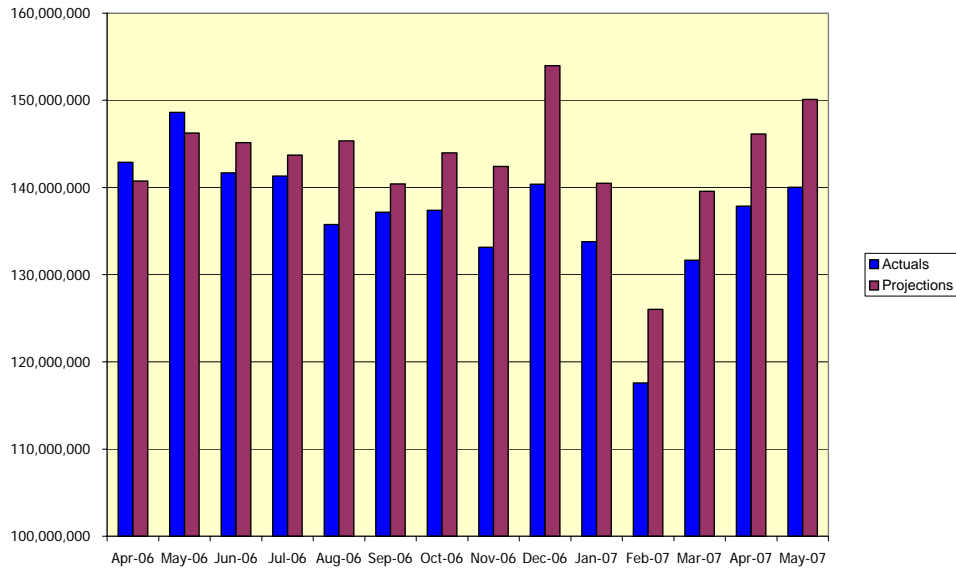
3 A. The Consolidated Commission on Utilities has raised concerns regarding the
4 degree to which certain budgeted items have been cut and the impact it is having
5 on the Utility. In order to immediately remedy this situation, the CCU directed
6 GPA to petition for immediate access to the additional \$10 million of commercial
7 paper capacity which GPA should have access to during the first quarter of Fiscal
8 Year 2008. (See GPA Petition dated 9/21/2007) GPA believes that some if not all
9 of the shortfall can be made up through the use of the additional commercial
10 paper capacity.

11
12 **Q. WHAT WAS BASIS OF THE REVENUE FORECAST?**

13 A. The revenue forecast was conducted by the Guam Power Authority's Systems
14 Planning and Operations Research Division. For a complete discussion of the
15 forecast methodology, please see the testimony of John J. Cruz in the next section
16 of testimony.

17
18 GPA's revenue tracking shows revenues to be coming in lower than the forecast
19 would suggest. This revenue tracking from April 2006 thru May 2007 is depicted
20 in the chart below:

kWh Sales Shortfall



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GPA is very concerned about this, but even though the forecast would have to be

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described as aggressive, it is the only forecast GPA has at this time. This was the

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forecast that the CCU authorization to petition for rates was based on and this was

5

the forecast that GPA's budget shortfalls were based on. GPA has determined

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that the methodologies used in the forecast are sound and consistent with best

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practices. It may be that the differences between actual and forecast are due to

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timing issues in the introduction of new load, however, GPA has not had time to

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fully investigate differences. In light of this, GPA recommends that PUC

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decisions regarding this base rate petitions should be made within the context of

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recognizing the GPA revenue forecast may be very aggressive.

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1 **Q. WHAT ARE THE DRIVERS BEHIND THIS PETITION FOR A BASE**
2 **RATE INCREASE?**

3 A. There is not any single driver to which this increase can be attributed. It has been
4 more than 10 years since the Guam Power Authority last petitioned for a base rate
5 increase. As is normative with electric utilities, revenues collected have not kept
6 pace with the costs of operating the utility necessitating a rate increase from time
7 to time. GPA's request is essentially to allow the Authority sufficient funding
8 across the board to allow the Utility to function efficiently and effectively.

9
10 One significant driver has been the pressure that GPA has been under due to the
11 rising world-wide cost of fuel. When the cost of fuel increases, it not only places
12 a burden on GPA to pay for the fuel that is burned. But the fuel inventory levels
13 that GPA maintains require more dollars as the price of fuel increases. This
14 requirement has also placed strain on the Authority's cash position.

15
16 One factor that makes this rate petition a little unusual is that the operating costs
17 and capital expenditures are depressed in Fiscal Year 2007 when GPA was
18 experiencing its cash crisis. After two months of the year had been completed,
19 GPA was beginning to realize that not only were its kWh sales not meeting the
20 projected levels, but they were failing to exceed the prior year sales levels. It was
21 becoming clear that GPA's last LEAC increase hit an elasticity sensitivity level
22 that had not been reached by any previous increase. In order to respond to the
23 decreased revenues, GPA had to immediately cut what little discretionary cuts it

1 had. Budgeted capital improvement projects for the year were only \$12.4 which
2 is reduced from an average of 16 for the previous two years. As a result of
3 entering into the performance management contracts, GPA has very little
4 discretionary budget. Debt Service costs, ECA costs, fuel costs, rental costs, and
5 to an extent labor costs are highly non-discretionary costs. Thus, when revenues
6 turned negative, GPA's options were very limited in responding to the drop in
7 sales. New capital improvement projects were deferred. Tree trimming costs
8 were significantly reduced. Security guard services were discontinued at one of
9 the Authority's generation compounds. Inventory replenishments were cut back.
10 Overtime was cut back. These are just a few of the actions that were taken in
11 order to respond to the shortfall. Additionally, GPA has been in a precarious
12 situation with regards to its transformers. Two of the Authority's transformers
13 have been damaged. GPA has been unable to purchase replacement transformers
14 due to the shortage of cash. GPA has utilized its two mobile substations at the
15 sites of the two damaged transformers. Because GPA only has two mobile
16 substations, GPA's would have very limited options available were it to lose
17 another transformer. These are the scenarios that have driven GPA to file the rate
18 petition, it has tried very hard to avoid. For these reasons, GPA has determined
19 that caution should be used in using Fiscal Year 2007 as a comparative year as the
20 expenditures for that period were so severely constrained.

21

22

1 **Q. HOW DID GPA DETERMINE THE APPROPRIATE LEVELS OF**
2 **CAPITAL IMPROVEMENT COSTS?**

3 A. Complete testimony regarding GPA’s capital improvement projects is included in
4 the testimony of Melinda Camacho, GPA Engineering Manager. However, for
5 purposes of ensuring the level of capital improvements was sustainable, GPA
6 developed a listing of all capital improvement projects required by the system.
7 GPA spread the projects out over a five year period. Then GPA determined that
8 the cost was too great. GPA went through a process of paring down the costs and
9 spreading the remaining costs over a five year period.

10 For Generation capital improvement projects, GPA obtained a three year capital
11 budget from its performance management contracts. These budgets reflect
12 projects the PMC’s have determined are required for the plants for the next three
13 years.

14 Because the costs are spread out over multiple year periods, GPA is satisfied that
15 the costs included in the revenue requirement schedule are not aberrations, but are
16 representative of capital costs that GPA will incur on a recurring basis.

17
18 **Q. WHAT HAS GPA DONE TO AMELIORATE THE HIGH COST OF**
19 **FUEL?**

20 A. GPA does not have a lot of options for ameliorating the high cost of fuel. This
21 has been a subject for which GPA has spent significant time researching but for
22 which the fruits of the research have been minimal. GPA is currently creating an
23 integrated resource plan whose goal is to explore all options for installing the next

1 baseload unit and to study whether or not there are economic benefits to be gained
2 from the utilization of an alternative energy source. So far GPA has not identified
3 a satisfactory alternative to the fossils fuels which are currently the source of
4 GPA's electricity generation. Even if there were ready access to an alternative
5 energy source, the planning horizon for such a project would likely be five years
6 or longer.

7
8 The only meaningful alternative GPA has been to optimize the efficiency of the
9 energy produced by the Authority's generation equipment. As is shown in the
10 chart below, GPA has been very successful at this strategy.

11
12 The chart shows that the operations of GPA's power plants have saved ratepayers
13 more than \$65 million by improving the availability of GPA plants over the plant
14 availabilities for the five years preceding the assumption of the governance
15 function by the Consolidated Commission on Utilities. This means that if the
16 availability levels existing at the time the CCU took office were to continue, the
17 additional cost to GPA's ratepayers would have been more than \$65 million.

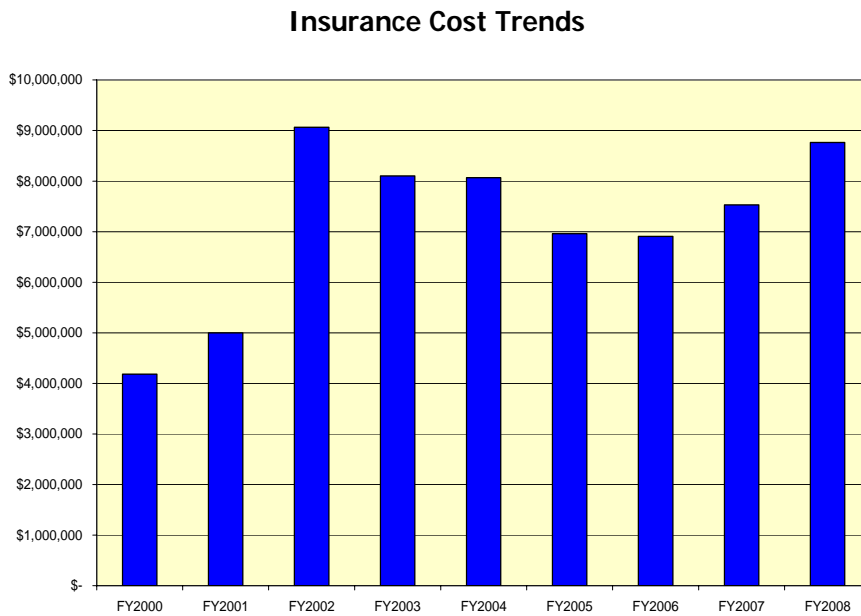
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19 **Q. HOW ARE GPA'S INSURANCE COSTS CONTRIBUTING TO THIS**
20 **PETITION FOR RATE RELIEF?**

21 A. As the table below shows, GPA is requesting \$8,765,000 for insurance costs for
22 Fiscal Year 2008.

1 Section 6.13 of GPA’s bond indenture agreement sets forth requirements for
2 GPA’s insurance coverage. The indenture also requires GPA to have an
3 independent insurance consultant review GPA’s coverage every three years to
4 ensure GPA’s insurance programs are in a “manner customarily maintained by
5 prudent operators of power systems similar to” GPA’s. A copy of GPA’s most
6 recent statement from its independent insurance consultant is attached as (Exhibit
7 CFO –1.)

8 GPA’s historical insurance costs are reflected in the chart below.



9

10 There is a spike in the chart in Fiscal Year 2002 when acts of terrorism became
11 exclusion under GPA policies. In order to obtain terrorism coverage, GPA was
12 required to purchase a specific rider policy covering acts of terrorism. Also, for
13 Fiscal Year 2006, GPA’s insurance quotes were higher than could be afforded at the
14 time. In order to continue to retain coverage for the year, GPA increased its

1 deductible levels. Thus, even though the chart shows the costs of insurance
2 decreasing for that year, insurance rates, in fact, increased.

3
4 In order to come up with the estimated level, GPA inflated the Fiscal Year 2007
5 amount by 18% (8% to cover increases in the replacement cost per Handy-Whitman
6 guides and 10% to cover potential insurance rate increases due to risk factors
7 affecting the world-wide insurance market. In order to mitigate the potential for
8 increased premium rates, GPA sent Mr. Andriano Balajadia, Assistant General
9 Manager of Operations and me to London to meet with insurance underwriters and
10 put forth the case that GPA's risk profile has been improving with improved
11 management and improved maintenance practices and to minimize the impact of the
12 Cabras #4 fire on GPA's Fiscal Year 2008 insurance premiums. The effect of these
13 meetings is not known at the time of this writing.

14
15 **Q. WHAT IS THE STATUS OF GPA'S WORKING CAPITAL FUND?**

16 A. GPA's Working Capital Fund is required to be filled or in the process of being
17 filled in order for GPA to spend funds on capital improvement projects. GPA's
18 Working Capital Fund was nearly full at the beginning of Fiscal Year 2005.
19 During the year, as fuel costs were increasing, GPA needed to dip into the fund to
20 make up the difference temporarily between the cost that GPA was paying for
21 fuel and the amount that GPA was recovering for fuel under the Levelized Energy
22 Adjustment Clause (LEAC). GPA viewed the Working Capital Fund shortfall as
23 temporary. However, when GPA revised its LEAC rate to match the cost of fuel,

1 the cost of fuel continued to increase. This pattern continued until at the end of
2 Fiscal Year 2006, GPA made a determination that it could no longer view the
3 Working Capital Fund shortfall as temporary. GPA made the decision not to
4 allow any new capital improvement projects to begin. This action was taken to
5 ensure that GPA remained in compliance with its bond indenture agreement.
6 Since that time, there have been some generation capital projects that GPA
7 allowed to proceed as they were tied to commitments made by GPA in its
8 performance management contracts and would ensure that GPA's plants are
9 operating as efficiently as possible.

10 In this petition, Line Item 68 in Schedule A of revenue requirements shows that
11 GPA is requesting funding in the amount of \$3.4 million to bring the Working
12 Capital Fund level back up to its required level of \$23 million. GPA is estimating
13 that the Working Capital Fund will be at \$23 million at year end.

14

15 **Q. HOW IS GPA PLANNING TO PAY DOWN THE FUNDS DRAWN ON**
16 **THE TAXABLE COMMERCIAL PAPER PROGRAM?**

17 A. In 1998, GPA established a tax exempt commercial paper program. The program
18 replaced a \$15 million working capital line of credit and a \$15 million fuel line of
19 credit that had become institutionalized. The intention of the commercial paper
20 was to provide GPA some financial flexibility; however, the program has been
21 fully drawn at \$20 million since its inception. The CCU determined that the pay
22 down of the program should be tied to the repayment of the past due receivables
23 from the government of Guam when the general obligation bond is issued.

1 However, now that it appears there is no repayment forthcoming and GPA has
2 included repayments of some of the past due receivables as part of its revenue
3 requirement schedule. Therefore, GPA has determined that it needs to establish a
4 pay down plan for the Commercial Paper Program. Because GPA has a need to
5 fully fund its Working Capital Fund in FY08, we determined it would not be
6 appropriate to include the Commercial Paper pay down in that same period. In
7 GPA's five year rate plan, the Authority is beginning a pay down of the CP
8 beginning in FY09.

9

10 **Q. WHAT IS THE IMPACT OF THE RECENTLY ESTABLISHED**
11 **REGULATORY ASSET ON THIS RATE PETITION?**

12 A. In the May regulatory meeting under Docket 02-04, a regulatory asset in the
13 amount of \$4.5 million was established by the Public Utilities Commission. The
14 funding source for the regulatory asset was GPA's self insurance surcharge. GPA
15 took an initial drawdown of the regulatory asset shortly after the asset was
16 established, however, Guam was hit with two wind storms that caused damage to
17 the system and GPA learned that the repair costs of the Cabras #4 generator
18 explosion would be higher than initially expected. Therefore, GPA has not been
19 able to make any further draw downs from the asset.

20

21 GPA's estimate is that approximately \$2.1 million will be drawn on the regulatory
22 asset during Fiscal Year 2008 and approximately \$1.9 million during Fiscal Year
23 2009.

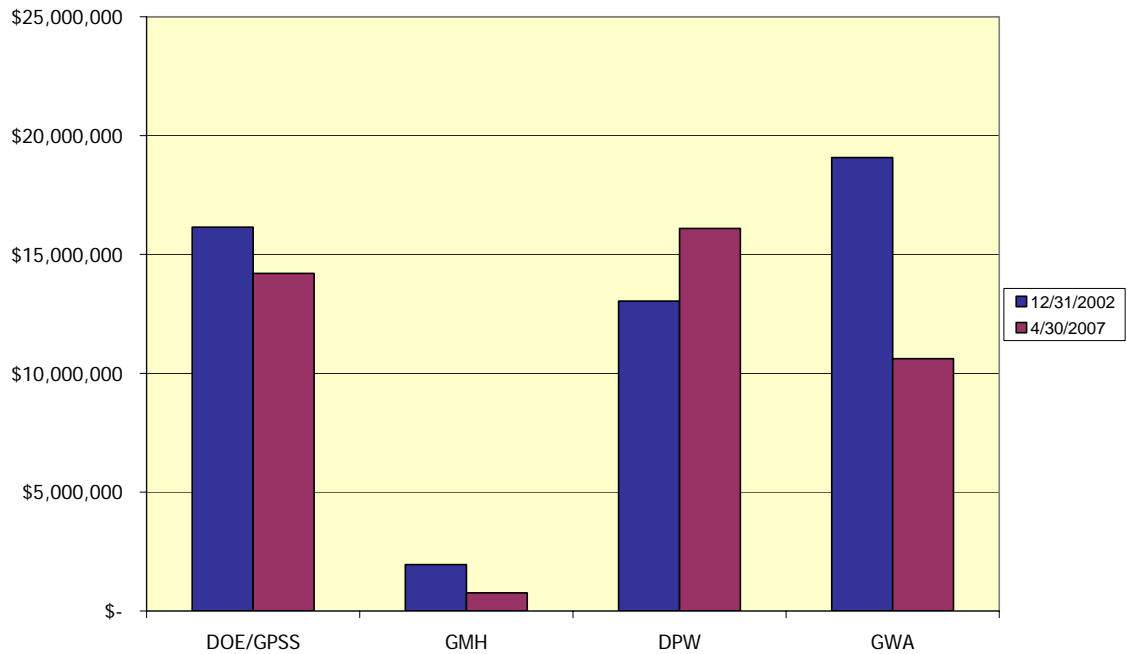
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**Q. WHAT IS THE STATUS OF COLLECTIONS FROM THE
GOVERNMENT OF GUAM?**

A. When the Consolidated Commission on Utilities first came into office, the issue of past due receivables from the Government of Guam was brought to the attention of the Guam Legislature and the Governor of Guam as a major issue. At the time, an agreement was reached that amounts owed to the Guam Power Authority as of February 28, 2003 would be paid with the issuance of a general obligation bond issuance and the government pledged that ongoing billings for services provided to the government would be paid on a current basis.

Since that time, the government has remained current on all of its ongoing bills. The general obligation bond was tied up in a legal dispute between the Attorney General of Guam and the Government of Guam that lasted more than four years. In the interim, GPA negotiated a promissory note with the Guam Public School System (formerly the Department of Education) to enable the schools to make some small steps towards the pay down of the amount owed. The Guam Memorial Hospital Authority already had a promissory note in effect with a large balloon payment that was unrealistic. GPA re-negotiated the promissory note and in July 2007, the final payment was received from the Hospital. The following chart details the progress that has been made toward the collection of the past due government receivables that were inherited by the Consolidated Commission on Utilities:

Gov't Receivables Since CCU



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The growth in the receivable from the Department of Public Works (DPW) is due to the interest that is being charged on the amount due. The Guam Waterworks Authority receivable is declining as a result of a surcharge that was established by the Public Utilities Commission in 2001. The legal dispute over the general obligation bond was resolved in April 2007. GPA and the CCU are continuing to work with the government to have the amounts owed to GPA included in a planned general obligation bond issuance.

For purposes of this base rate petition, GPA is assuming that substantially all of the past due amounts owed to GPA by the government of Guam will be received over the next five years in accordance with the amortization schedules that have been developed. Therefore, GPA believes the issue of collections from the

1 government of Guam has been appropriately managed and should not be an issue
2 in this base rate petition.

3

4 **Q. WHAT EFFORTS IS GPA MAKING TO COLLECT FROM THE**
5 **DEPARTMENT OF PUBLIC WORKS FOR PAST DUE STREETLIGHT**
6 **BILLINGS?**

7 A. GPA and the CCU have made numerous attempts to work with the
8 Governor, administration officials, and the Legislature to secure payment
9 of the past due amount owed by the Department of Public Works for past
10 due streetlight billings. In March 2006, GPA began a process of
11 disconnecting streetlights. As the disconnections were ongoing, GPA
12 received assurances from the Governor and the Legislature that the issue
13 would be resolved in the very near future. In deference to the
14 commitment of the Governor and the Legislature, GPA relented from its
15 disconnection process. Unfortunately, the past due amounts remain
16 outstanding. GPA's current strategy revolves around the creation of the
17 streetlight credit surcharge.

18

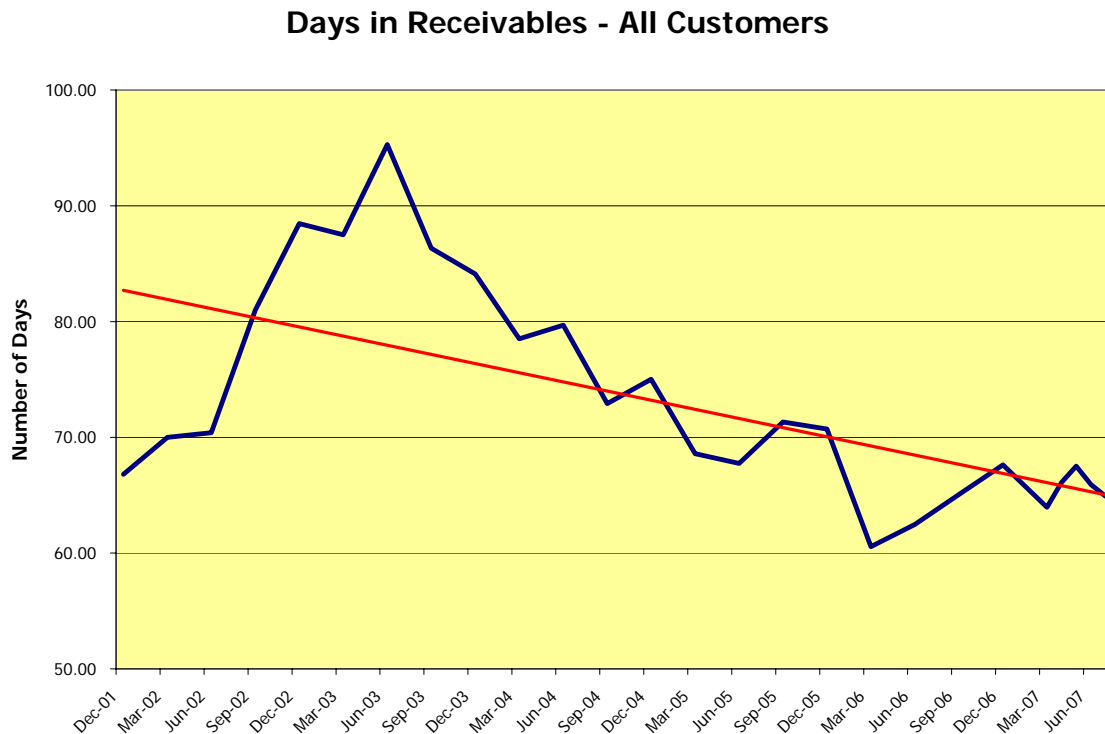
19 **Q. WHAT IS THE STREETLIGHT CREDIT SURCHARGE?**

20 A. For a discussion of the streetlight credit surcharge, please see the section on the
21 streetlight credit surcharge later in this petition.

22

1 **Q. WHAT HAS BEEN THE TRACK RECORD OF GPA'S OVERALL**
2 **COLLECTION EFFORTS?**

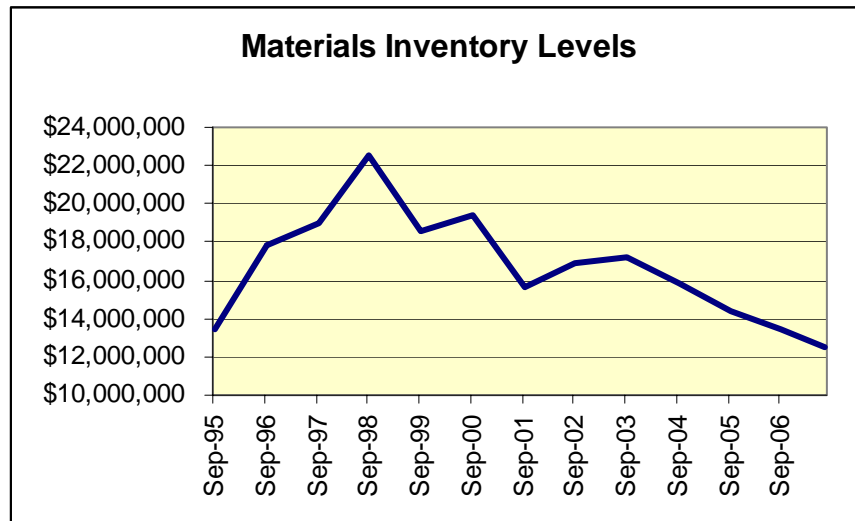
3 A. As the table below shows the number of days in receivables has been steadily
4 decreasing since the CCU assumed governance of the Authority.
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7 The data is based on month end numbers that include accruals for amounts that have not
8 been billed. This data also includes amounts owed by the Department of Public Works
9 that have accumulated prior to the CCU assuming governance, but that have not been
10 placed on promissory note status. GPA's target for days in receivables is 55 days and
11 GPA believes that target would be achieved except for the DPW issue. Therefore, GPA
12 does not believe overall receivables should be an issue in this rate proceeding. GPA
13 believes no further data is necessary to illuminate this point.

1 **Q. HOW DID GPA DETERMINE THE APPROPRIATE LEVEL OF**
2 **INVENTORY GROWTH?**

3 A. As is shown in the graph below, the cash crisis the Authority is going through has
4 led to the lowest levels of materials inventory in recent memory. Many items are
5 not in stock at the current time. This leaves GPA vulnerable to tropical storms
6 and typhoons that impact the island. In GPA's public explanations of the rate
7 increase, this was given as one of the reasons the rate increase is needed. The
8 problem was further demonstrated when Tropical Storm Man Yi impacted the
9 island in June 2007. The band aid repairs that GPA has been doing to get the
10 utility through until the time GPA is able to properly stock its inventory levels
11 were exposed by the strong winds affecting the island wide power system.



12
13 GPA has a project underway to re-evaluate proper inventory levels to ensure
14 adequate safety stocks of critical materials are held by the Authority and to ensure
15 that inventory levels are being properly managed. Because this information is not
16 yet available to the Authority, an alternative method for calculating proper
17 inventory levels was used. The average inventory level for the last 13 years has

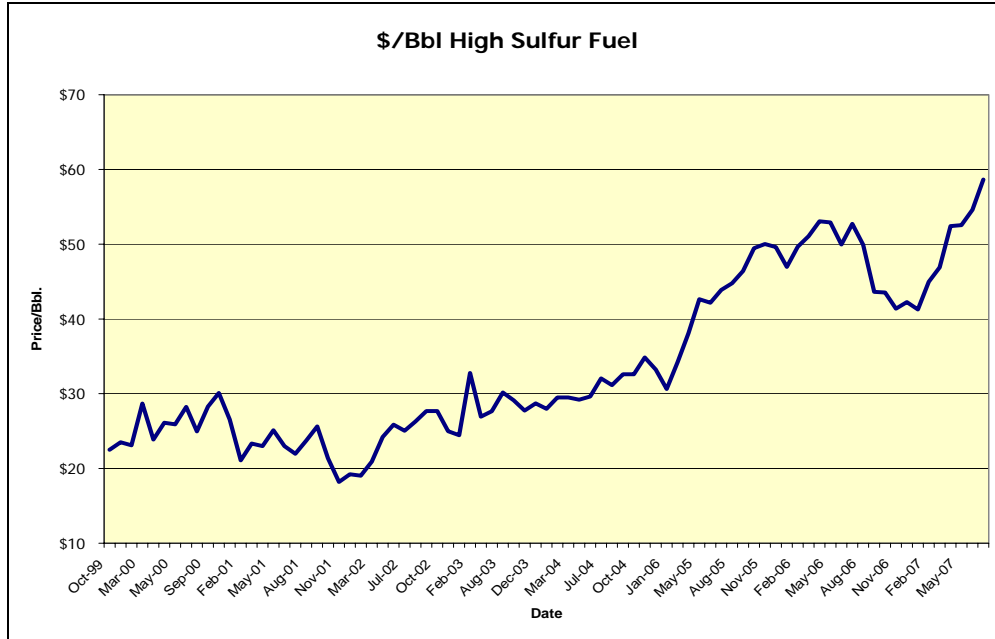
1 been nearly \$17 million. The July 31, 2007 inventory level was approximately
2 \$12.5 million. The difference between actual and average inventory levels is
3 approximately \$4.5 million. GPA determined that the average level of inventory
4 should be attained over a three year period by increasing the inventory level by
5 \$1.5 million per year.

6

7 **Q. HOW DID GPA ESTIMATE THE INCREASE IN THE CARRYING**
8 **VALUE OF ITS FUEL INVENTORY?**

9 A. The chart below shows the increase in the spot price of fuel paid by GPA over the
10 last several years. It is apparent that the growth in the carrying value of fuel has
11 been significant. These increases have been the a primary source of the strain on
12 GPA's cash flow as it has had to make up for the cash required to carry the fuel
13 from other areas of its balance sheet as well as its income statement. GPA is
14 projecting the increases in the cost of fuel to continue for the next four to five

1 years.



2

3 In order to estimate the increase in carrying value of inventory from September 30, 2007
4 to September 30, 2008, GPA took an average of the increases in the carrying value of
5 inventory for the last three years and created an average increase. GPA used this increase
6 to forecast the average increase over the next few years. The calculation of this formula
7 is shown at (Exhibit CFO-2.)

8

9 **Q. IS GPA SEEKING COMPRESSION IN THIS BASE RATE PETITION?**

10 A. No. GPA and the CCU have determined that seeking compression would cause
11 too severe of a rate impact on GPA customers.

12

13 **Q. IS GPA SEEKING A CHANGE TO ITS RATE DESIGN IN THIS**
14 **PROCEEDING?**

1 A. No. GPA stated in its Ratepayer's Bill of Rights Notice that it has not had the
2 time or resources to conduct a full cost of service study including the load study
3 required to support it. GPA stated in the Ratepayer's Bill of Rights Notice that in
4 approximately one year, it will file a petition to address rate design matters. This
5 rate increase should be applied across the board to all GPA rate classes (except for
6 the Navy whose rate will be determined by the Transmission Level Cost of
7 Service Study).

8

9 **Q. IS GPA SEEKING A CHANGE IN THE LIFELINE RATE IN THIS**
10 **PROCEEDING?**

11 A. No. GPA did some analysis of its customer base prior to requesting
12 authorization to seek rate relief from the Consolidated Commission on
13 Utilities. It came as a surprise to many of us that more than 10,000 of GPA's
14 customers use less than 500 kWh on an ongoing basis. This raised a red flag
15 that GPA's customer base that is at or near the poverty level may be higher
16 than GPA had previously believed. As a result of this, GPA has determined
17 that a change in the lifeline rate would place an undue burden on its most
18 vulnerable customers. Therefore, GPA determined not to seek a change to the
19 lifeline rates in conjunction with this filing.

20

21 **Q. DOES THIS CONCLUDE YOUR TESTIMONY ON THE BASE RATE**
22 **PETITION?**

23 A. Yes.

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SELF INSURANCE PROGRAM

Q. PLEASE DESCRIBE THE SELF INSURANCE PROGRAM THAT GPA IS ASKING TO BE ADOPTED BY THE PUC.

A. Attached as (Exhibit CFO-3) is a Self Insurance program for which GPA is requesting authorization to establish.

More than 13 years ago, Docket 92-001 created a self insurance surcharge and created a self insurance fund with a maximum capacity of \$2.5 million. The limit was set to match the deductible of GPA’s Transmission and Distribution Insurance Policy. The order was later amended to enable the self insurance fund to cover costs related to damages suffered by GPA’s generation facilities.

For many years GPA has determined it to be impractical for the Authority to maintain auto-physical damage coverage for its small vehicle fleet. In the case of this type of coverage, GPA has significant ability to control (and limit) losses resulting from damage to small vehicles. Examples of this are operator training courses, creating standard operating procedures promoting safe driving, assessing employees a share of damage caused by employee negligence, etc. Additionally, GPA has determined that Transmission and Distribution Insurance is no longer available at commercially reasonable rates. Thus, GPA is currently uninsured for Transmission and Distribution losses.

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In the past, GPA has relied on the Federal Emergency Management Agency (FEMA) to cover its losses; however, FEMA has become increasingly aggressive in denying coverage for losses which have already been paid for by the agency in the past. In other words, if a pole and line are damaged in one Typhoon, FEMA will reimburse GPA for a portion of the loss. If the same pole and line are damaged in a subsequent Typhoon, FEMA will not make any reimbursement to the Authority. FEMA's stated goal has been to force small governments to obtain insurance for such losses.

Because GPA has determined that such insurance is not available at a commercially reasonable price, GPA has had to develop an insurance alternative in order to ensure GPA has the ability to recover quickly from the effects of an accident or natural disaster causing a major disruption to the system.

GPA's solution is to increase the size of the self insurance cap from \$2.5 million to \$25 million, to double the self insurance rate from \$.00145/kWh to \$.00290/kWh for all civilian clauses & \$.00035/ kwh to \$.00070 for Navy, increase scope of the applicability to include automobile physical damage, and to formalize the self insurance program to require audits for large events, ensure funds are only used for intended purposes, and to add clarity to the types of expenditures that can be made from the fund.

1 **Q. HOW DID GPA ARRIVE AT THE CAP LEVEL OF \$25 MILLION?**

2 A. The purpose of the cap is to ensure that GPA has sufficient funding to cover not
3 only the small typhoons that impact the island from time to time, but also the
4 major events that have had a tendency to occur approximately every five years.

5
6 Therefore, GPA has determined that the self insurance cap should be set in such a
7 manner so as to be adequate or nearly adequate to cover GPA’s losses from the
8 worst events faced by GPA. GPA only has data readily available from the last
9 two super typhoons that effected Guam – Typhoon Paka and Typhoon Pongsonga.

10 The losses from those two events are shown in the table below:

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Loss Type	Typhoon Paka	Typhoon Pongsonga
Transmission & Distribution	\$27,924,257	\$20,171,368
Property Deductible ⁴	\$2,500,000	\$2,500,000
Total	\$30,424,257	\$22,671,368

15
16 As can be seen from the above table, \$25 million is near the average loss that
17 GPA may be subjected to in the event of a loss from a natural disaster.

⁴ GPA’s Property Insurance Deductible is \$2.5 million and may be required to be paid from the self insurance fund.

1 Additionally, GPA has become aware that the Virgin Islands Water & Power
2 Authority which has a system approximately 50% the size of the GPA system
3 and has a self insurance fund cap of \$12 million. Thus, there are two bases
4 pointing to the reasonableness of the \$25 million cap for the GPA Self Insurance
5 Fund.

6

7 **Q. HOW DID GPA DETERMINE THE REASONABLENESS OF THE**
8 **DOUBLING OF THE SELF INSURANCE SURCHARGE FROM**
9 **\$.00145/kWh TO \$.00290/kWh FOR ALL CIVILIAN CLASSES & \$.00035 /**
10 **kWh TO \$.00070 FOR NAVY?**

11 A. GPA incurred a major loss event in 1991 (Typhoon Omar), 1997 (Typhoon Paka),
12 and 2002 (Typhoon Pongsonga). Thus, the historical record indicates the island
13 suffers a major loss approximately every five years. This would indicate that a
14 time span of approximately five year would be required to restore the balance of
15 the Self Insurance Fund after being fully depleted. The existing surcharge
16 provides approximately \$200,000 per month or approximately 2.4 million per
17 year. By doubling the surcharge, GPA would obtain approximately \$4.8 million
18 per year. In a five year period, GPA would build up approximately \$24 million.
19 Therefore, GPA determined this was a reasonable figure for building up the self
20 insurance fund.

21

22 GPA believes this figure is large enough to allow the fund to be built up at an
23 acceptable pace and is also small enough that it would not place a significant

1 additional strain on GPA ratepayers. For a civilian customer utilizing 1,000 kWh
2 of electricity, the cost would be approximately \$2.90 per month.

3

4 **Q. DOES THIS CONCLUDE YOUR TESTIMONY ON THE SELF**
5 **INSURANCE FUND PETITION TO FORMALIZE THE SELF**
6 **INSURANCE PROGRAM, INCREASE THE SELF INSURANCE FUND**
7 **CAP TO \$25 MILLION, AND INCREASE THE SELF INSURANCE**
8 **SURCHARGE TO \$.0029/kWh?**

9 A. Yes.

10

11 **Streetlight Credit Surcharge**

12 **Q. WHAT IS THE PURPOSE OF THE STREETLIGHT CREDIT**
13 **SURCHARGE?**

14 A. In the face of the continued inability to collect money from the Government of
15 Guam for past due streetlight billings, the Consolidated Commission on Utilities
16 devised an idea to bring the issue of past due streetlight billings to the attention of
17 the elected leaders on the island. The CCU directed GPA management to petition
18 for the creation of a streetlight credit surcharge.

19

20 The idea was hatched during a period in which the CCU directed GPA General
21 Manager – Joaquin C. Flores, to go throughout the island making presentations
22 regarding GPA's need to petition for a base rate increase. During his
23 presentations, he showed a spreadsheet of GPA's five year forecast similar to the

1 schedule shown in Appendix A. The spreadsheet showed payments being
2 received from the Guam Waterworks Authority, the Guam Public School System,
3 and the Guam Memorial Hospital over the next five years, but the table was not
4 showing any payment being made from the Department of Public Works for past
5 due streetlight billings. That line item appeared to be a point of consternation for
6 many ratepayers who properly pointed out that if DPW were making payments,
7 the revenue requirement at the bottom of the schedule would be less.

8
9 In response to the complaints from the public, the CCU came up with the idea of a
10 credit surcharge for streetlights. The CCU directed GPA to petition for a new
11 tariff (see Tariff Y - Appendix B). The first step for GPA to develop the new
12 tariff was the creation of an amortization schedule wherein GPA would be repaid
13 over a five year period using the current cost of GPA's taxable commercial paper
14 program. GPA then took estimated kWh sales for FY08 and calculated a factor to
15 be utilized for the credit surcharge. GPA's assumption based on prior experience
16 is that the past due streetlight billings will not be paid by the Department of
17 Public Works. Therefore, GPA's revenue requirement schedule implicitly
18 assumes that no funds will be collected from DPW. However, in the event that a
19 payment is made in accordance with the schedule for any month, the credit
20 surcharge would be immediately activated for the following month. The logic of
21 the surcharge is that as the ratepayers at the public meetings correctly pointed out,
22 the rate increase they are paying is slightly higher as a result of the non-payment
23 of past due billings from the Department of Public Works. Therefore, for any

1 month in which a payment is made by the government, the proceeds of that
2 payment should be credited back to the GPA ratepayers that are paying a higher
3 amount as a result of the non-payment by the government.

4

5 Public Law 29-03 appropriated \$2.7 million to GPA for the payment of past due
6 streetlight billings, however, to date, no payments have been received by the
7 Authority. The recently passed budget bill for Fiscal Year 2008 under funded the
8 regular streetlight billing and did not address the past due streetlight issue.
9 Therefore, it appears GPA faces an uphill battle for the collection of this
10 receivable. For purposes of this rate proceeding, it should be assumed that
11 collections will not be received on a consistent basis. Under the streetlight credit
12 surcharge tariff, any funds collected will be credited to ratepayers in the following
13 month.

14

15 **Q. HAVE THERE BEEN ANY DEVIATIONS FROM THE**
16 **RATEPAYER'S BILL OF RIGHTS NOTICE WITH RESPECT TO THE**
17 **STREETLIGHT CREDIT SURCHARGE?**

18 A. Yes. In the Ratepayer's Bill of Rights Notice, GPA stated that the credit
19 surcharge would be in the amount of \$0.002154/kWh. Shortly after the notice
20 was filed. Ed Margerison of the Georgetown Consulting Group contacted to GPA
21 to question why the surcharge was being applied to the Navy. GPA has since
22 confirmed that streetlight costs have historically been allocated as a distribution
23 costs and therefore, streetlight costs have not been charged to the Navy.

1 Therefore, it would not be appropriate to spread the streetlight credit surcharge to
2 the Navy. Therefore, the amount of the streetlight credit surcharge GPA is
3 requesting is \$0.002647 /kWh.

4

5 **Q. WILL THE PAST DUE RECEIVABLE FROM THE**
6 **DEPARTMENT OF PUBLIC WORKS BE REDUCED AS**
7 **PAYMENTS ARE BEING COLLECTED FROM GPA'S**
8 **RATEPAYERS IN LIEU OF PAYMENTS FROM PUBLIC**
9 **WORKS?**

10 A. No. Because the payments are not being received from the Department of
11 Public Works, the receivable from the Department will not be reduced.

12

13 **Q. DOES THIS CONCLUDE YOUR TESTIMONY ON THE**
14 **STREETLIGHT CREDIT SURCHARGE?**

15 A. Yes.

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APPENDIX B

The price of oil represents about one-third of GPA's operating expenses, making control of its price integral to system stability. GPA uses a Levelized Energy Adjustment Clause (LEAC) to pass its fuel oil costs through to customers. The LEAC was approved by the PUC in 1996. Historically, GPA had charged its customers for fuel as a separate line item, adjusted on a monthly basis. Although the historical method was more favorable from a credit perspective, since it allowed GPA to recover its costs on a more timely basis, the LEAC is designed to accomplish full recovery of costs. The LEAC is reviewed and adjusted by the PUC every six months.

Competitive Position

Base residential rates approved by the PUC and in effect as of May 2002, were \$105.84 per 1,000kWh, which is high by U.S. averages, but are lower relative to similar island systems with a dependence of fuel deliveries. Fuel cost exposure is an issue, mitigated to a large extent by direct cost pass-throughs allowed by the PUC. GPA implemented a new fuel hedging strategy in January 2001. GPA has a two-year agreement with Goldman Sachs to act as a fuel hedge provider.

Management

GPA is an autonomous public corporation, separate from the Government of Guam. GPA is governed by a five-member board of directors appointed by the governor and confirmed by the legislature for five-year staggered terms. GPA's rates, debt issuance, and plant additions are subject to PUC approval. Although historically, GPA has had some trouble getting rate increases approved by the PUC, the new working relationship appears to be supportive, as evidenced by the PUC's approval of a surcharge on water meters to repay the large outstanding balance owed to GPA by the GWA. Standard & Poor's expects that future relations will be supportive of the financial health of the utility. This expectation is factored into the current rating.

Finances

GPA's financial performance remains adequate. As debt service has come on-line, coverage has declined to 1.54x in fiscal 2001 from 2x in 1997. Part of the decline was due to an additional reserve that was created against bad debts from the line-item government agencies, which is a cautious approach to amounts that are expected to be collected in full over the next five years. The PUC, in its last rate case, affirmed GPA's ability to collect rates sufficient to provide 1.75x debt service coverage, well above the legally required minimum of 1.3x. However, projections indicate that coverage is expected to drop further, to around 1.5x, even with the anticipated cash savings from the energy conversion contract restructuring. Fixed-charge coverage, which includes energy conversion payments (which escalate to \$37.8 million by 2003) as well as debt service, was much lower at 1.17x in 2001. Standard & Poor's expects GPA to maintain coverage in the 1.4x to 1.5x range at a minimum, otherwise a lower rating would be warranted.

Liquidity is adequate. GPA ended fiscal 2001 with approximately \$25 million in unrestricted cash on hand, or 47 days' cash. The increase from \$7 million in unrestricted cash is largely due to the receipt of \$13.5 million from a Bond Reserve Fund Forward Delivery Agreement that GPA entered into with the U.S. Bank Trust N.A. in late 2000. The agreement provided an up-front, cash payment in return for releasing future rights to interest earned in the cash-funded debt service reserve fund. The debt service reserve is fully funded at approximately \$27.5 million.

GPA has a \$15 million revolving line of credit for working capital purposes with the Hong Kong and Shanghai Banking Corporation (AA-/stable/A-1+). The LOC contains no rating triggers but requires that GPA's tangible net worth must remain above \$110 million. GPA has approximately \$6 million outstanding on the LOC. GPA also has a tax-exempt commercial paper program, with \$30 million authorized for working capital purposes. GPA has \$20 million outstanding in CP notes and has no plans to issue additional note. The LOC and the commercial paper will be repaid from cash savings produced by the IPP debt restructuring, if it occurs.

APPENDIX B

GUAM POWER AUTHORITY

SCHEDULE "Y"

STREETLIGHT CREDIT SURCHARGE

The calculation of each bill, pursuant to the rates and charges contained in the applicable rate schedule, shall be subject to a Streetlight Credit Adjustment. The effect of the credit surcharge shall be to reduce customer billings for every month succeeding a month in which the Government of Guam makes a payment to the Guam Power Authority (GPA) for past due streetlight billings. The adjustment will be made by multiplying the streetlight credit rate times the total kilowatt hours for which the bill is rendered.

The Streetlight Credit rate will be calculated by the following formula:

$$\text{Streetlight Credit} = \frac{A}{B}$$

Where:

- A- Equals the annual principal and interest payment of the Department of Public Works (DPW) total loan amount of \$15,458,378.00, interest at 6.36 % for five (5) year term commencing October 01, 2007. (See Amortization Schedule attached to this tariff.)
- B- Equals the projected retail kWh sales for the fiscal year.

The Streetlight Credit Surcharge shall be .002647 per kWh sold for the duration of the credit surcharge.

The Streetlight Credit will be activated at the first full billing cycle beginning February 01, 2008, if the following conditions are met:

1. The Department of Public Works or the Department of Administration has made at least one principal and interest payment in accordance with the attached Amortization Schedule.
2. There are no past due amounts owed to GPA for billings which are not included in the original balance of the attached Amortization Schedule.
3. GPA is in compliance with all relevant financing covenants, especially revenue related requirements of its bond indenture agreements.

The Streetlight Credit shall be terminated for any one of the following conditions:

- (a) Non-payment of DPW's monthly principal and interest in accordance with the attached Amortization Schedule.
- (b) Non-payment of a monthly DPW billing for services not included in the original balance of the attached Amortization Schedule. [Otherwise, could be the customer's nonpayment.]
- (c) GPA's Debt Service Coverage ratio, calculated as provided in GPA's bond indenture, except on an historical basis in any given [month/quarter] falls below 130% or GPA is in non-compliance with any other revenue related covenant in its bond indenture agreements.

When the balance of the amount owed by DPW for past due streetlight billings is fully paid, the surcharge shall be terminated. At the end of the five (5) year recovery period, GPA shall perform a true up calculation to determine the amount, if any, of over-recovery of amortization payments collected versus amounts credited to customer billings. Any over-recovery will be credited back to customers in the final month of the surcharge. After any over-recovery is reimbursed, the surcharge shall be eliminated. The surcharge shall not be eliminated until the past due streetlight billings are fully repaid.

GUAM POWER AUTHORITY
Amortization Table - Department of Public Works Streetlight Account

Outstanding Balance- 09/30/05	4,057,570.13
Outstanding Promissory Note thru 09/30/07	11,400,808.28
<hr/>	
Total Promissory Note Pricipal	15,458,378.41
Term (5 years)	60.00
Monthly Interest	6.36%
Monthly Payment	(\$301,448.26)

Payment No.	Date	Payment to GPA		Total P&I	Principal Balance	Total per Fiscal Year
		Principal	Interest			
	9/30/2007				\$ 15,458,378.41	
1	10/31/2007	219,518.85	81,929.41	301,448.26	15,238,859.56	
2	11/30/2007	220,682.30	80,765.96	301,448.26	15,018,177.26	
3	12/31/2007	221,851.92	79,596.34	301,448.26	14,796,325.34	
4	1/31/2008	223,027.74	78,420.52	301,448.26	14,573,297.60	
5	2/29/2008	224,209.78	77,238.48	301,448.26	14,349,087.82	
6	3/31/2008	225,398.09	76,050.17	301,448.26	14,123,689.73	
7	4/30/2008	226,592.70	74,855.56	301,448.26	13,897,097.03	
8	5/31/2008	227,793.65	73,654.61	301,448.26	13,669,303.38	
9	6/30/2008	229,000.95	72,447.31	301,448.26	13,440,302.43	
10	7/31/2008	230,214.66	71,233.60	301,448.26	13,210,087.77	
11	8/31/2008	231,434.79	70,013.47	301,448.26	12,978,652.98	
12	9/30/2008	232,661.40	68,786.86	301,448.26	12,745,991.58	3,617,379.12
13	10/31/2008	233,894.50	67,553.76	301,448.26	12,512,097.08	
14	11/30/2008	235,134.15	66,314.11	301,448.26	12,276,962.93	
15	12/31/2008	236,380.36	65,067.90	301,448.26	12,040,582.57	
16	1/31/2009	237,633.17	63,815.09	301,448.26	11,802,949.40	
17	2/28/2009	238,892.63	62,555.63	301,448.26	11,564,056.77	
18	3/31/2009	240,158.76	61,289.50	301,448.26	11,323,898.01	
19	4/30/2009	241,431.60	60,016.66	301,448.26	11,082,466.41	
20	5/31/2009	242,711.19	58,737.07	301,448.26	10,839,755.22	
21	6/30/2009	243,997.56	57,450.70	301,448.26	10,595,757.66	
22	7/31/2009	245,290.74	56,157.52	301,448.26	10,350,466.92	
23	8/31/2009	246,590.79	54,857.47	301,448.26	10,103,876.13	
24	9/30/2009	247,897.72	53,550.54	301,448.26	9,855,978.41	3,617,379.12
25	10/31/2009	249,211.57	52,236.69	301,448.26	9,606,766.84	
26	11/30/2009	250,532.40	50,915.86	301,448.26	9,356,234.44	
27	12/31/2009	251,860.22	49,588.04	301,448.26	9,104,374.22	
28	1/31/2010	253,195.08	48,253.18	301,448.26	8,851,179.14	
29	2/28/2010	254,537.01	46,911.25	301,448.26	8,596,642.13	
30	3/31/2010	255,886.06	45,562.20	301,448.26	8,340,756.07	
31	4/30/2010	257,242.25	44,206.01	301,448.26	8,083,513.82	
32	5/31/2010	258,605.64	42,842.62	301,448.26	7,824,908.18	
33	6/30/2010	259,976.25	41,472.01	301,448.26	7,564,931.93	
34	7/31/2010	261,354.12	40,094.14	301,448.26	7,303,577.81	
35	8/31/2010	262,739.30	38,708.96	301,448.26	7,040,838.51	
36	9/30/2010	264,131.82	37,316.44	301,448.26	6,776,706.69	3,617,379.12
37	10/31/2010	265,531.71	35,916.55	301,448.26	6,511,174.98	
38	11/30/2010	266,939.03	34,509.23	301,448.26	6,244,235.95	
39	12/31/2010	268,353.81	33,094.45	301,448.26	5,975,882.14	
40	1/31/2011	269,776.08	31,672.18	301,448.26	5,706,106.06	
41	2/28/2011	271,205.90	30,242.36	301,448.26	5,434,900.16	

2	11/30/2007	220,682.30	80,765.96	301,448.26	15,018,177.26	
3	12/31/2007	221,851.92	79,596.34	301,448.26	14,796,325.34	
4	1/31/2008	223,027.74	78,420.52	301,448.26	14,573,297.60	
5	2/29/2008	224,209.78	77,238.48	301,448.26	14,349,087.82	
42	3/31/2011	272,643.29	28,804.97	301,448.26	5,162,256.87	
43	4/30/2011	274,088.30	27,359.96	301,448.26	4,888,168.57	
44	5/31/2011	275,540.97	25,907.29	301,448.26	4,612,627.60	
45	6/30/2011	277,001.33	24,446.93	301,448.26	4,335,626.27	
46	7/31/2011	278,469.44	22,978.82	301,448.26	4,057,156.83	
47	8/31/2011	279,945.33	21,502.93	301,448.26	3,777,211.50	
48	9/30/2011	281,429.04	20,019.22	301,448.26	3,495,782.46	3,617,379.12
49	10/31/2011	282,920.61	18,527.65	301,448.26	3,212,861.85	
50	11/30/2011	284,420.09	17,028.17	301,448.26	2,928,441.76	
51	12/31/2011	285,927.52	15,520.74	301,448.26	2,642,514.24	
52	1/31/2012	287,442.93	14,005.33	301,448.26	2,355,071.31	
53	2/29/2012	288,966.38	12,481.88	301,448.26	2,066,104.93	
54	3/31/2012	290,497.90	10,950.36	301,448.26	1,775,607.03	
55	4/30/2012	292,037.54	9,410.72	301,448.26	1,483,569.49	
56	5/31/2012	293,585.34	7,862.92	301,448.26	1,189,984.15	
57	6/30/2012	295,141.34	6,306.92	301,448.26	894,842.81	
58	7/31/2012	296,705.59	4,742.67	301,448.26	598,137.22	
59	8/31/2012	298,278.13	3,170.13	301,448.26	299,859.09	
60	9/30/2012	299,859.09	1,589.25	301,448.34	(0.00)	3,617,379.20
		<u>15,458,378.41</u>	<u>2,628,517.27</u>	<u>18,086,895.68</u>		

EXHIBIT

CFO – 1

GRENNAN
& ASSOCIATES, INC
RISK MANAGEMENT CONSULTING

Rich Grennan
Mark Grennan

November 28, 2006

Mr. Randy Wiegand
Chief Financial Officer
Guam Power Authority
1911 Route 16
Harmon, Guam 96912

RE: Compliance with Bond Covenants 2006-07

Dear Randy:

GPA has successfully renewed/extended its Property, Boiler & Machinery, Terrorism, General Liability, Auto Liability, Auto Physical Damage, Crime, and Director's & Officer's insurance policies. Following is a brief description of your insurance program:

Property and Boiler & Machinery

All Risk Property/B&M	\$300,000,000 Blanket Limit
Quake, Flood, Typhoon, Tsunami	\$100,000,000 Blanket Limit
Business Interruption	\$ 5,000,000 Limit
Extra Expense	\$ 15,000,000 Limit
Terrorism	\$200,000,000 Limit
Underground T&D	\$ 5,000,000 Limit
Off Premise T&D	NO COVERAGE
All Other Perils Deductible	\$ 2,500,000
Natural Catastrophe Deductible	\$ 10,000,000
Business Interruption Deductible	60 Days
Extra Expense Deductible	60 Days
Terrorism Deductible	\$ 500,000

GRENNAN

& ASSOCIATES, INC
RISK MANAGEMENT CONSULTING

Rich Grennan
Mark Grennan

General Liability/Auto Liability/Auto Physical Damage

Primary Limit	\$ 11,000,000
Deductible, Property Damage Only	\$ 5,000
Deductible Pollution	\$ 250,000

Physical Damage only applies to vehicles in excess of \$100,000 in value

Crime

Primary Limit	\$ 2,000,000
Deductible	\$ 75,000 Per Person

Directors & Officers

Primary Limit	\$ 10,000,000
Individual Deductible	None
Corporate Deductible	\$ 100,000

Upon our review of the insurance binders regarding the above coverage Guam Power Authority is in compliance with the insurance requirements as required in the Bond Covenants.

Best regards,

Mark Grennan
Vice President

Rich Grennan
President

EXHIBIT CFO-2

**GPA
Projected FY 2008
Fuel Inventory Requirement**

	Estimated FY 07	Actual FY 06	Actual FY 05	Actual FY 04
No of Barrels	470,000	469,308	467,431	461,111
\$/Bbl (Note 1)	64.05	\$ 58.44	\$ 46.15	\$ 32.86
Total Inventory	\$ 31,040,842	\$ 27,424,933	\$ 21,574,054	\$ 15,151,721
FY Increase	\$ 3,615,909	\$ 5,850,879	\$ 6,422,333	

Average (3 years) 5,296,374

GUAM POWER AUTHORITY

SELF-INSURANCE PROGRAM

Scope: The Guam Power Authority has determined that several types of insurance coverage can be obtained and maintained at commercially reasonable rates. This coverage includes Property, Crime, Director's and Officer's Liability, General Liability, Excess Workmen's Compensation, Auto Liability. The Authority has determined that it has not been able to obtain Overhead Transmission and Distribution Insurance coverage or Automobile Physical Damage coverage at commercially reasonable rates.¹ Additionally, most of the policies held by the Authority include deductibles that require significant adjustments to GPA's annual budgets each time an insurable event is incurred. The purpose of the self insurance program is to provide Overhead Transmission and Distribution insurance coverage for the Authority and to provide a source for drawing deductibles from GPA's other insurance policies.

Minimum Loss: Costs from a loss may not be recovered from this program unless the losses from the event exceed \$50,000 per event. Losses less than \$50,000 should be handled through GPA's Operating Budget. The minimum loss requirement does not apply to loss mitigation activities taking place in preparation for an anticipated wind loss event nor to automobile physical damage losses.

Loss Declaration: No funds may be withdrawn from the self insurance fund as reimbursement for a loss until a written certification is made by the GPA General Manager that such a loss has occurred, the minimum loss criteria has been exceeded, and the damage was caused by a peril that is covered under this policy.

Fund Cap: The initial funding cap shall be \$25,000,000. No less frequently than every three years, GPA shall hire an actuary to review the appropriateness of the amount of the cap and will recommend revisions to the cap. In order to revise the amount of the cap, GPA, with the approval of the CCU, must petition the PUC for a change to the Self Insurance Program. There can be no change to the funding cap without the written authorization of the Public Utilities Commission.

Self Insurance Account: The Self Insurance Account is the Self Insurance Account maintained by the Authority. The funds shall be invested in liquid financial vehicles that can be converted to cash without penalty within 30 days. For fund balances in excess of \$5 million, the Authority may utilize a laddered approach to ensure that interest income is maximized consistent with the

¹ In the case of Automobile Damage coverage, GPA has determined that steps can be taken to mitigate the potential for losses to small vehicles (< \$100,000) to such a degree that coverage of small vehicles is impractical.

liquidity needs of this program. All interest earned on Self Insurance Account investments shall remain in the Self Insurance Account.

Self Insurance Surcharge: The Self Insurance Surcharge shall be set at \$.0029 per kiloWatt hour sold by Authority to distribution level customers and \$.0007 per kiloWatt hour sold to transmission level customers.

Deductibles. The deductibles for insurance coverage for which GPA has determined the coverage to be commercially reasonable are stated in the insurance policies. The deductible for automobile physical damage coverage (for vehicles whose original cost is < \$100,000) is \$500 which shall be borne by the division of the employee for an accident in which the GPA employee is found to be not at fault and shall be borne by the employee for accidents in which the GPA employee is determined to be at fault. For Transmission & Distribution Insurance, the deductible level of \$5 million – which was the deductible level of the last T&D policy held by the Authority – shall remain. The primary funding source for deductibles resulting from natural disaster losses shall be the Federal Emergency Management Agency. If GPA is unable to obtain funding for deductibles from FEMA, GPA shall be allowed to be reimbursed for deductible costs from this self insurance program.

Drawdown Report: Within 30 days of the end of a month in which a drawdown is made, the Authority shall provide a report to the Consolidated Commission on Utilities detailing the amount and purpose of the drawdown, the names of vendors paid, amounts paid, regular pay, overtime pay, and special pay paid to employees, number of employees paid, and a schedule of materials drawn from GPA's warehouse.

Photo Documentation: GPA must make best efforts to ensure appropriate photo documentation for any loss covered under this self insurance program prior to the initiation of repair/restoration activities.

Exclusions: Items not covered under this self insurance program are underground transmission and distribution lines, GPA fuel pipelines, leased equipment, losses caused by actions of a governmental unit, business interruption costs, meal allowances or equivalent for more than three weeks following the disaster, workmen's compensation claims, and risks covered through GPA's non-self insured insurance policies.

Operation of Fund: The Self Insurance surcharge shall be turned on when this Self Insurance Program is approved by the Public Utilities Commission. The surcharge shall remain on until the balance reaches the Self Insurance Fund Cap. The surcharge shall not be turned on until the balance in the Self Insurance

Account drops below \$22,500,000 at which time the surcharge shall automatically be turned on.

Allowable Expenditures: Expenditures may be drawn from the Self Insurance Account when an Insurable Event has occurred. The types of expenses that may be reimbursed in a drawdown are as follows: Damaged poles, damaged lines, damaged fixtures (including streetlights) which are 500 ft or greater distance from the nearest GPA facility, labor cost reimbursements, expediting costs, pole, line and debris removal, tree trimming and other measures taken during the last 24 hours of a typhoon's approach which are intended to mitigate typhoon damage, losses that are below the deductibles from any of the Authority's insurance policies². Costs which are not allowed are costs above the deductible amounts incurred on assets which are covered by GPA's insurance policies, labor costs for persons not directly involved in the repair or restoration effort or supervision thereof,

Insurable Event: An event that would normally be subject to an insurance claim such as typhoons, earthquakes, sunami's, other natural disasters, equipment malfunction, accidental damage, etc. Excluded from coverage are losses resulting from normal wear and tear, rust, corrosion, non-peril cracking, settling, shrinkage, bulging or expansion.

Federal Emergency Management Agency: In the case of natural disasters in which the island of Guam is determined to be a major disaster area by the President of the United States, GPA shall make best efforts to petition FEMA for reimbursement of deductible levels under GPA's insurance programs including this self insurance program as well as amounts that exceed the funding levels available in this self insurance program and GPA's insurance policies. GPA's goal is to minimize reliance on FEMA for reimbursing GPA's costs in the event of a loss from a natural disaster, however, the Authority recognizes that FEMA coverage may be required to reimburse the deductible portion of a loss and instances in which the self insurance fund is in the process of being built up or restored to its maximum levels.

Warranties: GPA shall make all efforts to seek redress from manufacturer's/retail sellers of any products purchased by the Authority and deemed to be defective. Any recoveries made from such warranty claims shall be refunded to the Self Insurance Fund.

Debris Removal: Costs for debris removal may be reimbursed from the fund only to the extent that the debris removal is only for materials owned by GPA

² Deductibles may only be drawn from the fund in instances in which the Governor of Guam does not declare petition the President of the United States to declare the island a major disaster area.

whose disposal GPA is responsible or materials that must be moved in order for GPA to gain access to its system in order to facilitate system restoration.

Audit: Every time a drawdown is made from the Self Insurance Account as the result of an insurable loss in excess of \$2,500,000, the Authority shall employ an independent audit firm to perform a special procedures engagement in order to express an opinion as to whether or not the expenditures were made in compliance with this program. A copy of the report from the independent auditor shall be provided to the Audit Committee of the Consolidated Commission on Utilities with a carbon copy provided to the Public Utilities Commission.

Conflicts with Other Policies: Because this self insurance program is intended to cover only losses that are not covered by GPA's insurance policies, any conflicts with other policies held by GPA will be found to be the responsibility of the insurance policy.

Program Modifications: There can be no modifications to this program without the written authorization of the Consolidated Commission on Utilities and the Public Utilities Commission.

Guam Power Authority
Standard Filing Requirements
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SCHEDULE A

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

DATE: 10/01/07
Public Utilities Commission of Guam

Test Year: 2008
Individual Responsible:
Randy Wiegand, CFO

Row #	Description	FY 2006 ACTUAL	FY2007 CURRENT	UTILITY PROPOSED TEST YEAR 2008		Reference
				PROJECTED	WITH REQUEST	
1	Proforma Income Statement					
2	Base Revenues	\$ 131,403	\$ 131,290	\$ 136,190	\$ 136,190	Schedule B
3	Fuel Revenues	157,122	175,752	190,355	190,355	Schedule B
4	Self Insurance Revenues	-	1,440	-	-	
5	Miscellaneous Revenues	1,674	2,226	2,533	2,533	Schedule B
6	Credit For DPW Streetlight Payment			(2,412)	(2,412)	Schedule B
7	Revenue from Allowed Rate Change	-	-	-	17,910	
8						
9	Total Revenues	\$ 290,199	\$ 310,708	\$ 326,666	\$ 344,576	
10						
11	Production Fuel	157,122	175,752	190,355	190,355	Schedule D
12	IPP Costs	17,981	18,071	18,500	18,500	Schedule E
13						
14	Production Non-fuel	18,644	19,689	22,394	22,394	
15	Transmission and Distribution	10,559	10,362	12,120	12,120	
16	Administrative and General	24,588	24,420	29,458	29,458	
17	Customer Accounting	3,209	2,822	3,112	3,112	
18	Total O&M Expenses	57,000	57,293	67,084	67,084	Schedule C
19	Depreciation	24,268	26,036	26,834	26,834	MFR Wkpp10
20						
21	Total Operating Expenses	256,371	277,152	302,773	302,773	
22						
23	Earnings From Operations	33,828	33,556	23,893	41,803	
24						
25	Other Revenues (Expenses):					
26	Investment Income	4,421	3,826	4,776	4,776	MFR Wkpp3
27	Interest expense (ST Debt)	(1,103)	(1,379)	(1,205)	(1,205)	MFR Wkpp9
28	Interest expense (Bonds)	(21,005)	(20,711)	(20,401)	(20,401)	Schedule F
29	Interest expense (IPP's)	(18,127)	(17,495)	(16,780)	(16,780)	Schedule E
30	AFUDC	581	640	512	512	MFR Wkpp17
31	Amortization of Issuance Costs	(1,625)	(1,514)	(1,514)	(1,514)	MFR Wkpp18
32	COLA/supplemental benefits	(520)	-	-	-	
33	Other expense	(275)	-	-	-	
34						
35	Net Earnings	\$ (3,825)	\$ (3,077)	\$ (10,719)	\$ 7,191	
36						
37	Debt Service Coverage Calculation					
38	Earnings From Operations	\$ 33,828	\$ 33,556	\$ 23,893	\$ 41,803	
39	Add: Depreciation	24,268	26,036	26,834	26,834	
40	Balance Available for Debt Service	\$ 58,096	\$ 59,592	\$ 50,727	\$ 68,637	
41	Debt Service					
42	Bond Interest Expense	21,005	20,711	20,401	20,401	
43	Bond Principal	6,480	6,770	7,080	7,080	
44	Total Debt Service	\$ 27,485	\$ 27,481	\$ 27,481	\$ 27,481	
45						
46	Debt Service Coverage	2.11	2.17	1.85	2.50	
47	Debt Service Coverage w/o IPP Acctg change	1.27	1.33	1.01	1.66	
48						
49	Internal Cashflow Statement					
50	Total Cash Generated	\$ 21,487	\$ 23,833	\$ 17,117	\$ 35,027	
51	CIP's-Internally Funded	(11,114)	(6,500)	(13,638)	(13,638)	Schedule G
52	Cabras 3 & 4 (CIPS & PIPS)	(3,604)	(1,793)	(2,500)	(2,500)	Schedule G
53	Cabras 1 & 2 (CIPS & PIPS)	(4,203)	(4,132)	(4,200)	(4,200)	Schedule G
54	Principal Payment (1993 & 1999 Series)	(6,480)	(6,770)	(7,080)	(7,080)	Schedule F
55	Principal Payment (IPP's)	(4,957)	(5,589)	(6,305)	(6,305)	Schedule E
56	Principal Payment (\$10M Loan)	-	-	(1,787)	(1,787)	MFR Wkpp8
57	Decrease (Increase) in Working Capital Requirements:					
58	Note Payment from GMH	22	702	0	-	
59	Note Payment from GPSS	741	941	1,575	1,575	MFR Wkpp6
60	Note Payment from GWA	1,984	1,960	2,381	2,381	MFR Wkpp5
61	Note Payment from DPW	0	0	1,825	1,825	MFR Wkpp4
62	Fuel Cost Over(Under) Recovery	(4,296)	4,568	4,001	4,001	Schedule H
63	Materials Inventory	972	1,018	(1,500)	(1,500)	MFR Wkpp13
64	Fuel Inventory	(6,455)	(3,616)	(5,296)	(5,296)	MFR Wkpp12

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

DATE: 10/01/07
Public Utilities Commission of Guam

Test Year: 2008
Individual Responsible:
Randy Wiegand, CFO

Row #	Description	FY 2006 ACTUAL	FY2007 CURRENT	UTILITY PROPOSED TEST YEAR 2008		Reference
				PROJECTED	WITH REQUEST	
65	FEMA Receipts - Chataan	1,043	0	0	-	
66	FEMA Receipts - Pongsona	892	500	-	-	
67	Other Working Capital Requirement	14,013	(13,102)	3,881	3,881	Schedule H
68	WC Fund Funding Requirement	0		(3,412)	(3,412)	MFR Wkpp14
69	WC Fund Funding Requirement from LEAC Recovery	0	(1,894)	(2,175)	(2,175)	MFR Wkpp14
70	Transfer to Excess Bond Fund from LEAC Recovery	0	(2,674)	(1,826)	(1,826)	MFR Wkpp15
71	Regulatory Asset amortization	0	529	2,097	2,097	MFR Wkpp16
72	Streetlight Clearing Account	0	0	(318)	(318)	MFR Wkpp4
73	Construction Fund Interest Income	(819)	(790)	(750)	(750)	MFR Wkpp3
74						
75	Cash (Deficiency)/Surplus	\$ (774)	\$ (12,809)	\$ (17,910)	\$ (0)	

SCHEDULE B

Guam Power Authority
Revenues (\$000)

DATE 10/01/07
Public Utilities Commission of Guam

Test Year: 2008
Individual Responsible:
Randy Wiegand, CFO

Row #	Description	FY 2006 ACTUAL	FY2007 CURRENT	UTILITY PROPOSED TEST YEAR 2008		Reference
				PROJECTED	WITH REQUEST	
1	Base Rate Revenues*					
2	R- Residential	\$ 33,235	\$ 32,011	\$ 32,680	\$ 36,269	
3	G-Sml/Gen- Non Dmd	6,150	6,686	7,645	8,703	
4	J-Sml/Gen - Dmd	20,256	21,555	24,578	27,978	
5	P- Large General	29,842	30,538	30,823	35,087	
6	H- Private St. Lites	200	195	179	204	
7	S-Sml/Gvt- Non Dmd	1,704	2,001	2,081	2,369	
8	K-Sml/Gvt - Dmd	10,904	10,171	10,630	12,101	
9	L-Large Government	8,445	7,992	7,175	8,168	
10	F-Public St. Lites	3,494	3,517	3,275	3,728	
11						
12	Total Civilian	114,230	114,666	119,066	134,607	
13						
14	N-Navy	17,173	16,624	17,124	19,493	
15						
16	Sub-Total	131,403	131,290	136,190	154,100	Schedule B-1
17						
18	Fuel Revenues					
19	R- Residential	\$ 46,327	\$ 52,138	\$ 55,873	\$ 55,873	
20	G-Sml/Gen- Non Dmd	5,056	6,271	7,526	7,526	
21	J-Sml/Gen - Dmd	19,182	23,136	27,691	27,691	
22	P- Large General	32,918	37,375	39,598	39,598	
23	H- Private St. Lites	56	65	63	63	
24	S-Sml/Gvt- Non Dmd	1,296	1,750	1,910	1,910	
25	K-Sml/Gvt - Dmd	9,941	10,220	11,211	11,211	
26	L-Large Government	8,160	8,764	8,259	8,259	
27	F-Public St. Lites	936	1,053	1,029	1,029	
28						
29	Total Civilian	123,872	140,772	153,161	153,161	
30						
31	N-Navy	33,250	34,980	37,194	37,194	
32						
33	Sub-Total	157,122	175,752	190,355	190,355	Schedule B-1
34						
35	Other Revenues					
36	Miscellaneous Revenues	1,674	2,226	2,533	2,533	MFR Wkpp2
37	Self Insurance Revenues	-	1,440	-	-	
38	Credit For DPW Streetlight Payment	-	-	(2,412)	(2,412)	MFR Wkpp4
39		-	-	-	-	
40						
41	Sub-Total	\$ 1,674	\$ 3,666	\$ 121	\$ 121	
42						
43	Total Revenues	<u>\$ 290,199</u>	<u>\$ 310,708</u>	<u>\$ 326,666</u>	<u>\$ 344,576</u>	
44						

SCHEDULE B-1

Guam Power Authority
Comparison of Current and Proposed Rates
Under the Anticipated Application for Change in Rates

DATE 10/01/07
Public Utilities Commission of Guam

Test Year: 2008
Individual Responsible:
Randy Wiegand, CFO

Row #	Class Of Service and Rate Schedule	FY 2006					FY 2007						
		Sales	Non-Fuel Yield	Non-Fuel Revenues \$000	Fuel Yield	Fuel Revenues \$000	Total Revenues \$000	Sales	Non-Fuel Yield	Non-Fuel Revenues \$000	Fuel Yield	Fuel Revenues \$000	Total Revenues \$000
1	R- Residential	495,229	6.71110	\$ 33,235	9.35470	\$ 46,327	\$ 79,563	488,234	6.55640	\$ 32,011	10.67892	\$ 52,138	\$ 84,149
2	G-Sml/Gen- Non Dmd	54,056	11.37730	6,150	9.35301	5,056	11,206	58,722	11.38600	6,686	10.67892	6,271	12,957
3	J-Sml/Gen - Dmd	205,144	9.87390	20,256	9.35061	19,182	39,438	216,650	9.94910	21,555	10.67892	23,136	44,691
4	P- Large General	352,301	8.47060	29,842	9.34376	32,918	62,760	349,989	8.72530	30,538	10.67892	37,375	67,913
5	H- Private St. Lites	597	33.55680	200	9.31725	56	256	609	32.06120	195	10.67892	65	260
6													
7													
8	S-Sml/Gvt- Non Dmd	13,884	12.27080	1,704	9.33554	1,296	3,000	16,388	12.21130	2,001	10.67892	1,750	3,751
9	K-Sml/Gvt - Dmd	106,450	10.24370	10,904	9.33835	9,941	20,845	95,700	10.62840	10,171	10.67892	10,220	20,391
10	L-Large Government	87,446	9.65770	8,445	9.33152	8,160	16,605	82,072	9.73820	7,992	10.67892	8,764	16,757
11	F-Public St. Lites	10,025	34.85640	3,494	9.33241	936	4,430	9,860	35.66370	3,517	10.67892	1,053	4,570
12													
13	Total Civilian	1,325,132	8.62036	114,231	9.34786	123,871	238,103	1,318,223	8.69849	114,665	10.67892	140,772	255,438
14													
15	N-Navy	343,868	4.99380	17,172	9.66942	33,250	50,422	327,557	5.07520	16,624	10.67892	34,980	51,604
16													
17	Total	1,669,000	7.87317	131,403	9.41411	157,122	288,525	1,645,780	7.97735	131,290	10.67892	175,752	307,041

Row #	2008 Proposed Test Year	Sales	Non Fuel Rate Increase(1)	Non-Fuel Yield			Non Fuel Revenues			Fuel Clause Yield	Fuel Revenues \$000	Current Revenues \$000	Proposed Revenues \$000	% Change
				Current	Proposed	Increase	Current	Proposed	Increase					
				1	R- Residential - Lifeline	201,073		3.3540	3.3540					
2	R- Residential - Non Lifeline	297,373	13.8357%	8.72170	9.92841	1.20671	\$ 25,936	\$ 29,524	\$ 3,588	11.20941	\$ 33,334	\$ 59,270	\$ 62,858	6.05%
3	G-Sml/Gen- Non Dmd	67,144	13.8357%	11.38600	12.96133	1.57533	\$ 7,645	\$ 8,703	\$ 1,058	11.20941	\$ 7,526	\$ 15,171	\$ 16,229	6.97%
4	J-Sml/Gen - Dmd	247,034	13.8357%	9.94910	11.32563	1.37653	\$ 24,578	\$ 27,978	\$ 3,400	11.20941	\$ 27,691	\$ 52,269	\$ 55,669	6.51%
5	P- Large General	353,257	13.8357%	8.72530	9.93250	1.20720	\$ 30,823	\$ 35,087	\$ 4,265	11.20941	\$ 39,598	\$ 70,421	\$ 74,685	6.06%
6	H- Private St. Lites	559	13.8357%	32.06120	36.49708	4.43588	\$ 179	\$ 204	\$ 25	11.20941	\$ 63	\$ 242	\$ 267	10.25%
7	S-Sml/Gvt- Non Dmd	17,042	13.8357%	12.21130	13.90082	1.68952	\$ 2,081	\$ 2,369	\$ 288	11.20941	\$ 1,910	\$ 3,991	\$ 4,279	7.21%
8	K-Sml/Gvt - Dmd	100,014	13.8357%	10.62840	12.09891	1.47051	\$ 10,630	\$ 12,101	\$ 1,471	11.20941	\$ 11,211	\$ 21,841	\$ 23,312	6.73%
9	L-Large Government	73,683	13.8357%	9.73820	11.08555	1.34735	\$ 7,175	\$ 8,168	\$ 993	11.20941	\$ 8,259	\$ 15,435	\$ 16,428	6.43%
10	F-Public St. Lites	9,183	13.8357%	35.66370	40.59802	4.93432	\$ 3,275	\$ 3,728	\$ 453	11.20941	\$ 1,029	\$ 4,304	\$ 4,757	10.53%
11														
12	Total Civilian	1,366,362	13.8357%	8.69849	9.85145	1.15296	\$ 119,066	\$ 134,606	\$ 15,541	11.20941	\$ 153,161	\$ 272,227	\$ 287,768	5.71%
13														
14	N-Navy	331,812	13.8357%	5.16080	5.87483	0.71403	\$ 17,124	\$ 19,493	\$ 2,369	11.20941	\$ 37,194	\$ 54,318	\$ 56,688	4.36%
15														
16	Total	1,698,174	13.8357%	7.97770	9.07444	1.09674	\$ 136,190	\$ 154,100	\$ 17,910	11.20941	\$ 190,355	\$ 326,545	\$ 344,455	5.48%

Total Base Revenues	136,190
Less Residential Lifeline	6,744
Total Base Revenues-Non Lifeline	129,446
Base Rate Increase at 67%	17,910
% Increase to Non-Lifeline	13.835680%

Proposed Revenues	\$ 344,455
Base Revenues -Sch A	\$ 136,190
Fuel Revenues - Sch A	\$ 190,355
Rate Change - Sch A	\$ 17,910
Total from Schedule A	\$ 344,455

Note (1) This is across the board increase without the transmission cost of service allocation between the Navy and Civilian customers.

\$ (0)

SCHEDULE C

Guam Power Authority
Operations and Maintenance Expenses (\$000)

DATE 10/01/07
Public Utilities Commission of Guam

Test Year: 2008
Individual Responsible:
Randy Wiegand, CFO

Row #	Description	FY 2006 Actual	FY2007 Current	FY2008 Projected
1	Number of Employees	536	584	592
2				
3	Labor:			
4	Regular	21,074	21,872	24,355
5	Overtime	3,590	1,711	1,814
6	Premium	198	144	163
7	Benefits	7,466	8,055	9,564
8	Retirees' benefits	556	1,281	1,281
9				
10	Sub-Total - Labor	\$ 32,884	\$ 33,063	\$ 37,177
11				
12	Non-Labor			
13	Contracts	11,211	12,669	15,317
14	Communications/Utilities	1,750	1,382	1,721
15	Operating Supplies	2,707	3,474	4,499
16	Office Supplies	122	97	100
17	Miscellaneous	1,205	1,212	2,734
18	Training	279	520	510
19	Travel	208	115	175
20	Other Admin Costs	136	111	86
21	Insurance	7,154	8,150	8,765
22	Others/Work order closing	4,544	-	-
23	Bad Debts	885	500	500
24				
25	Sub-Total - Non-Labor	30,201	28,230	34,407
26				
27	Total Labor & Non-Labor	63,085	61,293	71,584
28				
29	Capitalized O&M Costs	(6,085)	(4,000)	(4,500)
30				
31				
32	Grand Total O&M	57,000	57,293	67,084

SCHEDULE C-1

Guam Power Authority
New Budgeted Positions

DATE 10/01/07
Public Utilities Commission of Guam

Test Year: 2008
Individual Responsible:
Randy Wiegand, CFO

Row #	Description	No. Of FTE's	Labor Costs + Benefits
1	FY 2007 New Budgeted FTE's		
2			
3	General Manager - Consolidated Commission on Utilities	1	\$ 195,910
4			
5			
6			
7			
8			
9			
10	Sub-Total	<u>1</u>	<u>\$ 195,910</u>
11			
12	FY 2008 New Budgeted FTE's (1)(2)		
13	Meter Electrician II	1	\$ 13,670
14	Cashier 1	1	\$ 7,207
15	Credit Manager	1	\$ 17,500
16	Customer Service Representative	1	\$ 11,626
17	Application Support Analyst	1	\$ 17,500
18	Engineer II	2	\$ 37,344
19	Maintenance Planner	1	\$ 17,257
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34	Sub-Total	8	\$ 122,104
35			
36	Grand Total	9	318,014

Note (1) Funded for three months.

Note (2) Justifications for each new position are explained in Exhibit MFR - 1.

**Guam Power Authority
OPERATIONS AND MAINTENANCE EXPENSES VARIANCE REPORT**

DATE: 10/01/07
Public Utilities Commission of Guam

Test Year: 2008
Individual Responsible:
Randy Wiegand, CFO

Row #	Description	FY 2007 Actual*	FY 2007 Budget*	Variance Fav(Unfav)
1	Number of Employees	523	584	61
2				
3	<u>Labor:</u>			
4	Regular	15,343,212	16,404,000	1,060,788
5	Overtime	1,588,475	1,283,250	(305,225)
6	Premium	155,817	108,000	(47,817)
7	Benefits	4,760,436	6,041,250	1,280,814
8	Retirees' benefits	1,030,906	1,050,000	19,094
9				
10	Sub-Total Labor	\$ 22,878,846	\$ 24,886,500	\$ 2,007,654
11				
12	<u>Non-Labor:</u>			
13	Contracts	4,725,462	5,501,750	776,288
14	Communications/Utilities	1,343,296	1,382,000	38,704
15	Operating Supplies	1,050,153	1,605,500	555,347
16	Office Supplies	24,029	72,750	48,721
17	Travel	4,433	86,250	81,817
18	Miscellaneous	1,129,250	1,159,000	29,750
19	Training	40,015	390,000	349,985
20	Insurance	5,429,704	6,112,500	682,796
21	Other Admin Costs	21,788	83,250	61,462
22	Others/Work order closing	3,979,411	2,417,500	(1,561,911)
23	Bad Debts	378,000	375,000	(3,000)
24				
25	Sub-Total Non-Labor	18,125,541	19,185,500	1,059,959
26				
27	Total Labor and Non-Labor	41,004,387	44,072,000	3,067,613
28				
29	Capitalized O&M Costs	(2,410,359)	(3,000,000)	(589,641)
30				
31				
32	Grand Total O&M	38,594,028	41,072,000	2,477,972

*Represent amounts as of June 30, 2007 (9 months).

GUAM POWER AUTHORITY
FUEL EXPENSE

DATE: 10/01/07
Public Utilities Commission of Guam

Test Year: 2008
Individual Responsible:
Randy Wiegand, CFO

Row #	Description	FY2006 Actual		FY2007 Actual*		FY 2008 Projected	
		Barrel	Amount	Barrel	Amount	Barrel	Amount
1							
2	Fuel Costs:						
3	Piti	-	\$ -	-	\$ -	-	\$ -
4	Tanguisson 1	188,105	\$ 9,727,717	105,044	\$ 5,574,007	207,726	\$ 12,548,784
5	Tanguisson 2	125,528	\$ 6,528,597	100,090	\$ 5,260,109	135,615	\$ 8,192,539
6	Cabras 1 & 2	1,081,266	\$ 56,807,295	782,178	\$ 42,064,383	1,056,014	\$ 63,794,094
7	Cabras 3 & 4	620,637	\$ 32,441,399	467,579	\$ 24,604,806	663,074	\$ 40,056,481
8	MEC(Piti 8 & 9)	795,301	\$ 41,956,109	584,312	\$ 30,757,612	808,206	\$ 48,823,945
9	Diesels & CT's:						
10	MDI 10MW	729	\$ 46,014	75	\$ 5,616	18	\$ 1,936
11	Dededo Diesel	209	\$ 13,124	37	\$ 2,298		
12	Dededo CT #1	4,424	\$ 278,687	6,590	\$ 580,746		
13	Dededo CT #2	-	\$ -	-	\$ -		
14	Macheche CT	5,447	\$ 420,636	6,213	\$ 728,651	4,333	\$ 466,157
15	Yigo CT	9	\$ 602	-	\$ -		
16	Talofofo 10 MW	15	\$ 567	-	\$ -	12,090	\$ 1,300,678
17	Tenjo	31,002	\$ 2,606,236	16,198	\$ 1,524,387	20,951	\$ 2,253,970
18	TEMES Piti 7 (IPP)	16,886	\$ 1,307,377	67,803	\$ 6,169,535	15,063	\$ 1,620,522
19	GWA Generators	600	\$ 40,465	362	\$ 25,244		
20	Marbo	227	\$ 8,433	-	\$ -		
21	Deferred fuel cost		\$ (5,599,676)		\$ 954,169		4,000,982
22	Adjustment		\$ 110,851		\$ -		-
23	Fuel handling Costs		\$ 10,427,262		\$ 8,517,184		7,295,214
24							
25							
26	Total	2,870,385	\$ 157,121,695	2,136,481	\$ 126,768,747	2,923,090	\$ 190,355,303
27							
28	Average Fuel Cost per Barrel		\$ 54.74		\$ 59.34		\$ 65.12
29							
30	Fuel Revenues		\$ 157,121,695		\$ 126,768,747		\$ 190,355,303
31							
32	IWPS Gross Generation		1,907,220,643		1,433,660,855		1,945,364,000
33							
34							

* Represent amounts as of 6/30/07.

SCHEDULE E

Guam Power Authority
IPP COSTS

DATE: 10/01/07
Public Utilities Commission of Guam

Test Year: 2008
Individual Responsible:
Randy Wiegand, CFO

Row #	Description	FY 2006 Actual	FY 2007 Current	FY 2008 Projected
1	Energy Conversion Costs:			
2	TEMES	\$ 3,610,289	\$ 3,751,068	\$ 3,839,972
3	MEC	\$ 11,259,637	\$ 11,178,465	\$ 11,443,403
4	Pruvient	\$ 3,111,209	\$ 3,141,868	\$ 3,216,333
5	Total Energy Conversion Costs	\$ 17,981,135	\$ 18,071,401	\$ 18,499,707
6	Capital Lease (Principal):			
7	TEMES	\$ 958,926	\$ 1,041,515	\$ 1,131,217
8	MEC	\$ 3,501,100	\$ 3,980,350	\$ 4,525,203
9	Pruvient	\$ 497,216	\$ 567,704	\$ 648,182
10	Sub-Total	\$ 4,957,242	\$ 5,589,569	\$ 6,304,602
11	Capital Lease (Interest):			
12	TEMES	\$ 1,580,598	\$ 1,498,009	\$ 1,408,307
13	MEC	\$ 14,748,860	\$ 14,269,610	\$ 13,724,757
14	Pruvient	\$ 1,797,603	\$ 1,727,116	\$ 1,646,638
15	Sub-Total	\$ 18,127,061	\$ 17,494,735	\$ 16,779,702
16	Total Capital Lease Payment	\$ 23,084,303	\$ 23,084,304	\$ 23,084,304
17				
18	Total IPP Costs	\$ 41,065,438	\$ 41,155,705	\$ 41,584,011

GUAM POWER AUTHORITY
DEBT SERVICE

DATE: 10/01/07
Public Utilities Commission of Guam

Test Year: 2008
Individual Responsible:
Randy Wiegand, CFO

Row #	Description	FY 2006 Actual	FY 2007 Current	FY 2008 Projected
1	DEBT SERVICE COMPONENTS:			
2	1993 Series Revenue Bond-Principal	\$ 2,740,000	\$ 2,880,000	\$ 3,030,000
3	1999 Series Revenue Bond-Principal	\$ 3,740,000	\$ 3,890,000	\$ 4,050,000
4	Sub-Total	\$ 6,480,000	\$ 6,770,000	\$ 7,080,000
5				
6	1993 Series Revenue Bond-Interest	\$ 4,138,313	\$ 3,994,463	\$ 3,843,263
7	1999 Series Revenue Bond-Interest	\$ 16,866,590	\$ 16,716,990	\$ 16,557,500
8	Sub-Total	\$ 21,004,903	\$ 20,711,453	\$ 20,400,763
9				
10				
11	TOTAL	\$ 27,484,903	\$ 27,481,453	\$ 27,480,763

**GUAM POWER AUTHORITY
INTERNALLY FUNDED CONSTRUCTION**

DATE: 10/01/07
Public Utilities Commission of Guam

Test Year: 2008
Individual Responsible:
Randy Wiegand, CFO

Row #	Description	FY 2006 Actual	FY 2007 Budget	FY 2008 Projected
1				
2	Total Blanket Job Orders	\$ 2,948,700	\$ 2,200,000	\$ 3,000,000
3				
4	Total General Plant	\$ 5,334,336	\$ 1,689,000	\$ 6,377,410
5				
6	Engineering Projects:			
7	750 KW Emergency Generator	37,672	603,502	-
9	Agana Power Plant Asbestos Removal/New WSD Facility	-	-	100,000
16	Distribution System Improvements	-	-	300,000
17	Fatima Road Underground	921	-	-
20	GPA Central Office	-	364,595	400,000
22	Harmon to GIAT 34.5 kv line reconductoring	-	-	82,000
23	Harmon to Tumon 34.5	225,652	-	-
24	Islandwide Pole Assessment	211,882	17,593	-
27	Makai Seawater	75,526	-	-
29	Merizo Underground	92,988	100,000	-
30	Office & Maintenance Bldg	323,495	36,000	-
31	P003 Underground Conversion	66,114	-	-
32	P401 Underground Conversion	56,142	-	-
33	P27 Underground Reconstruction	-	-	300,000
34	P-330 Hardening and Reconductoring	-	-	160,000
35	Pulantat Substation Grounding Transformer	-	-	200,000
36	Relay Coordination Study	50,580	313,934	419,000
41	Substation/Capacitor Program	-	150,234	200,000
43	T-21 Replacement	-	4,237	-
44	Tamuning to Tumon	132,088	-	-
45	Tamuning Upgrade	51,062	-	-
46	Umatac Substation Drainage	9,971	-	-
47	Underground Fuel Pipeline	1,249,187	379,308	1,300,000
48	Upgrade Fire Protection	231,706	-	-
49	Upgrade Fire Protection at Dededo CT 1&2	-	332,000	400,000
50	USN Fuel Oil Pipeline	-	309,597	400,000
51	USN Pipeline	15,387	-	-
54	Total Engineering Projects	\$ 2,830,371	\$ 2,611,000	\$ 4,261,000
55				
56	Cabras No. 1&2	4,202,920	4,132,000	4,200,000
57	Cabras No. 3&4	3,604,220	1,792,774	2,500,000
58	Total CIP's & PIP's	\$ 7,807,140	\$ 5,924,774	\$ 6,700,000
59				
60	Total Internally Funded CIP's	\$ 18,920,547	\$ 12,424,774	\$ 20,338,410

GUAM POWER AUTHORITY
WORKING CAPITAL (\$000)

DATE 10/01/07
Public Utilities Commission of Guam

Test Year: 2008
Individual Responsible:
Randy Wiegand, CFO

Row #	Description	FY 2005 Actual	FY 2006 Actual	Variance FY05-FY06	FY2006 Actual	FY 2007 Current	Variance FY06-FY07
1	Current Assets:						
2	Accounts Receivable-Trade	\$ 38,288	\$ 42,774	\$ 4,486	\$ 42,774	\$ 46,694	\$ 3,920
3	Accounts Receivable-FEMA	2,435	500	(1,935)	500	-	(500)
4	Long Term receivables (GWA,DOE&GMH)	26,493	23,746	(2,747)	23,746	20,143	(3,603)
5	Prepaid Expenses	1,183	1,189	6	1,189	1,186	(3)
6	Deferred fuel cost	4,273	8,569	4,296	8,569	4,001	(4,568)
7	Materials and Supplies	14,393	13,421	(972)	13,421	12,403	(1,018)
8	Fuel Oil	23,046	29,501	6,455	29,501	33,117	3,616
9	Total Current Assets	\$ 110,111	\$ 119,700	\$ 9,589	\$ 119,700	\$ 117,544	\$ (2,156)
10							
11	Current Liabilities						
12	Accounts Payable	\$ 15,308	\$ 29,747	\$ 14,439	\$ 29,747	\$ 24,870	\$ (4,877)
13	Deferred Payment Agreement	-	4,551	4,551	4,551	-	(4,551)
14	Bid Bond and Customers Deposits	3,838	3,859	21	3,859	3,849	(11)
15	Current Portion of employees' annual leave	1,307	1,079	(228)	1,079	1,193	114
16	Accrued Payroll and Benefits	1,124	1,089	(35)	1,089	1,107	18
17	Interest Payable	11,518	11,275	(243)	11,275	11,397	122
18	Total Current Liabilities	\$ 33,095	\$ 51,600	\$ 18,505	\$ 51,600	\$ 42,415	\$ (9,185)
19							
20	(Decrease) Increase in Working Capital	\$ 77,016	\$ 68,100	\$ (8,916)	\$ 68,100	\$ 75,129	\$ 7,029

**GUAM POWER AUTHORITY
WORKING CAPITAL (\$000)**

DATE 10/01/07
Public Utilities Commission of Guam

Test Year: 2008
Individual Responsible:
Randy Wiegand, CFO

Row #	Description	FY 2007 Current	FY 2008 Projected	Variance FY07- FY08	FY 2007 Current	FY 2008 W/ Request	Variance FY07- FY08
1	Current Assets:						
2	Accounts Receivable-Trade	\$ 46,694	\$ 43,274	\$ (3,420)	\$ 46,694	\$ 45,647	\$ (1,047)
3	Accounts Receivable-FEMA	-	-	-	-	-	-
4	Long Term receivables (GWA,DOE&GMH)	20,143	14,362	(5,781)	20,143	14,362	(5,781)
5	Prepaid Expenses	1,186	1,188	2	1,186	1,188	2
6	Deferred fuel cost	4,001	-	(4,001)	4,001	-	(4,001)
7	Materials and Supplies	12,403	13,903	1,500	12,403	13,903	1,500
8	Fuel Oil	33,117	38,413	5,296	33,117	38,413	5,296
9	Total Current Assets	\$ 117,544	\$ 111,140	\$ (6,404)	\$ 117,544	\$ 113,512	\$ (4,032)
10							
11	Current Liabilities						
12	Accounts Payable	\$ 24,870	\$ 25,452	\$ 582	\$ 24,870	\$ 27,824	\$ 2,954
13	Deferred Payment Agreement	-	-	-	\$ -	-	-
14	Bid Bond and Customers Deposits	3,849	3,865	16	3,849	3,865	16
15	Current Portion of employees' annual leave	1,193	1,136	(57)	1,193	1,136	(57)
16	Accrued Payroll and Benefits	1,107	1,089	(18)	1,107	1,089	(18)
17	Interest Payable	11,397	11,336	(61)	11,397	11,336	(61)
18	Total Current Liabilities	\$ 42,415	\$ 42,877	\$ 463	\$ 42,415	\$ 45,250	\$ 2,835
19							
20	(Decrease) Increase in Working Capital	\$ 75,129	\$ 68,262	\$ (6,867)	\$ 75,129	\$ 68,262	\$ (6,867)

SCHEDULE I

GUAM POWER AUTHORITY
OTHER CASH FLOW ITEMS (\$000)

DATE: 10/01/07
Public Utilities Commission of Guam

Test Year: 2008
Individual Responsible:
Randy Wiegand, CFO

Row #	Description	FY 2006 ACTUAL	FY 2007 CURRENT	FY 2008 PROJECTED
1	Other Sources of Funds			
2	Note Payment from GMH	\$ 22	\$ 702	\$ -
3	Note Payment from GPSS	741	941	1,575
4	Note Payment from GWA	1,984	1,960	2,381
5	Note Payment from DPW	-	-	1,825
6	Materials Inventory	972	1,018	-
7	FEMA Receipts - Chataan	1,043	-	-
8	FEMA Receipts - Pongsona	892	500	-
9	Other Working Capital Requirement	14,013	-	3,881
10	Regulatory Asset amortization	-	529	2,097
11	Total Other Sources of Funds	\$ 19,667	\$ 5,650	\$ 11,759
12				
13				
14	Other Uses of Funds			
15	Materials Inventory	\$ -	\$ -	\$ 1,500
16	Fuel Inventory	6,455	3,616	5,296
17	Other Working Capital Requirement	-	13,102	-
18	Working Capital Fund Funding Requirement	0	0	3,412
19	Fuel Cost Under Recovery	4,296	0	0
20	Streetlight Clearing Account	0	0	318
21	Construction Fund Interest Income	\$ 819	\$ 790	\$ 750
22	Total Other Uses of Funds	\$ 11,570	\$ 17,508	\$ 11,276

**GUAM POWER AUTHORITY
PROOF OF REVENUES (\$000) - 67%**

SCHEDULE J

DATE 10/01/07
Public Utilities Commission of Guam

Test Year: 2008
Individual Responsible:
Randy Wiegand, CFO

Row #	Class of Service & Rate Schedule FY 2008 Proposed Test Year	Sales	Non-Fuel Rate Increase(1)	NON-FUEL YIELD			Non-Fuel Revenues			Fuel Clause Yield	Fuel Revenues	Current Revenues	Proposed Revenues	% Change
				Current	Proposed	Increase	Current	Proposed	Increase					
1	R- Residential - Lifeline	201,073		3.3540	3.3540	-	\$ 6,744	\$ 6,744	\$ -	11.20941	\$ 22,539	\$ 29,283	\$ 29,283	0.00%
2	R- Residential - Non Lifeline	297,373	9.9371%	8.72170	9.58838	0.86668	\$ 25,936	\$ 28,513	\$ 2,577	11.20941	\$ 33,334	\$ 59,270	\$ 61,847	4.35%
3	G-Sml/Gen- Non Dmd	67,144	9.9371%	11.38600	12.51744	1.13144	\$ 7,645	\$ 8,405	\$ 760	11.20941	\$ 7,526	\$ 15,171	\$ 15,931	5.01%
4	J-Sml/Gen - Dmd	247,034	9.9371%	9.94910	10.93775	0.98865	\$ 24,578	\$ 27,020	\$ 2,442	11.20941	\$ 27,691	\$ 52,269	\$ 54,711	4.67%
5	P- Large General	353,257	9.9371%	8.72530	9.59234	0.86704	\$ 30,823	\$ 33,886	\$ 3,063	11.20941	\$ 39,598	\$ 70,421	\$ 73,484	4.35%
6	H- Private St. Lites	559	9.9371%	32.06120	35.24715	3.18595	\$ 179	\$ 197	\$ 18	11.20941	\$ 63	\$ 242	\$ 260	7.36%
7	S-Sml/Gvt- Non Dmd	17,042	9.9371%	12.21130	13.42475	1.21345	\$ 2,081	\$ 2,288	\$ 207	11.20941	\$ 1,910	\$ 3,991	\$ 4,198	5.18%
8	K-Sml/Gvt - Dmd	100,014	9.9371%	10.62840	11.68455	1.05615	\$ 10,630	\$ 11,686	\$ 1,056	11.20941	\$ 11,211	\$ 21,841	\$ 22,897	4.84%
9	L-Large Government	73,683	9.9371%	9.73820	10.70589	0.96769	\$ 7,175	\$ 7,888	\$ 713	11.20941	\$ 8,259	\$ 15,435	\$ 16,148	4.62%
10	F-Public St. Lites	9,183	9.9371%	35.66370	39.20764	3.54394	\$ 3,275	\$ 3,600	\$ 325	11.20941	\$ 1,029	\$ 4,304	\$ 4,630	7.56%
11														
12	Total Civilian	1,366,362	9.9371%	8.69849	9.53096	0.83247	\$ 119,066	\$ 130,227	\$ 11,162	11.20941	\$ 153,161	\$ 272,227	\$ 283,389	4.10%
13														
14	N-Navy	331,812	39.4023%	5.16080	7.19428	2.03348	\$ 17,124	\$ 23,871	\$ 6,747	11.20941	\$ 37,194	\$ 54,318	\$ 61,066	12.42%
15														
16	Total	1,698,174	13.8350%	7.97770	9.07439	1.09669	\$ 136,190	\$ 154,099	\$ 17,909	11.20941	\$ 190,355	\$ 326,545	\$ 344,454	5.48%

	Civilian	Navy	Total
Total Base Revenues	119,066	17,124	136,190
Less Residential Lifeline	6,744	-	6,744
Total Base Revenues-Non Lifeline	112,322	17,124	129,446
Base Rate Increase at 67%	11,162	6,747	17,909
% Increase to Non-Lifeline(1)	9.9371%	39.4023%	13.8350%

Proposed Revenues	\$ 344,454
Base Revenues -Sch A	\$ 136,190
Fuel Revenues - Sch A	\$ 190,355
Rate Change - Sch A	\$ 17,910
Total from Schedule A	\$ 344,455

Note (1) % Increase allocation for the Civilian and Navy is from the transmission level cost of service.

**GUAM POWER AUTHORITY
EXTERNALLY FUNDED CONSTRUCTION**

SCHEDULE K

DATE **10/01/07**
Public Utilities Commission of Guam

Test Year: 2008
Individual Responsible:
Randy Wiegand, CFO

Row #	Project Description	A In-Service Date	B FY 2007 Actual (1)	C FY 2008 Projected	D FY 2009-10 Projected	E Latest Engineering Total	F Construction Fund Plus Interest (2)	G Unexpended Bond Funds	H Project Status
1	1999 SERIES "A" REVENUE FUNDS								
2	Tenjo 5&6 (34.5 kV Transmission Line along Rt. 2A)		\$ 860,000			\$ 860,000	\$ 860,000	\$ 860,000	Project will begin in FY08
3	Agana Heights Pole Hardening		\$ 220,000	\$ 1,350,000		\$ 1,737,102	\$ 1,570,000	\$ 1,570,000	To be reprogrammed, needs PUC approval
4	Asan GHURA Redevelopment	Aug-00	\$ 224,227			\$ 224,227	\$ -	\$ -	Completed
5	Barigada Village Hardening		\$ 1,329	200,000	\$ 1,263,000	\$ 1,464,329	\$ 1,463,000	\$ 1,463,000	To be reprogrammed, needs PUC approval
6	Dededo Village Pole Hardening (90% FEMA)	Jun-02	\$ 249,934			\$ 249,934	\$ -	\$ -	Completed
7	Distribution Automation Systems		\$ 622,219		\$ 377,781	\$ 1,000,000	\$ 377,781	\$ 377,781	Ongoing
8	GIAT 34.5 kV line	May-02	\$ 900,970			\$ 900,970	\$ -	\$ -	Completed
9	Old Dededo Kaiser Pole Hardening Phase II		\$ 490,000	\$ 415,000		\$ 905,000	\$ 905,000	\$ 905,000	To be reprogrammed, needs PUC approval
10	Old Dededo Kaiser Pole Hardening Phase III		\$ 925	\$ 650,000	\$ 421,000	\$ 1,071,925	\$ 1,071,000	\$ 1,071,000	To be reprogrammed, needs PUC approval
11	P-331 Reconductoring	Apr-02	\$ 506,360			\$ 506,360	\$ -	\$ -	Completed
12	Perezville Conversion - Phase II	Feb-00	\$ 415,638			\$ 415,638	\$ -	\$ -	Completed
13	Tamuning Village Pole Hardening	Mar-02	\$ 612,549			\$ 612,549	\$ -	\$ -	Completed
14	Underground Yona (all phases)		\$ -			\$ -	\$ -	\$ -	Deferred
15	Cabras to Piti 115 kV Line	Jan-00	\$ 658,918			\$ 658,918	\$ -	\$ -	Completed
16	Harmon Substation Expansion	Aug-04	\$ 4,332,168			\$ 4,332,168	\$ -	\$ -	Completed
17	Harmon Substation Protection System	Jul-05	\$ 1,413,994			\$ 1,413,994	\$ -	\$ -	Completed
18	Marbo to Pagat Line		\$ 189,119	\$ 2,580,000	\$ 742,881	\$ 3,512,000	\$ 3,322,881	\$ 3,322,881	Ongoing
19	Piti Switchyard - 115 kV	May-00	\$ 9,368,210			\$ 9,368,210	\$ -	\$ -	Completed
20	Piti to Harmon Line	Nov-02	\$ 15,623,535			\$ 15,623,535	\$ -	\$ -	Completed
21	Pulantant Transmission #2	Jun-98	\$ 998,389			\$ 998,389	\$ -	\$ -	Completed
22	Refurbishment Projects 115 Kv	Jul-01	\$ 2,175,579			\$ 2,175,579	\$ -	\$ -	Completed
23	Talofofo Substation Upgrade		\$ -			\$ -	\$ -	\$ -	Deferred
24	Umatac to Apra Line	Aug-00	\$ 2,925,012			\$ 2,925,012	\$ -	\$ -	Completed
25	Umatac to Talofofo Line		\$ -			\$ -	\$ -	\$ -	Deferred
26	Upgrade Barrigada to Talofofo Line	Jan-05	\$ 1,499,870			\$ 1,499,870	\$ -	\$ -	Completed
27	YFP-10 Switching Upgrade		\$ -			\$ -	\$ -	\$ -	Deferred
28	Maintenance Road et al.	Oct-05	\$ 1,992,103			\$ 1,992,103	\$ -	\$ -	Completed
29	Boiler Control Upgrade - Cabras			\$ 1,300,000		\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	Planned for FY 2009
30	Bulk Storage Tanks		\$ 6,714,938			\$ 6,714,938	\$ 69,660	\$ 69,660	Completed
31	Cabras Bldg Upgrade/Cabras Demineralizer	Oct-02	\$ 1,042,785			\$ 1,042,785	\$ -	\$ -	Completed
32	Cabras Fire/ AC	Sep-01	\$ 1,027,642			\$ 1,027,642	\$ -	\$ -	Completed
33	Cabras Mark V Turbine, etal	Nov-02	\$ 2,360,233			\$ 2,360,233	\$ -	\$ -	Completed
34	Cabras Condenser Line Repair	Nov-03	\$ 2,392,759			\$ 2,392,759	\$ -	\$ -	Completed
35	Cabras Monitoring Equipment	Mar-07	\$ 1,248,905			\$ 1,248,905	\$ -	\$ -	Completed
36	Cabras Miscellaneous			\$ 248,000		\$ 248,000	\$ 248,000	\$ 248,000	Planned for FY 2009
37	Piti Pipeline Upgrade	Apr-04	\$ 775,359			\$ 775,359	\$ -	\$ -	Completed
38	Spill Containment	Feb-07	\$ 349,851			\$ 349,851	\$ 322,000	\$ 322,000	Completed
39	Upgrade Cathodic Protection	Jul-99	\$ 113,143			\$ 113,143	\$ -	\$ -	Completed
40	USN Fuel Oil Pipeline Assessment	Oct-05	\$ 276,268			\$ 276,268	\$ -	\$ -	Completed
41	Yigo CT purchase	Mar-99	\$ 11,199,968			\$ 11,199,968	\$ -	\$ -	Completed
42	Interest Earned					\$ 4,134,235	\$ -	\$ -	
43	Total		\$ 72,379,999	\$ 5,000,000	\$ 6,117,662	\$ 83,497,661	\$ 15,643,557	\$ 11,509,322	

(1) Total cost incurred from inception of the project through 6/30/07 excluding AFUDC plus projected costs through 9/30/07.
(2) Construction Fund Balance as of 6/30/07.

**GUAM POWER AUTHORITY
EXTERNALLY FUNDED CONSTRUCTION**

SCHEDULE K-1

DATE **10/01/07**
Public Utilities Commission of Guam

Test Year: 2008
Individual Responsible:
Randy Wiegand, CFO

Row #	Project Description	In-Service Date	FY 2006 Actual (1)	FY 2007 Current (2)	FY 2008 Projected	FY 2009 Projected	GPA Share	FEMA Share	Approved Budget Total	Project Status
Hazard Mitigation Grant Program										
1	Harmon to Tanguisson 34.5 kV Underground Lines Con		\$ 151,478	\$ 149,672	\$ 4,086,000		\$ 719,754	\$ 3,667,396	\$ 4,387,150	Under construction
2	Harmon to Tumon 34.5 kV Underground Lines Con		\$ 1,015,571	\$ 1,096,354	\$ 1,307,000		\$ 756,725	\$ 2,662,200	\$ 3,418,925	Under construction
3	Macheche to GAA Underground Lines Conversion		\$ 102,797	\$ -	\$ 3,193,000	\$ 375,000	\$ 2,314,044	\$ 1,356,753	\$ 3,670,797	Construction bid phase
4	Agana to Tamuning & P-202 Underground Lines Conversion		\$ 112,711	\$ -	\$ 2,789,560	\$ 2,706,000	\$ 2,696,411	\$ 2,911,860	\$ 5,608,271	Under design.
5	San Vitores to Macheche Underground Lines Conversion		\$ 197,270	\$ 2,055	\$ 4,617,000	\$ 665,785	\$ 1,885,645	\$ 3,596,465	\$ 5,482,110	Construction bid phase
6	Tamuning to Tumon 34.5 kV Underground Lines Conversion		\$ 473,479	\$ 1,748,000	\$ 546,000		\$ 1,016,443	\$ 1,751,036	\$ 2,767,479	Under construction
7	P-401 Underground Conversion to GMH	2006	\$ 1,059,799	-			\$ 105,980	953,819	\$ 1,059,799	Completed
8	P-003 Underground Conversion to Cabras & PSCC	2006	\$ 1,067,120	-			\$ 106,712	960,408	\$ 1,067,120	Completed
10	Umatac Substation Drainage	2006	\$ 93,319				\$ 9,332	83,987	\$ 93,319	Completed
	Total		\$ 4,273,545	\$ 2,996,081	\$ 16,538,560	\$ 3,746,785	\$ 9,611,045	\$ 17,943,925	\$ 27,554,970	

- (1) Total cost incurred from inception of the project.
- (2) Total cost incurred through 6/30/07 plus projected costs through 9/30/07.
- (3) The GPA share for projects no. 1,2,4 and 6 are funded by \$10 million loan.
- (3) The GPA share for projects no. 3 and 5 are funded by the Excess Bond Funds.
- (4) The GPA share for projects no. 7,8 and 9 are revenue funded.

Exhibit

MFR - 1

JUSTIFICATION

GUAM POWER AUTHORITY CUSTOMER SERVICE DIVISION

JUSTIFICATION OF POSITIONS FOR CASHIER I, CUSTOMER SERVICE REPRESENTATIVE AND CREDIT MANAGER

CASHIER I

- The position is needed to reduce long lines experienced while making payment at the new satellite office in Hagatna. Since the implementation of credit card transactions, the number of customers paying has significantly increased in the past year utilizing this method of payment, and this trend is expected to continue in FY'08. In the past year, an estimated 14,442 payment transactions have been performed on a monthly basis. As of July 2006, a total of 187,747 payment transactions have been processed in the Hagatna Satellite office and this number is expected to increase.

CUSTOMER SERVICE REPRESENTATIVE

- The position is needed due to an existing manpower shortage and an increase in customer services. To adequately operate the Hagatna Satellite office, a minimum of four Customer Service Representatives are needed, but currently the office is only operating with three Customer Service Representatives. In past last year, an estimated 2,265 customer service transactions have been performed on a monthly basis. As of August 2006, a total of 27,186 customer service transactions have been performed in the Hagatna Satellite office and the trend is increasing.

Request for services have significantly increased in the past year for the following areas: billing inquiries, new service and meter, meter and billing discrepancies, inactive accounts and delinquencies, and request for disconnection and termination of accounts.

CREDIT MANAGER

- The position is needed to oversee the process and procedures in credit and collections, and address GPA's large inactive accounts receivable amounting to \$19.7 million as of September 30, 2006. A Credit Manager will closely monitor all active accounts receivable to minimize write-offs and bad debt. It has been recommended through audit findings performed by GPA's external auditor, Deloitte and Touche that in order for GPA to effectively address the deficiencies cited in Accounts Receivables, that it consider hiring an experienced Credit and Collection Manager.

JUSTIFICATION

GUAM POWER AUTHORITY COMPUTER SERVICES DIVISION

JUSTIFICATION OF APPLICATION SUPPORT ANALYST

The creation of this position will eliminate the Contractor currently performing these duties and responsibilities. This will save the Authority estimated 30K annually.

To provide support to end users in the organization on how to use various types of software Applications and DBMS efficiently and effectively in fulfilling business objectives. This includes troubleshooting applications and software for all internal customers, such as operations, development, and other business units. The Application Support Analyst will also be responsible for assisting in the design, delivery, implementation and improvement of in-house software applications, modifications training programs and related course work.

In addition, the individual will:

- Create and deploy feedback mechanisms for end users. Analyze results, make recommendations for support process improvement, and implement changes.
- Field incoming problem tickets from end users to resolve application and software issues within servers, databases, and other mission-critical systems.
- Document all pertinent end user identification information, including name, department, contact information, and nature of problem or issue.
- Prioritize, schedule, and administer all instances where enhancements and defect resolution are required.
- Perform hands-on fixes at the desktop level, including installing and upgrading software, installing hardware, implementing file backups, and configuring systems and applications.
- Record, track, and document the problem-solving process, including all successful and unsuccessful decisions made, and actions taken, through to final resolution.
- Evaluate documented resolutions and analyze trends for ways to prevent repeated future problems.
- Communicate application problems and issues to key stakeholders, including management, development teams, end users, and unit leaders.
- Test fixes and perform post-resolution follow-ups to ensure problems have been adequately resolved.
- Maintain and enhance performance of all new and existing software and applications across the organization.
- Identify and learn appropriate software applications used and supported by the organization.
- Coordinate with department heads to assess departmental application training needs and objectives.

- Participate in the design, development, and delivery of software applications training programs and individual classes.
- Post software updates, drivers, knowledge bases, and frequently asked questions resources on company intranet to assist in problem resolution.
- Provide support for the testing of new and existing software applications under development or consideration for purchase.
- Perform preventative maintenance, including the installation of service packs, patches, hot fixes, anti-virus software, and so on.
- Apply diagnostic utilities to aid in troubleshooting.
- Conduct research into software application products and services in support of development and purchasing efforts.

JUSTIFICATION

GUAM POWER AUTHORITY COMPUTER SERVICES DIVISION

JUSTIFICATION OF ENGINEER II AND MAINTENANCE PLANNER

Currently, there are only two engineers in Generation Administration that support the entire operations of Generation Division:

- One is a *Special Projects Engineer* primarily tasked to provide Electrical Engineering and Project Management support to Generation Division Power Plants, both base loads and peaking units.
- The other is an *Engineer III (Mechanical)* primarily tasked to provide Mechanical Engineering, Project Management support and environmental issues support to Generation Division Power Plants, both base loads and peaking units.

There are only three maintenance planners in Generation Administration that support the entire operations of Generation Division:

- Two maintenance planners are assigned to provide maintenance planning support (CMMS) to Cabras Power Plant 1 and 2. The other maintenance planner is assigned to provide maintenance planning support (CMMS) to Cabras Power Plant 3 and 4.

To address the immediate and long-term plans as reflected in our revised Key Performance Indicators, it is deemed critical for organizational effectiveness and efficiency, to recruit for an Engineer II and Maintenance Planner respectively to handle the environmental and fuel oil issues (Best Management Practices, BMP and Spill Prevention Control and Countermeasure, SPCC implementation) and to provide maintenance planning support (CMMS) for the peaking units (Combustion Turbine C.T. and Diesel Fast Tracks) of Generation Division.

JUSTIFICATION

Guam Power Authority Internal Audit Office

Justification for New Position – Meter Electrician II

The Internal Audit Office is charged with maintaining an aggressive Revenue Protection Service (RPS) program, to investigate, identify, report, deter, and recover lost revenues due to meter tampering and theft of utility (electric) service violations. Since the Internal Audit Office revived the program in 2004, a total of **564** field investigations/reports were conducted of which **253** were identified as confirmed violations.

The RPS program is currently manned with only one Meter Electrician II whose duties and responsibilities include, but not limited to: identifying tampering and theft of service violations, removing electrical equipment (meters) and sealing devices to inspect internal connections, securing electrical facilities and disconnecting service to the location as deterrence from further violation and for safety of the general public and GPA employees. To comply with the safety requirement of a two (2) man crew, the Meter Electrician has to tap manpower resources from the Internal Audit or Safety Office for additional assistance; none of which are electricians. All field investigations are conducted with 2-man crews because of the nature of investigations and what the findings could uncover, i.e. ongoing criminal activities and other unsafe (hazardous) conditions. The Meter Electrician II will climb structures, wooden poles, and meter provisions to detach energized service lines to disconnect electrical service to further deter against theft. The Meter Electrician II also prepares field reports of findings and investigative activities, coordinates investigations with the Guam Police Department, gathers and tags evidence, interviews occupants, and represents the Authority in the court system during prosecutions of perpetrators. Additionally, investigations revealing faulty or defective metering equipment are corrected onsite by the Meter Electrician or reported to the appropriate section for immediate corrective action.

The additional Meter Electrician II is vital for the reasons stated above and necessary to continue with an aggressive RPS program.

GPA
 Projected FY 2008
 Total Revenues

MFR Workpaper 1

A	B	C	D=BxC	E	F=D+E	
Customer Class	Projected Kwh Sales for FY 08	Non Fuel Yield *	Projected FY 08 Jon Fuel Revenu	Projected FY 08 Fuel Revenue	Projected FY 08 Total Revenue	Regulatory Asset
				0.112094		
Residential	498,445,850	0.065564	\$ 32,680,104	\$ 55,872,844	\$ 88,552,948	\$ 722,746
Small General Non Demand	67,144,096	0.113860	7,645,027	7,526,458	15,171,484	97,359
Small General Demand	247,033,590	0.099491	24,577,619	27,691,010	52,268,629	358,199
Large Power	353,257,160	0.087253	30,822,747	39,598,047	70,420,794	512,223
Private Lighting	559,147	0.320612	179,269	62,677	241,946	\$ 226,655,802 Private 811
Small Government Non Demand	17,042,229	0.122113	2,081,078	1,910,333	3,991,411	24,711
Small Government Demand	100,013,575	0.106284	10,629,843	11,210,933	21,840,775	145,020
Large Government	73,683,202	0.097382	7,175,418	8,259,453	15,434,871	106,841
Public Lighting	9,183,367	0.356637	3,275,128	1,029,401	4,304,530	45,571,587 Gov't 13,316
Total Civilian	1,366,362,216	0.087141	119,066,232	153,161,157	272,227,389	272,227,389 1,981,225
Navy	331,811,620	0.051608	17,124,010	37,194,128	54,318,138	54,318,138 Navy 116,134
Total	1,698,173,836	0.080198	\$ 136,190,242	\$ 190,355,285	\$ 326,545,527	\$ 326,545,527 \$ 2,097,359

*Note: Based on average 7 months non fuel yield as of 4/30/07.

USN BILLING SUMMARY

	FY2008
	PROJECTIONS
KWH	331,811,620
WHEELING CHARGES RATE .019	19,908,697 \$ 378,265.25
BILLED KW DEMAND RATE \$26.01	551,446.29 \$ 14,343,118
NON FUEL ENERGY CHARGE	2,355,862.50
INSURANCE CHARGE	116,134.07
CUSTOMER CHARGE	46,764.00
FUEL CHARGE	37,194,128.23
TOTAL BILLING	54,434,272.05
NON FUEL ENRGY CHRG WITH WHEELING	0.0519576
NON FUEL ENRGY CHRG EXCL WHEELING	0.0508176
NON-FUEL EXCLUDING INS	0.0516076
NAVY NON-FUEL EXCLUDING INSURANCE	\$ 17,124,010

GPA
Projected FY 2008
Miscellaneous Revenues

MFR Workpaper 2

	YTD 6/30/2007	FY 2007 Annualized	FY 2008 5% Escalation
Late Charge	558,704	744,939	782,186
Returned Checks fees	235,430	313,907	329,602
Service Establishment	72,284	96,379	101,198
Tampering Charges	222,142	296,189	310,999
Miscellaneous Service	56,158	74,877	78,621
Others	450,221	600,295	630,309
Add Credit Card Fees (\$2.50 per transaction)	-	-	300,000
Total	\$ 1,594,939	\$ 2,126,585	\$ 2,532,915

**GPA
Projected FY 2008
Investment Income**

MFR Workpaper 3

GPA Funds	Ave. Fund Balance	Interest Rate	Interest Income	Interest on CF
Working Capital Fund	\$ 17,000,000	5.00%	\$ 850,000	0
P&I Fund	\$ 13,750,000	6.00%	\$ 825,000	0
Other Funds	\$ 4,000,000	2.00%	\$ 80,000	0
Excess Bond Funds	\$ 2,500,000	6.00%	\$ 150,000	\$ 150,000
Amort Of Def Credit-Bond Res Fund			\$ 584,000	0
Construction Fund	\$ 10,000,000	6.00%	\$ 600,000	\$ 600,000
Interest on Promissory Notes:				<u>0</u>
DPW			\$ 904,992	
GWA			\$ 281,797	
GPSS			\$ 499,702	
Total			<u>\$ 4,775,491</u>	<u>\$ 750,000</u>

GUAM POWER AUTHORITY

MFR Workpaper 4

Amortization Table - Department of Public Works Streetlight Account

Outstanding Balance- 09/30/05	4,057,570.13
Outstanding Promissory Note thru 09/30/07	11,400,808.28
<hr/>	
Total Promissory Note Principal	15,458,378.41
Term (5 years)	60.00
Monthly Interest	6.36%
Monthly Payment	(\$301,448.26)

Appropriation per PL 29-03	\$ 2,730,000.00
Credit Application Effective 2/1/08 (8mos)	\$ 2,411,586.08
Deposit to Streetlight Clearing account	\$ 318,413.92
<hr/>	
Appropriation per PL 29-03	\$ 2,730,000.00
Applied to Interest	\$ 904,992.29
Amount applied to Principal	\$ 1,825,007.71

Payment No.	Date	Payment to GPA		Total P&I	Principal Balance	Total per Fiscal Year	Current portion	
		Principal	Interest				Principal	Interest
	9/30/2007				\$ 15,458,378.41			
1	10/31/2007	219,518.85	81,929.41	301,448.26	15,238,859.56			
2	11/30/2007	220,682.30	80,765.96	301,448.26	15,018,177.26			
3	12/31/2007	221,851.92	79,596.34	301,448.26	14,796,325.34			
4	1/31/2008	223,027.74	78,420.52	301,448.26	14,573,297.60			
5	2/29/2008	224,209.78	77,238.48	301,448.26	14,349,087.82			
6	3/31/2008	225,398.09	76,050.17	301,448.26	14,123,689.73			
7	4/30/2008	226,592.70	74,855.56	301,448.26	13,897,097.03			
8	5/31/2008	227,793.65	73,654.61	301,448.26	13,669,303.38			
9	6/30/2008	229,000.95	72,447.31	301,448.26	13,440,302.43			
10	7/31/2008	230,214.66	71,233.60	301,448.26	13,210,087.77			
11	8/31/2008	231,434.79	70,013.47	301,448.26	12,978,652.98			
12	9/30/2008	232,661.40	68,786.86	301,448.26	12,745,991.58	3,617,379.12	\$ 2,712,386.83	\$ 904,992.29
13	10/31/2008	233,894.50	67,553.76	301,448.26	12,512,097.08			
14	11/30/2008	235,134.15	66,314.11	301,448.26	12,276,962.93			
15	12/31/2008	236,380.36	65,067.90	301,448.26	12,040,582.57			
16	1/31/2009	237,633.17	63,815.09	301,448.26	11,802,949.40			
17	2/28/2009	238,892.63	62,555.63	301,448.26	11,564,056.77			
18	3/31/2009	240,158.76	61,289.50	301,448.26	11,323,898.01			
19	4/30/2009	241,431.60	60,016.66	301,448.26	11,082,466.41			
20	5/31/2009	242,711.19	58,737.07	301,448.26	10,839,755.22			
21	6/30/2009	243,997.56	57,450.70	301,448.26	10,595,757.66			
22	7/31/2009	245,290.74	56,157.52	301,448.26	10,350,466.92			
23	8/31/2009	246,590.79	54,857.47	301,448.26	10,103,876.13			
24	9/30/2009	247,897.72	53,550.54	301,448.26	9,855,978.41	3,617,379.12	\$ 2,890,013.17	\$ 727,365.95
25	10/31/2009	249,211.57	52,236.69	301,448.26	9,606,766.84			
26	11/30/2009	250,532.40	50,915.86	301,448.26	9,356,234.44			
27	12/31/2009	251,860.22	49,588.04	301,448.26	9,104,374.22			
28	1/31/2010	253,195.08	48,253.18	301,448.26	8,851,179.14			
29	2/28/2010	254,537.01	46,911.25	301,448.26	8,596,642.13			
30	3/31/2010	255,886.06	45,562.20	301,448.26	8,340,756.07			
31	4/30/2010	257,242.25	44,206.01	301,448.26	8,083,513.82			
32	5/31/2010	258,605.64	42,842.62	301,448.26	7,824,908.18			
33	6/30/2010	259,976.25	41,472.01	301,448.26	7,564,931.93			
34	7/31/2010	261,354.12	40,094.14	301,448.26	7,303,577.81			
35	8/31/2010	262,739.30	38,708.96	301,448.26	7,040,838.51			
36	9/30/2010	264,131.82	37,316.44	301,448.26	6,776,706.69	3,617,379.12	\$ 3,079,271.72	\$ 538,107.40
37	10/31/2010	265,531.71	35,916.55	301,448.26	6,511,174.98			
38	11/30/2010	266,939.03	34,509.23	301,448.26	6,244,235.95			
39	12/31/2010	268,353.81	33,094.45	301,448.26	5,975,882.14			
40	1/31/2011	269,776.08	31,672.18	301,448.26	5,706,106.06			
41	2/28/2011	271,205.90	30,242.36	301,448.26	5,434,900.16			
42	3/31/2011	272,643.29	28,804.97	301,448.26	5,162,256.87			
43	4/30/2011	274,088.30	27,359.96	301,448.26	4,888,168.57			
44	5/31/2011	275,540.97	25,907.29	301,448.26	4,612,627.60			
45	6/30/2011	277,001.33	24,446.93	301,448.26	4,335,626.27			
46	7/31/2011	278,469.44	22,978.82	301,448.26	4,057,156.83			
47	8/31/2011	279,945.33	21,502.93	301,448.26	3,777,211.50			
48	9/30/2011	281,429.04	20,019.22	301,448.26	3,495,782.46	3,617,379.12	\$ 3,280,924.23	\$ 336,454.89
49	10/31/2011	282,920.61	18,527.65	301,448.26	3,212,861.85			
50	11/30/2011	284,420.09	17,028.17	301,448.26	2,928,441.76			
51	12/31/2011	285,927.52	15,520.74	301,448.26	2,642,514.24			
52	1/31/2012	287,442.93	14,005.33	301,448.26	2,355,071.31			
53	2/29/2012	288,966.38	12,481.88	301,448.26	2,066,104.93			
54	3/31/2012	290,497.90	10,950.36	301,448.26	1,775,607.03			
55	4/30/2012	292,037.54	9,410.72	301,448.26	1,483,569.49			
56	5/31/2012	293,585.34	7,862.92	301,448.26	1,189,984.15			
57	6/30/2012	295,141.34	6,306.92	301,448.26	894,842.81			
58	7/31/2012	296,705.59	4,742.67	301,448.26	598,137.22			
59	8/31/2012	298,278.13	3,170.13	301,448.26	299,859.09			
60	9/30/2012	299,859.09	1,589.25	301,448.34	(0.00)	3,617,379.20	\$ 3,495,782.46	\$ 121,596.74
		<u>15,458,378.41</u>	<u>2,628,517.27</u>	<u>18,086,895.68</u>				

Amortization Table - Guam Waterworks Authority

		9/30/2006				4.33%			
						\$ 9,762,653.95			
9/30/2006	Payment	Date	Payment to GPA		Total P&I	Principal Balance	Current portion		
			Principal	Interest			Principal	Interest	
	31.00	1	10/31/2006	\$ 185,474.94	\$ 36,401.14	\$221,876.08	\$ 9,577,179.01		
	30.00	2	11/30/2006	187,318.43	34,557.65	221,876.08	9,389,860.58		
	31.00	3	12/31/2006	186,864.94	35,011.14	221,876.08	9,202,995.64		
	31.00	4	1/31/2007	187,561.69	34,314.39	221,876.08	9,015,433.95		
	28.00	5	2/28/2007	191,514.10	30,361.98	221,876.08	8,823,919.85		
	31.00	6	3/31/2007	188,975.11	32,900.97	221,876.08	8,634,944.74		
	30.00	7	4/30/2007	190,718.32	31,157.76	221,876.08	8,444,226.42		
	31.00	8	5/31/2007	190,390.84	31,485.24	221,876.08	8,253,835.58		
	30.00	9	6/30/2007	192,093.49	29,782.59	221,876.08	8,061,742.09		
	31.00	10	7/31/2007	191,816.98	30,059.10	221,876.08	7,869,925.11		
	31.00	11	8/31/2007	192,532.19	29,343.89	221,876.08	7,677,392.92		
	30.00	12	9/30/2007	194,173.49	27,702.59	221,876.08	7,483,219.43	2,279,434.52	383,078.44
	31.00	13	10/31/2007	193,974.06	27,902.02	221,876.08	7,289,245.37		
	30.00	14	11/30/2007	195,574.05	26,302.03	221,876.08	7,093,671.32		
	31.00	15	12/31/2007	195,426.54	26,449.54	221,876.08	6,898,244.78		
	31.00	16	1/31/2008	196,155.21	25,720.87	221,876.08	6,702,089.57		
	29.00	17	2/29/2008	198,498.82	23,377.26	221,876.08	6,503,590.75		
	31.00	18	3/31/2008	197,626.72	24,249.36	221,876.08	6,305,964.03		
	30.00	19	4/30/2008	199,122.06	22,754.02	221,876.08	6,106,841.97		
	31.00	20	5/31/2008	199,106.04	22,770.04	221,876.08	5,907,735.93		
	30.00	21	6/30/2008	200,559.00	21,317.08	221,876.08	5,707,176.93		
	31.00	22	7/31/2008	200,596.24	21,279.84	221,876.08	5,506,580.69		
	31.00	23	8/31/2008	201,344.18	20,531.90	221,876.08	5,305,236.51		
	30.00	24	9/30/2008	202,733.02	19,143.06	221,876.08	5,102,503.49	2,380,715.94	281,797.02
	31.00	25	10/31/2008	202,850.83	19,025.25	221,876.08	4,899,652.66		
	30.00	26	11/30/2008	204,196.50	17,679.58	221,876.08	4,695,456.16		
	31.00	27	12/31/2008	204,368.55	17,507.53	221,876.08	4,491,087.61		
	31.00	28	1/31/2009	205,130.56	16,745.52	221,876.08	4,285,957.05		
	28.00	29	2/28/2009	207,441.93	14,434.15	221,876.08	4,078,515.12		
	31.00	30	3/31/2009	206,668.88	15,207.20	221,876.08	3,871,846.24		
	30.00	31	4/30/2009	207,905.17	13,970.91	221,876.08	3,663,941.07		
	31.00	32	5/31/2009	208,214.67	13,661.41	221,876.08	3,455,726.40		
	30.00	33	6/30/2009	209,406.67	12,469.41	221,876.08	3,246,319.73		
	31.00	34	7/31/2009	209,771.82	12,104.26	221,876.08	3,036,547.91		
	31.00	35	8/31/2009	210,553.97	11,322.11	221,876.08	2,825,993.94		
	30.00	36	9/30/2009	211,678.95	10,197.13	221,876.08	2,614,314.99	2,488,188.50	174,324.46
	31.00	37	10/31/2009	212,128.32	9,747.76	221,876.08	2,402,186.67		
	30.00	38	11/30/2009	213,208.19	8,667.89	221,876.08	2,188,978.48		
	31.00	39	12/31/2009	213,714.23	8,161.85	221,876.08	1,975,264.25		
	31.00	40	1/31/2010	214,511.09	7,364.99	221,876.08	1,760,753.16		
	28.00	41	2/28/2010	215,946.25	5,929.83	221,876.08	1,544,806.91		
	31.00	42	3/31/2010	216,116.10	5,759.98	221,876.08	1,328,690.81		
	30.00	43	4/30/2010	217,081.72	4,794.36	221,876.08	1,111,609.09		
	31.00	44	5/31/2010	217,731.32	4,144.76	221,876.08	893,877.77		
	30.00	45	6/30/2010	218,650.67	3,225.41	221,876.08	675,227.10		
	31.00	46	7/31/2010	219,358.42	2,517.66	221,876.08	455,868.68		
	31.00	47	8/31/2010	220,176.32	1,699.76	221,876.08	235,692.36		
	30.00	48	9/30/2010	235,692.36	850.46	236,542.82	0.00	2,614,314.99	62,864.70

Amortization Table - GPSS

		6/1/2004		4.47%		15,855,082.95		
6/1/2004	Payment	Date	Payment to GPA		Total P&I	Principal Balance	Current portion	
			Principal	Interest			Principal	Interest
30.00	1	7/1/2004	\$ 440,939.82	\$ 59,060.18	\$ 500,000.00	\$ 15,414,143.13		
30.00	2	8/1/2004	442,582.32	57,417.68	500,000.00	14,971,560.81		
30.00	3	9/1/2004	444,230.94	55,769.06	500,000.00	14,527,329.87	1,327,753.08	172,246.93
30.00	4	10/1/2004	45,885.70	54,114.30	100,000.00	14,481,444.17		
30.00	5	11/1/2004	46,056.62	53,943.38	100,000.00	14,438,387.55		
30.00	6	12/1/2004	46,228.18	53,771.82	100,000.00	14,389,159.37		
30.00	7	1/1/2005	46,400.38	53,599.62	100,000.00	14,342,758.99		
30.00	8	2/1/2005	46,573.22	53,426.78	100,000.00	14,296,185.77		
30.00	9	3/1/2005	46,746.71	53,253.29	100,000.00	14,249,439.06		
30.00	10	4/1/2005	46,920.84	53,079.16	100,000.00	14,202,518.22		
30.00	11	5/1/2005	47,095.62	52,904.38	100,000.00	14,155,422.60		
30.00	12	6/1/2005	47,271.05	52,728.95	100,000.00	14,108,151.55		
30.00	13	7/1/2005	47,447.14	52,552.86	100,000.00	14,060,704.41		
30.00	14	8/1/2005	47,623.88	52,376.12	100,000.00	14,013,080.53		
30.00	15	9/1/2005	47,801.26	52,198.72	100,000.00	13,965,279.25	562,050.62	637,949.39
30.00	16	10/1/2005	47,979.33	52,020.67	100,000.00	13,917,299.92		
30.00	17	11/1/2005	73,158.06	51,841.94	125,000.00	13,844,141.86		
30.00	18	12/1/2005	73,430.57	51,569.43	125,000.00	13,770,711.29		
30.00	19	1/1/2006	73,704.10	51,295.90	125,000.00	13,697,007.19		
30.00	20	2/1/2006	73,978.65	51,021.35	125,000.00	13,623,028.54	73,978.65	125,000.00
30.00	21	3/1/2006	74,254.22	50,745.78	125,000.00	13,548,774.32		
30.00	22	4/1/2006	74,530.82	50,469.18	125,000.00	13,474,243.50		
30.00	23	5/1/2006	74,808.44	50,191.56	125,000.00	13,399,435.06		
30.00	24	6/1/2006	75,087.10	49,912.90	125,000.00	13,324,347.96		
30.00	25	7/1/2006	75,366.80	49,633.20	125,000.00	13,248,981.16		
30.00	26	8/1/2006	75,647.55	49,352.45	125,000.00	13,173,333.61		
30.00	27	9/1/2006	75,929.33	49,070.67	125,000.00	13,097,404.28	867,874.97	607,125.02
30.00	28	10/1/2006	76,212.17	48,787.83	125,000.00	13,021,192.11		
30.00	29	11/1/2006	101,496.06	48,503.94	150,000.00	12,919,696.05		
30.00	30	12/1/2006	101,874.13	48,125.87	150,000.00	12,817,821.92		
30.00	31	1/1/2007	102,253.61	47,746.39	150,000.00	12,715,568.31		
30.00	32	2/1/2007	102,634.51	47,365.49	150,000.00	12,612,933.80		
30.00	33	3/1/2007	103,016.82	46,983.18	150,000.00	12,509,916.98		
30.00	34	4/1/2007	103,400.56	46,599.44	150,000.00	12,406,516.42		
30.00	35	5/1/2007	103,785.73	46,214.27	150,000.00	12,302,730.69		
30.00	36	6/1/2007	104,172.33	45,827.67	150,000.00	12,198,558.36		
30.00	37	7/1/2007	104,560.37	45,439.63	150,000.00	12,093,997.99		
30.00	38	8/1/2007	104,949.86	45,050.14	150,000.00	11,989,048.13		
30.00	39	9/1/2007	105,340.80	44,659.20	150,000.00	11,883,707.33	1,213,696.95	561,303.06
30.00	40	10/1/2007	105,733.19	44,266.81	150,000.00	11,777,974.14		
30.00	41	11/1/2007	131,127.05	43,872.95	175,000.00	11,646,847.09		
30.00	42	12/1/2007	131,615.49	43,384.51	175,000.00	11,515,231.60		
30.00	43	1/1/2008	132,105.76	42,894.24	175,000.00	11,383,125.84		
30.00	44	2/1/2008	132,597.86	42,402.14	175,000.00	11,250,527.98		
30.00	45	3/1/2008	133,091.78	41,908.22	175,000.00	11,117,436.20		
30.00	46	4/1/2008	133,587.55	41,412.45	175,000.00	10,983,848.65		
30.00	47	5/1/2008	134,085.16	40,914.84	175,000.00	10,849,763.49		
30.00	48	6/1/2008	134,584.63	40,415.37	175,000.00	10,715,178.86		
30.00	49	7/1/2008	135,086.96	39,914.04	175,000.00	10,580,014.90		
30.00	50	8/1/2008	135,589.15	39,410.85	175,000.00	10,444,503.75		
30.00	51	9/1/2008	136,094.22	38,905.78	175,000.00	10,308,409.53	1,575,297.80	499,702.19
30.00	52	10/1/2008	136,601.17	38,398.83	175,000.00	10,171,808.36		
30.00	53	11/1/2008	162,110.01	37,889.99	200,000.00	10,009,698.35		
30.00	54	12/1/2008	162,713.87	37,286.13	200,000.00	9,846,984.48		
30.00	55	1/1/2009	163,319.98	36,680.02	200,000.00	9,683,664.50		
30.00	56	2/1/2009	163,928.35	36,071.65	200,000.00	9,519,736.15		
30.00	57	3/1/2009	164,538.98	35,461.02	200,000.00	9,355,197.17		
30.00	58	4/1/2009	165,151.89	34,848.11	200,000.00	9,190,045.28		
30.00	59	5/1/2009	165,767.08	34,232.92	200,000.00	9,024,278.20		
30.00	60	6/1/2009	166,384.56	33,615.44	200,000.00	8,857,893.64		
30.00	61	7/1/2009	167,004.35	32,995.65	200,000.00	8,690,889.29		
30.00	62	8/1/2009	167,626.44	32,373.56	200,000.00	8,523,262.85		
30.00	63	9/1/2009	168,250.85	31,749.15	200,000.00	8,355,012.00	1,953,397.53	421,602.46
30.00	64	10/1/2009	168,877.58	31,122.42	200,000.00	8,186,134.42		
30.00	65	11/1/2009	169,506.65	30,493.35	200,000.00	8,016,627.77		
30.00	66	12/1/2009	170,138.06	29,861.94	200,000.00	7,846,489.71		
30.00	67	1/1/2010	170,771.83	29,228.17	200,000.00	7,675,717.88		
30.00	68	2/1/2010	171,407.95	28,592.05	200,000.00	7,504,309.93		
30.00	69	3/1/2010	172,046.45	27,953.55	200,000.00	7,332,263.48		
30.00	70	4/1/2010	172,687.32	27,312.68	200,000.00	7,159,576.16		
30.00	71	5/1/2010	173,330.58	26,669.42	200,000.00	6,986,245.58		
30.00	72	6/1/2010	173,976.24	26,023.76	200,000.00	6,812,269.34		
30.00	73	7/1/2010	174,624.30	25,375.70	200,000.00	6,637,645.04		
30.00	74	8/1/2010	175,274.77	24,725.23	200,000.00	6,462,370.27		
30.00	75	9/1/2010	175,927.67	24,072.33	200,000.00	6,286,442.60	2,068,569.40	331,430.61
30.00	76	10/1/2010	176,583.00	23,417.00	200,000.00	6,109,859.60		
30.00	77	11/1/2010	177,240.77	22,759.23	200,000.00	5,932,618.83		
30.00	78	12/1/2010	177,900.99	22,099.01	200,000.00	5,754,717.84		
30.00	79	1/1/2011	178,563.68	21,436.32	200,000.00	5,576,154.16		
30.00	80	2/1/2011	179,228.83	20,771.17	200,000.00	5,396,925.33		
30.00	81	3/1/2011	179,896.45	20,103.55	200,000.00	5,217,028.88		
30.00	82	4/1/2011	180,566.57	19,433.43	200,000.00	5,036,462.31		
30.00	83	5/1/2011	181,239.18	18,760.82	200,000.00	4,855,223.13		
30.00	84	6/1/2011	181,914.29	18,085.71	200,000.00	4,673,308.84		
30.00	85	7/1/2011	182,591.92	17,408.08	200,000.00	4,490,716.92		
30.00	86	8/1/2011	183,272.08	16,727.92	200,000.00	4,307,444.84		
30.00	87	9/1/2011	183,954.77	16,045.23	200,000.00	4,123,490.07	2,162,952.53	237,047.46
30.00	88	10/1/2011	184,640.00	15,360.00	200,000.00	3,938,850.07		
30.00	89	11/1/2011	185,327.78	14,672.22	200,000.00	3,753,522.29		
30.00	90	12/1/2011	186,018.13	13,981.87	200,000.00	3,567,504.16		
30.00	91	1/1/2012	186,711.05	13,288.95	200,000.00	3,380,793.11		
30.00	92	2/1/2012	187,406.55	12,593.45	200,000.00	3,193,386.56		
30.00	93	3/1/2012	188,104.64	11,895.36	200,000.00	3,005,281.92		
30.00	94	4/1/2012	188,805.32	11,194.68	200,000.00	2,816,476.60		
30.00	95	5/1/2012	189,508.62	10,491.38	200,000.00	2,626,967.98		
30.00	96	6/1/2012	190,214.54	9,785.46	200,000.00	2,436,753.44		
30.00	97	7/1/2012	190,923.09	9,076.91	200,000.00	2,245,830.35		
30.00	98	8/1/2012	191,634.28	8,365.72	200,000.00	2,054,196.07		
30.00	99	9/1/2012	192,348.12	7,651.88	200,000.00	1,861,847.95	2,261,642.12	138,357.87
30.00	100	10/1/2012	193,064.62	6,935.38	200,000.00	1,668,783.33		
30.00	101	11/1/2012	193,783.78	6,216.22	200,000.00	1,474,999.55		
30.00	102	12/1/2012	194,505.63	5,494.37	200,000.00	1,280,493.92		
30.00	103	1/1/2013	195,230.16	4,769.84	200,000.00	1,085,263.76		
30.00	104	2/1/2013	195,957.39	4,042.61	200,000.00	889,306.37		
30.00	105	3/1/2013	196,687.33	3,312.67	200,000.00	692,619.04		
30.00	106	4/1/2013	197,419.99	2,580.01	200,000.00	495,199.05		
30.00	107	5/1/2013	198,155.38	1,844.62	200,000.00	297,043.67		
30.00	108	6/1/2013	198,893.51	1,106.49	200,000.00	98,150.16		
30.00	109	7/1/2013	98,150.16	365.61	98,515.77	(0.00)	1,861,847.95	36,667.81
			\$ 15,855,082.95	\$ 3,643,432.81	\$ 19,498,515.77			

**GPA
Projected FY 2008
IPP Costs**

MFR Workpaper 7

	YTD 6/30/2007	FY 2007 Annualized	FY 2008 2% Escalation
IPP Costs	13,602,726	18,136,968	18,499,707

GPA Equipment Loan
\$10 million

MFR Workpaper 8

Principal Amount \$ 10,000,000.00
Interest Rate 0.46%
Period 60 mos
Monthly Amortization (\$191,011.62)

Month	Principal	Interest	Total	Balance
1	\$145,178.29	\$ 45,833.33	\$191,011.62	\$9,854,821.71
2	\$145,843.69	\$45,167.93	\$191,011.62	\$9,708,978.02
3	\$146,512.14	\$44,499.48	\$191,011.62	\$9,562,465.88
4	\$147,183.65	\$43,827.97	\$191,011.62	\$9,415,282.23
5	\$147,858.24	\$43,153.38	\$191,011.62	\$9,267,423.99
6	\$148,535.93	\$42,475.69	\$191,011.62	\$9,118,888.06
7	\$149,216.72	\$41,794.90	\$191,011.62	\$8,969,671.34
8	\$149,900.63	\$41,110.99	\$191,011.62	\$8,819,770.71
9	\$150,587.67	\$40,423.95	\$191,011.62	\$8,669,183.04
10	\$151,277.87	\$39,733.76	\$191,011.62	\$8,517,905.17
11	\$151,971.22	\$39,040.40	\$191,011.62	\$8,365,933.95
12	\$152,667.76	\$38,343.86	\$191,011.62	\$8,213,266.19
13	\$153,367.49	\$37,644.14	\$191,011.62	\$8,059,898.71
14	\$154,070.42	\$36,941.20	\$191,011.62	\$7,905,828.29
15	\$154,776.58	\$36,235.05	\$191,011.62	\$7,751,051.71
16	\$155,485.97	\$35,525.65	\$191,011.62	\$7,595,565.74
17	\$156,198.61	\$34,813.01	\$191,011.62	\$7,439,367.13
18	\$156,914.52	\$34,097.10	\$191,011.62	\$7,282,452.61
19	\$157,633.71	\$33,377.91	\$191,011.62	\$7,124,818.90
20	\$158,356.20	\$32,655.42	\$191,011.62	\$6,966,462.69
21	\$159,082.00	\$31,929.62	\$191,011.62	\$6,807,380.69
22	\$159,811.13	\$31,200.49	\$191,011.62	\$6,647,569.57
23	\$160,543.59	\$30,468.03	\$191,011.62	\$6,487,025.97
24	\$161,279.42	\$29,732.20	\$191,011.62	\$6,325,746.55
25	\$162,018.62	\$28,993.01	\$191,011.62	\$6,163,727.94
26	\$162,761.20	\$28,250.42	\$191,011.62	\$6,000,966.73
27	\$163,507.19	\$27,504.43	\$191,011.62	\$5,837,459.54
28	\$164,256.60	\$26,755.02	\$191,011.62	\$5,673,202.94
29	\$165,009.44	\$26,002.18	\$191,011.62	\$5,508,193.50
30	\$165,765.73	\$25,245.89	\$191,011.62	\$5,342,427.77
31	\$166,525.49	\$24,486.13	\$191,011.62	\$5,175,902.27
32	\$167,288.74	\$23,722.89	\$191,011.62	\$5,008,613.54
33	\$168,055.48	\$22,956.15	\$191,011.62	\$4,840,558.06
34	\$168,825.73	\$22,185.89	\$191,011.62	\$4,671,732.33
35	\$169,599.52	\$21,412.11	\$191,011.62	\$4,502,132.81
36	\$170,376.85	\$20,634.78	\$191,011.62	\$4,331,755.97
37	\$171,157.74	\$19,853.88	\$191,011.62	\$4,160,598.23
38	\$171,942.21	\$19,069.41	\$191,011.62	\$3,988,656.01
39	\$172,730.28	\$18,281.34	\$191,011.62	\$3,815,925.73
40	\$173,521.96	\$17,489.66	\$191,011.62	\$3,642,403.77
41	\$174,317.27	\$16,694.35	\$191,011.62	\$3,468,086.50
42	\$175,116.23	\$15,895.40	\$191,011.62	\$3,292,970.27
43	\$175,918.84	\$15,092.78	\$191,011.62	\$3,117,051.43
44	\$176,725.14	\$14,286.49	\$191,011.62	\$2,940,326.30
45	\$177,535.13	\$13,476.50	\$191,011.62	\$2,762,791.17
46	\$178,348.83	\$12,662.79	\$191,011.62	\$2,584,442.34
47	\$179,166.26	\$11,845.36	\$191,011.62	\$2,405,276.08
48	\$179,987.44	\$11,024.18	\$191,011.62	\$2,225,288.64
49	\$180,812.38	\$10,199.24	\$191,011.62	\$2,044,476.26
50	\$181,641.11	\$9,370.52	\$191,011.62	\$1,862,835.15
51	\$182,473.63	\$8,537.99	\$191,011.62	\$1,680,361.53
52	\$183,309.96	\$7,701.66	\$191,011.62	\$1,497,051.56
53	\$184,150.14	\$6,861.49	\$191,011.62	\$1,312,901.43
54	\$184,994.16	\$6,017.46	\$191,011.62	\$1,127,907.27
55	\$185,842.05	\$5,169.57	\$191,011.62	\$942,065.22
56	\$186,693.82	\$4,317.80	\$191,011.62	\$755,371.40
57	\$187,549.50	\$3,462.12	\$191,011.62	\$567,821.90
58	\$188,409.10	\$2,602.52	\$191,011.62	\$379,412.79
59	\$189,272.65	\$1,738.98	\$191,011.62	\$190,140.15
60	\$190,140.15	\$871.48	\$191,011.62	\$0.00

	FY 08	FY 09	FY 10	FY 11	FY 12
Principal	\$1,786,734	\$1,887,520	\$1,993,991	\$2,106,467	\$2,225,289
Interest	\$ 505,406	\$404,620	\$298,149	\$185,672	\$66,851
Total P&I	\$2,292,139	\$2,292,139	\$2,292,139	\$2,292,139	\$2,292,139

**GPA
Projected FY 2008
Interest Expense - ST Debt**

MFR Workpaper 9

TECP	
Principal Amount	\$ 20,000,000
Interest Rate	3.50%
Interest Expense	\$ 700,000
\$10Million Loan	
Interest Expense	<u>\$ 505,406</u>
Total Interest Expense	<u>\$ 1,205,406</u>

**GPA
Projected FY 2008
Depreciation**

MFR Workpaper 10

	YTD 6/30/2007	FY 2007 Annualized	FY 2008 Budget	
	16,286,448	21,715,264	\$ 22,149,569	2% Escalation
Annual Depreciation	<u>3,513,429</u>	<u>4,684,572</u>	<u>4,684,572</u>	Constant
IPP's	<u>19,799,877</u>	<u>26,399,836</u>	<u>26,834,141</u>	
Total Depreciation				

GPA
FY 2008
IPP Debt Service

MFR Workpaper 11

<u>IPP Amortization</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
Pruvient	\$ 1,646,638	\$ 648,182	\$ 2,294,820
MEC	13,724,757	4,525,203	18,249,960
TEMES	1,408,307	1,131,217	2,539,524
Total	\$16,779,702	\$ 6,304,602	\$ 23,084,304

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Projected FY 2008
Fuel Inventory Requirement

MFR Workpaper 12

	Estimated FY 07	Actual FY 06	Actual FY 05	Actual FY 04
No of Barrels	470,000	469,308	467,431	461,111
\$/Bbl (Note 1)	64.05	\$ 58.44	\$ 46.15	\$ 32.86
Total Inventory	\$ 31,040,842	\$ 27,424,933	\$ 21,574,054	\$ 15,151,721
Increase each FY	\$ 3,615,909	\$ 5,850,879	\$ 6,422,333	

Average (3 years) 5,296,374

Note (1) Based on Morgan Stanleys' Energy Noon Call - 7/17/07

The September 2007 invoices from BP shows:

	Bbls	Price/Bbl	Extended Amt
HSFO	84,608	\$ 62.618	\$ 5,297,983.74
LSFO	156,127	\$ 66.103	\$ 10,320,463.08
Total	240,735	\$ 64.878	\$ 15,618,446.83

The August 2007 invoice from BP shows:

	Bbls	Price/Bbl	Extended Amt
HSFO	120,774	\$ 63.949	\$ 7,723,376.53
LSFO	120,953	\$ 67.434	\$ 8,156,344.60
Total	241,727	\$ 65.693	\$ 15,879,721.13
Average	482,462	\$ 65.29	\$ 31,498,167.95

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Projected FY 2008
Materials and Supplies Inventory Requirement

MFR Workpaper 13

FY	Ending Balance
9/30/1995	\$ 13,510,763
9/30/1996	\$ 17,791,345
9/30/1997	\$ 18,944,033
9/30/1998	\$ 22,513,721
9/30/1999	\$ 18,560,056
9/30/2000	\$ 19,429,680
9/30/2001	\$ 15,651,696
9/30/2002	\$ 16,930,877
9/30/2003	\$ 17,238,285
9/30/2004	\$ 15,847,829
9/30/2005	\$ 14,392,880
9/30/2006	\$ 13,421,025
Average	\$ 17,019,349
7/31/2007	\$ 12,489,448
Required Additional Inventory	\$ 4,529,901
Requirement amortized over 3 years	\$ 1,500,000

**Guam Power Authority
Working Capital Fund Requirement**

MFR Workpaper 14

	FY 08	
A	\$ 67,084,178	
B	\$ 190,355,285	
C	<u>\$ 18,499,707</u>	
D	\$ 275,939,170	
E	\$ 22,994,931	
F	\$ 19,583,347	←
G	<u>\$ 3,411,584</u>	
Estimated WCF Balance as of 9/30/07 & 2/1/08		
7/31/07 Estimated Fund Balance	\$ 15,514,347	
Add LEAC Estimated Over recovery (Aug-Sep 2007)	<u>\$ 1,894,000</u>	
9/30/07 Estimated Fund Balance	\$ 17,408,347	
Add LEAC Estimated Over recovery (Oct 2007-Jan 2008)	<u>\$ 2,175,000</u>	
2/1/08 Estimated Fund Balance	<u>\$ 19,583,347</u>	←

**GPA
Reimbursement Schedule
Excess Bond Fund**

MFR Workpaper 15

Total Withdrawn:

Date	Amount
11/7/2006	\$ 3,000,000
12/7/2006	\$ 1,500,000
Total	\$ 4,500,000

Payment Date	Payback Amt. from LEAC	Balance	FY Total
3/9/2007	\$ 382,000	\$ 4,118,000	
4/9/2007	\$ 382,000	\$ 3,736,000	
5/9/2007	\$ 382,000	\$ 3,354,000	
6/9/2007	\$ 382,000	\$ 2,972,000	
7/9/2007	\$ 382,000	\$ 2,590,000	
8/9/2007	\$ 382,000	\$ 2,208,000	
9/9/2007	\$ 382,000	\$ 1,826,000	\$ 2,674,000
10/9/2007	\$ 382,000	\$ 1,444,000	
11/9/2007	\$ 382,000	\$ 1,062,000	
12/9/2007	\$ 382,000	\$ 680,000	
1/9/2008	\$ 382,000	\$ 298,000	
2/9/2008	\$ 298,000	\$ -	\$ 1,826,000
Total			\$ 4,500,000

**GPA
Projected FY 2008**

MFR Workpaper 16

Self Insurance Fund Balance and Regulatory Asset (\$000)

<u>Self Insurance Fund</u>		<u>Amount</u>
Fund Balance per books 5/31/07		\$ 2,529
Less: Amortization of Regulatory Asset (FY07)		<u>529</u>
Remaining Balance		2,000
Add Surcharge Revenue:		
July 2007	\$ 175	
August 2007	197	
September 2007 (Estimated)	<u>186</u>	558
Less: Typhoon and Cabras 4 Claims:		
Typhoon Kong Rey	\$ 57	
Typhoon Manyi	193	
Cabras 4 (FY 07 Claim)	<u>1,100</u>	<u>1,350</u>
Fund Balance per books 9/30/07		1,208
Less Additional Cabras 4 Claim (Estimated)		600
Add Surcharge Revenue:		
Oct 2007 - Jan 2008	\$ 699	
Feb 2008 - Oct 2008	<u>2,796</u>	<u>3,495</u>
Balance before Regulatory Asset Amortization		4,103
Less: Amortization of Regulatory Asset (FY08)		<u>2,097</u>
Fund Balance per books 9/30/08		<u><u>\$ 2,006</u></u>

<u>Regulatory Asset</u>		
Regulatory Asset	\$ 4,500	
Less: FY 07 Amortization		529
Less: FY 08 Amortization		<u>2,097</u>
Regulatory Asset Balance at 9/30/08		<u><u>\$ 1,874</u></u>

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Projected FY 2008
Allowance for Funds Used During Construction(AFUDC)

MFR Workpaper 17

Average Construction Expenditures	\$	10,949,584
Average Construction Fund Balances		<u>10,000,000</u>
Total Average Balance	\$	20,949,584
Average Coupon Bond Rate		5.309652%
AFUDC before Interest Income	\$	1,112,350
Less Contruction Fund Interest Income		<u>600,000</u>
Net AFUDC	\$	<u>512,350</u>

**GPA
FY 2008
Amortization of Debt Expenses**

MFR Workpaper 18

	Amounts
93&99 Original Issue Discount	1,187,425
Underwriter's Discount and Cost Of Issuance	167,204
Bond Reserve Fund Forward Agreement fees	<u>159,351</u>
Total	<u><u>\$ 1,513,980</u></u>