



Territory of Guam
Territorio de Guam

OFFICE OF THE GOVERNOR
UFSINAN I MAGA'LAHI
AGANA, GUAM 96910 U.S.A.

JUL 1 1994
REFER TO
LEGISLATIVE SECRETARY

The Honorable Joe T. San Agustin
Speaker, Twenty-Second Guam Legislature
155 Hesler Street
Agana, Guam 96910

A handwritten mark, possibly initials, located to the right of the recipient's address.

RECEIVED
OFFICE OF THE SPEAKER
DATE: 7/19/94
TIME: 1:45
RECD BY: [Signature]

Dear Mr. Speaker:

Transmitted herewith is Bill No. 1068, which I have signed into law this date as
Public Law 22-136.

Sincerely yours,

A handwritten signature in cursive script, reading "Joseph F. Ada".

JOSEPH F. ADA
Governor

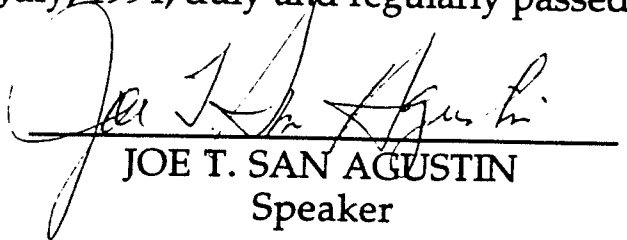
220801

Attachment

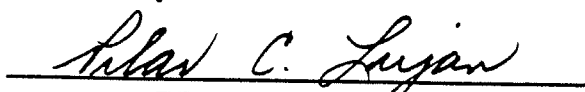
TWENTY-SECOND GUAM LEGISLATURE
1994 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

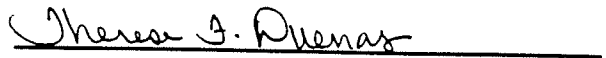
This is to certify that Substitute Bill No. 1068 (COR), "AN ACT TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE OF GUAM POWER AUTHORITY REVENUE BONDS, AND TO UTILIZE CERTAIN UNEXPENDED FUNDS TO CARRY FORWARD GUAM'S WORLD WAR II MONUMENT," was on the 7th day of July, 1994, duly and regularly passed.


JOE T. SAN AGUSTIN
Speaker

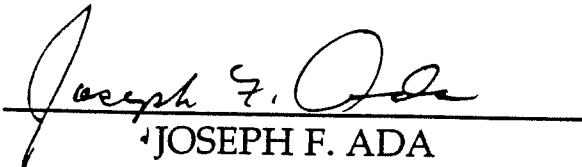
Attested:


PILAR C. LUJAN
Senator and Legislative Secretary

This Act was received by the Governor this 11th day of July
1994, at 4:21 o'clock P.M.


Assistant Staff Officer
Governor's Office

APPROVED:


JOSEPH F. ADA
Governor of Guam

Date: JUL 27 1994

Public Law No. 22-136

TWENTY-SECOND GUAM LEGISLATURE
1994 (SECOND) Regular Session

Bill No. 1068 (COR)

As substituted by the Committee on
Electrical Power and Consumer
Protection and the Committee on
Economic and Agricultural
Development and Insurance, and as
amended by the Committee of the Whole

Introduced by:

Committee on Rules

At the request of the Governor

AN ACT TO APPROVE THE TERMS AND
CONDITIONS OF THE ISSUANCE OF GUAM POWER
AUTHORITY REVENUE BONDS, AND TO UTILIZE
CERTAIN UNEXPENDED FUNDS TO CARRY
FORWARD GUAM'S WORLD WAR II MONUMENT.

1 **BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:**

2 **Section 1. Legislative findings.** (a) §8203 of Title 12, Guam Code
3 Annotated, provides that the Board of Directors ("the Board") of the Guam
4 Power Authority ("GPA") is authorized to incur indebtedness by the issuance
5 of revenue bonds to raise funds for the purpose of establishing the electric
6 power system of GPA, or of acquiring lands for said system, or of acquiring,
7 constructing, improving, equipping, maintaining, repairing, renewing,
8 replacing, reconstructing or insuring said system, or any part thereof, or for
9 the purpose of refunding any such bonds.

1 (b) Subsection (k) of §2103, Title 12, Guam Code Annotated, provides
2 that agencies and instrumentalities of the government of Guam shall issue
3 obligations only by means of and through the agency of the Guam Economic
4 Development Authority ("GEDA").

5 (c) Said subsection (k) further provides that GEDA shall not sell any
6 obligations without the approval by the Legislature of the terms and
7 conditions of the issuance of the obligations.

8 (d) The Legislature has been presented with a copy of the indenture of
9 GPA dated as of December 1, 1992 (the "Indenture"), previously approved by
10 the Board of Directors of GEDA, and a proposed form of supplemental
11 indenture pursuant to which GPA proposes to issue revenue bonds for
12 purposes set forth in paragraph (a) of this section.

13 (e) Said proposed form of supplemental indenture has been presented
14 to the Board of Directors of GEDA which has adopted a resolution approving
15 the sale of GPA revenue bonds pursuant to the provisions of the Indenture
16 and one (1) or more supplemental indentures in the form presented to GEDA.

17 **Section 2. Approval of terms and conditions of GPA bonds.** The
18 Legislature, pursuant to subsection (k) of §2103, Title 12, Guam Code
19 Annotated, hereby approves the terms and conditions of the issuance by GPA
20 of revenue bonds as approved by the Public Utilities Commission ("PUC") in
21 its order dated May 31, 1994 in PUC Docket 93-004, in one (1) or more series
22 in an aggregate principal amount not to exceed One Hundred Two Million
23 Nine Hundred Thousand Dollars (\$102,900,000), with a final maturity not
24 exceeding thirty (30) years and bearing interest at a fixed or variable rate not
25 exceeding nine percent (9%) per annum, and payable solely from the revenues
26 of GPA. The bonds shall be issued pursuant to the Indenture and one (1) or
27 more supplemental indentures in the form of the supplemental indenture

1 presented to this Legislature, which Indenture and form of supplemental
2 indenture, as attached to the Committee Report for this Act, are hereby
3 approved by the Legislature as provided in §8210 of Title 12, Guam Code
4 Annotated. The proceeds of such bonds may be applied to pay for the costs of
5 issuance thereof, for accrued and capitalized interest thereon, for credit
6 enhancement therefor, to provide for reserves and to pay the costs of the
7 following capital projects:

8 **A. Generator.** Procurement and installation of one (1) approximately
9 39.5 megawatt slow speed diesel baseload generating unit to be installed at
10 the Cabras Power Plant location along with necessary ancillary equipment
11 buildings, and costs incidental thereto;

12 **B. Substations.** Construction and installation of the following
13 substations, along with necessary ancillary equipment, buildings and costs
14 incidental thereto:

15 (i) **GAA substation.** A 34.5 / 13.8 KV substation for the expanded A.
16 B. Won Pat International Air Terminal;

17 (ii) **Pagat substation.** A 34.5 / 13.8 KV substation at Pagat near
18 Routes 26 and 15, to accommodate existing deficiencies and normal growth in
19 the area;

20 (iii) **Tamuning substation.** A 115 / 34.5 KV substation in Tamuning
21 to improve low voltage conditions in the central area in Tamuning;

22 (iv) **Umatac substation.** A 34.5 / 13.8 KV substation in Umatac to
23 alleviate overloading of the Talofofu and Apra substations;

24 **Provided,** however, that approval by the Legislature of the four (4)
25 projects described in this subparagraph B is conditional upon such projects
26 being approved by PUC.

1 **Section 3. Local sale of bonds.** GPA and GEDA shall undertake their
2 best efforts to cause a portion of any bonds approved pursuant to this Act to
3 be offered for sale in Guam, as well as in other jurisdictions, if and to the
4 extent that such offer and any sales resulting from such offer do not increase
5 the cost to GPA and GEDA of issuing and repaying such bonds.

6 **Section 4. Terms of borrowing.** Such funds as GPA may borrow to
7 implement the provisions of this Act shall be borrowed upon such terms and
8 conditions as shall be authorized by the Board of GPA, the Board of Directors
9 of GEDA, and PUC pursuant to the latter's regulatory authority, ensuring
10 that any rates resulting to consumers are reasonable as provided by §12004 of
11 Title 12, Guam Code Annotated.

12 The amount of debt authorized by this Act shall be as set by PUC, not to
13 exceed the limits set by this Act. All interest on the debt and all costs of
14 financing and all associated costs for the new generation and each of the new
15 substations shall be capitalized so there are no associated demands on GPA
16 cash and no impact on rates until construction and installation of the
17 generator and the new substations are complete and the generator and the
18 new substations are on line and providing power, revenue and benefits to
19 GPA and the people of Guam. All expenses and costs involved in the
20 origination of the debt shall be the responsibility of GPA, to be paid from the
21 proceeds of said debt.

22 Interest paid by GPA on the bonds authorized by this Act shall be free of
23 income taxation by the government of Guam.

24 **Section 5. Liquidated damages.** GPA shall provide that any contract
25 awarded to a bidder to provide GPA with a generating unit or a substation
26 shall include in the contract a provision which will impose liquidated
27 damages of not less than Two Thousand Dollars (\$2,000) per day for each day

1 beyond an agreed date that the contractor promises to activate the
2 generating unit or construct the substation. The provisions of this section
3 shall not apply in the case of force majeure to the extent of delays caused by
4 such force majeure. The provisions of this section may not be waived.

5 **Section 6. Dates generator and substations are to go on line.** The
6 General Manager of GPA has stated that the generator to be purchased and
7 installed under this Act will become operational and actually provide power
8 to the Island Wide Power System ("IWPS") twenty-one (21) calendar months
9 after the contract to provide the generator is signed or twenty-one (21)
10 months after the effective date of this Act, whichever is later, and that the
11 new substations will be in service by the following dates: GAA substation by
12 May of 1995; Pagat substation by August of 1996; Tamuning substation by
13 January of 1996; and Umatac substation by March of 1996. The General
14 Manager of GPA will provide the Speaker of the Legislature and the
15 Governor of Guam a detailed explanation as to why any of the dates
16 specified above are not met, within ten (10) days of a date being missed.

17 **Section 7. No circumvention of PUC responsibilities.** Notwithstanding
18 any other provision of law, nothing in this Act may be used to circumvent the
19 duties, responsibilities or powers of PUC in regard to the request for funding
20 for the generator and the substations described in this Act. All contracts and
21 purchases made by GPA in carrying out the provisions of this Act shall be
22 undertaken in accordance with the Procurement Laws of Guam. The
23 generator, substations, and ancillary devices purchased under this Act will be
24 new.

25 **Section 8. Cost of projects.** The proceeds of the bonds authorized by
26 this Act shall be apportioned among the authorized projects as follows:

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| Projects: | Construction Costs: |
|---|---------------------|
| Slow Speed Diesel Baseload Generator (39.5 megawatts), | \$62,532,000, |
| GAA 34.5 /13.8 KV Substation and Transmission Lines, | 2,828,000, |
| Pagat 34.5 /13.8 KV Substation, | 3,623,000, |
| Tamuning 115 / 34.5 KV Substation, | 3,616,000, |
| Umatac 34.5 /13.8 KV Substation, | <u>3,228,000.</u> |
| Total equipment and construction costs: | \$75,827,000. |

In addition, the costs and expenses of issue discount, debt service reserves, accrued and capitalized interest, costs of issuance, credit enhancement, and underwriter's discounts in the aggregate total of \$27,073,000, are approved, making the total authorized issue \$102,900,000, as approved in Section 2 of this Act.

In the event any of the five (5) projects does not cost as much as is apportioned for it, the unexpended balance for such project may be used only to supplement the cost of one (1) or more of the other projects set out in this Act and may not be transferred to any other project or spent for any other purpose, except to accelerate payment of the principal on the bonded indebtedness by prepaying the same, without the specific approval of the Legislature by statute.

Section 9. Expenditure of unused funds. Any unused funds left over after the purchase and installation of the generator, substations, and ancillary equipment directly necessary for the installation of the generator and substations authorized by this Act may not be expended without subsequent, specific statutory authority, except to accelerate payment of the

1 principal on the bonded indebtedness by prepaying the same, as may be
2 authorized by PUC and by the terms of the bonds.

3 **Section 10. Reappropriation for World War II monument.** The
4 unexpended balance in the sum of Six Thousand Four Hundred Sixty-Two
5 and Ninety Cents (\$6,462.90) of the appropriation set out in paragraph (a) of
6 Section 7 of Public Law 21-142 to the Committee on Rules to defray transition
7 costs for Congressman Robert A. Underwood is hereby reappropriated to the
8 Office of Congressman Robert A. Underwood to verify, print, and publish in
9 the **Pacific Daily News** or other newspapers the list of names to be placed on
10 the monument honoring the contributions and sacrifices of the people of
11 Guam during World War II.

6

TWENTY-SECOND GUAM LEGISLATURE

1993 (FIRST) Regular Session

Date: 7/7/94

VOTING SHEET (AS REVISED)

Bill No. 1068

Resolution No. _____

Question: _____

| NAME | AYE | NO | NOT VOTING/ ABSTAINED | ABSENT/ OUT DURING ROLL CALL |
|--------------------------|-----|----|--------------------------|------------------------------------|
| ADA, Thomas C. | ✓ | | | |
| AGUON, John P. | ✓ | | | |
| ARRIOLA, Elizabeth P. | ✓ | | | |
| BAMBA, J. George | ✓ | | | |
| BLAZ, Anthony C. | ✓ | | | |
| BORDALLO, Madeleine Z. | ✓ | | | |
| BROOKS, Doris F. | ✓ | | | |
| CAMACHO, Felix P. | ✓ | | | |
| DIERKING, Herminia D. | ✓ | | | |
| GUTIERREZ, Carl T. C. | ✓ | | | |
| LUJAN, Pilar C. | ✓ | | | |
| MANIBUSAN, Marilyn D. A. | ✓ | | | |
| NELSON, Ted S. | ✓ | | | |
| PANGELINAN, Vicente | ✓ | | | |
| PARKINSON, Don | ✓ | | | |
| REYES, Edward D. | ✓ | | | |
| SAN AGUSTIN, Joe T. | ✓ | | | |
| SANTOS, Francis E. | ✓ | | | |
| SHIMIZU, David L. G. | ✓ | | | |
| TANAKA, Thomas V. C. | ✓ | | | |
| UNPINGCO, Antonio R. | ✓ | | | |

TOTAL

21 _____

22ND GUAM LEGISLATURE
TEMPORARY LEGISLATIVE BUILDING
155 HESSLER STREET
AGANA, GUAM 96910

June 30, 1994

Honorable Joe T. San Agustin
Speaker, Twenty-First Guam Legislature
Temporary Building
155 Hessler St.
Agana, Guam 96910

Dear Mr. Speaker:

The Committee on Electrical Power and Consumer Protection Economic and Agricultural Development and Insurance wish to report out their findings on **BILL NO. 1068: AN ACT TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE OF GUAM POWER AUTHORITY REVENUE BONDS.**

The Committee on Electrical
Power and Consumer Protection
Voting Record:

TO PASS: 12

NOT TO PASS: 0

ABSTAIN: 0

TO PLACE IN
INACTIVE FILE: 0

The Committee on Economic and
Agricultural Development and
Insurance Voting Record:

TO PASS: 11


NOT TO PASS: 0

ABSTAIN: 0


TO PLACE IN
INACTIVE FILE: 0

A copy of the Committee Report and other pertinent information are attached for your information.

Sincerely,


Senator Don Parkinson
Chairman, Committee on
Electrical Power and
Consumer Protection

Sincerely,


Senator Ben Pangelinan
Chairman, Committee on
Economic and Agricultural
Development and Insurance

COMMITTEES ON ELECTRICAL POWER AND CONSUMER PROTECTION AND ECONOMIC AND AGRICULTURAL DEVELOPMENT AND INSURANCE

VOTING SHEET ON:

BILL NO. 1068 (As substituted by the Committees on Electrical Power and Consumer Protection and the Committee on Economic and Agricultural Development and Insurance) "An Act to Approve the terms and Conditions of the Issuance of Guam Power Authority Revenue Bonds"

COMMITTEE ON ELECTRICAL POWER AND CONSUMER PROTECTION

| | <u>INITIAL:</u> | <u>TO PASS:</u> | <u>NOT TO PASS:</u> | <u>ABSTAIN:</u> | <u>TO PLACE IN INACTIVE FILE:</u> |
|--------------------------|-----------------|-----------------|---------------------|-----------------|-----------------------------------|
| Sen. Don Parkinson | <u>D</u> | <u>✓</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |
| Sen. Thomas Ada | <u>T</u> | <u>✓</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |
| Sen. George Bamba | <u>G</u> | <u>✓</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |
| Sen. Anthony Blaz | <u>A</u> | <u>✓</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |
| Sen. Madeliene Bordallo | <u>M</u> | <u>✓</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |
| Sen. Doris Brooks | <u>D</u> | <u>✓</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |
| Sen. Herminia Dierking | <u>H</u> | <u>✓</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |
| Sen. Marilyn Manibusan | <u>M</u> | <u>✓</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |
| Sen. Vicente Pangelinan | <u>V</u> | <u>✓</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |
| Sen. Antonio Unpingco | <u>A</u> | <u>✓</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |
| Spkr. Joe T. San Agustin | <u>J</u> | <u>✓</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |
| Sen. Francis E. Santos | <u>F</u> | <u>✓</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |

COMMITTEE ON ECONOMIC AND AGRICULTURAL DEVELOPMENT AND INSURANCE

| | <u>INITIAL:</u> | <u>TO PASS:</u> | <u>NOT TO PASS:</u> | <u>ABSTAIN:</u> | <u>TO PLACE ON INACTIVE FILE</u> |
|--------------------------|-----------------|-----------------|---------------------|-----------------|----------------------------------|
| Sen. Vicente Pangelinan | <u>V</u> | <u>✓</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |
| Sen. Thomas Ada | <u>T</u> | <u>✓</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |
| Sen. Francis E. Santos | <u>F</u> | <u>✓</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |
| Sen. Thomas V. C. Tanaka | <u>T</u> | <u>✓</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |
| Sen. Pilar C. Lujan | <u>P</u> | <u>✓</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |
| Sen. Ted Nelson | <u>T</u> | <u>✓</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |
| Sen. Herminia Dierking | <u>H</u> | <u>✓</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |
| Sen. Marilyn Manibusan | <u>M</u> | <u>✓</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |
| Sen. Anthony Blaz | <u>A</u> | <u>✓</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |
| Sen. Edward Reyes | <u>E</u> | <u>✓</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |
| Spkr. Joe T. San Agustin | <u>J</u> | <u>✓</u> | <u>_____</u> | <u>_____</u> | <u>_____</u> |



GUAM POWER AUTHORITY

ATURIDAT ILEKTRESEDAT GUAHAN
P.O. BOX 2977, AGANA, GUAM, USA 96910-2977

June 28, 1994

The Honorable Don Parkinson
Chairman, Committee on Electrical
Power and Consumer Protection
Twenty-Second Guam Legislature
192 Archbishop Flores St., Room 203
Agana, Guam 96910

Re: Testimony on Bill 1068

Dear Senator Parkinson:

Guam Power Authority is requesting authority to issue revenue bonds at this time in the amount of \$85 million for the Cabras Unit 4 low speed diesel 40 MW generator unit.

The Cabras generator unit is a baseload unit identical to the one presently under construction scheduled for commissioning in October 1995. This second unit will come on line approximately seven months later and will be in commission in about April 1996, if awarded by the end of July, 1994.

This Legislature and the Public Utilities Commission earlier approved the first baseload unit and the Commission at that time conditionally approved an option for the second unit, and has since given its final approval.

The need for this project is made evident by the thin generating margins in the GPA system, and its cost is affordable. Indeed, Guam's economic viability is dependent on this project to sustain and improve the quality of life of its residents.

As the senators will recall, the technology chosen for these baseload units was as determined by the Integrated Resource Plan (IRP) developed by R. W. Beck and Associates and GPA in October 1990.

Low speed diesel technology was chosen over steam turbines based on both costs and efficiency, the low speed diesels affording lower heat rates which translate into reduced fuel consumption. They also offer lower life cycle cost reflected by lower operations and maintenance expenses in the longer term.

Exhibit "A"

Letter to The Honorable Don Parkinson
June 28, 1994
Page 2

Other Vitally Needed Projects

GPA requests that four other critical projects be conditionally approved by this Legislature for financing. They are:

Pagat Substation, GAA 34.5 KV Transmission line/substation, Tamuning 115 KV substation, and Umatac substation.

GAA 35.5/13.8 KV SUBSTATION

This new substation is necessary to supply electric service for new load additions at the Guam International Airport Terminal Expansion. Due to the magnitude of the new load addition and special reliability requirement of the Airport, 34.5 KV rather than 13.8 KV service is required. The substation project will allow a strategically located source for 13.8 KV distribution for the developing area at the Airport industrial park. Additionally it will serve as an excellent source for better emergency tie capacity.

PAGAT SUBSTATION NEAR ROUTE 26 AND ROUTE 15

This project is required to accommodate the 13.5 MVA Marbo Resort; there is no existing substation capacity sufficient to service this load. In addition, this substation will accommodate normal load growth in the local area, which will result from this large spotload. Lastly, this substation will accommodate other anticipated loads which include the GCC expansion (approximately 5 MVA) and the U.S. Standard Builders 111-unit single dwelling homes subdivision (approximately 1 MVA) on Route 15 north of Gayinero Road.

TAMUNING 115 KV SUBSTATION

This project is required to provide 115 KV injection into the central area via the existing Harmon to Agana 115 KV line. The project will eliminate the voltage depression conditions in the Central zone due to the loss of any Central transmission line. In addition, the project eliminates loss of load at Tumon or Tamuning substation conditions in the Central zone due to the loss of Tamuning to Agana or the Tumon to Harmon 34.5 KV lines. Lastly, the project aids in the support of any new Central development.

Letter to The Honorable Don Parkinson
June 28, 1994
Page 3

UMATAC SUBSTATION

This project is required to alleviate overloading at Talofoto Substation due to the additions of Talofoto Land for the Landless (1500 KVA), Dandan Calvo Subdivision, Pigua Land for the Landless and Transworld Radio expansion (2500 KVA). The project will also alleviate overloading at Apra Substation due to the anticipated additions of Cascada Country Club (1500) KVA, Sunset Club Guam (600 KVA), Southern High School (6 MVA) and SDA Agat Housing (2 MVA).

These four projects are vital to Guam and are best addressed by the Legislature at this time. Together with Cabras 4 these projects require the Legislature to grant authority to GPA to issue revenue bonds in the amount of \$102.9 million. Review by the PUC is pending for the non-Cabras projects with approval expected by the end of July.

Cabras 4 costs are itemized in the attached tables, showing costs for a Notice to Proceed (NTP) given before and after July 31, 1994. Also, a comparison is provided between Cabras 3 and Cabras 4 costs. In addition, bonding cost breakdowns for a) Cabras 4 alone and b) Cabras 4 plus the four projects are summarized in the attached Morgan Stanley transmittals.

Sincerely,



RAYMOND C. CAMACHO
General Manager

Attachment

\jla

COST SUMMARY
CABRAS UNIT #4 SLOW SPEED DIESEL

| COM. | ITEMS | NTP BEFORE JULY 31, 1994 (5 %) | NTP BEFORE JUNE 30, 1995 (10 %) |
|---------------|---|--------------------------------------|---------------------------------------|
| MAIN | Mechanical | \$30,644,361 | \$31,140,446 |
| | Electrical Works and Instrumentation | \$7,604,279 | \$7,961,690 |
| | Civil Works | \$9,310,010 | \$9,475,164 |
| | Sub Total | \$47,558,650 | \$48,577,300 |
| OPTION | Turbo Compounding | \$698,880 | \$732,150 |
| | Freshwater Generating Unit | \$190,160 | \$199,210 |
| | Sub Total | \$889,040 | \$931,360 |
| | Seismic Zone 4 | \$2,682,750 | \$2,682,750 |
| | T O T A L | \$51,130,440 | \$52,191,410 |
| * OPTION | Exhaust Waste Heat Recovery | \$2,999,660 | \$2,999,660 |
| | T O T A L | \$54,130,100 | \$55,191,070 |
| INDIRECT COST | Environmental Permitting, Construction Management, and other related activities | \$2,000,000 | \$2,000,000 |
| | T O T A L | \$56,130,100 | \$57,191,070 |
| CONTINGENCY | 10% | \$5,613,010 | \$5,719,107 |
| | GRAND TOTAL | \$61,743,110 | \$62,910,177 |

* NOTE: NTP must be issued on or before December 31, 1994

**DIRECT COST SUMMARY
BETWEEN CABRAS #3 AND #4
SLOW SPEED DIESEL UNITS**

| COM. | ITEMS | CABRAS #3 | CABRAS #4 | |
|---------------------------|--------------------------------|-----------------------------------|--------------------------------------|---------------------------------------|
| | | | NTP BEFORE JULY 31, 1994 (5 %) | NTP BEFORE JUNE 30, 1995 (10 %) |
| BASE UNIT | | \$46,540,000 | \$47,558,650 | \$48,577,300 |
| BASE UNIT WITH OPTIONS | | \$3,573,659 | \$889,040 | \$931,360 |
| | Spare Parts & Tools | \$2,469,901 | | |
| | Seismic Zone 4 | \$2,625,000 | \$2,682,750 | \$2,682,750 |
| | TOTAL | \$55,208,560 | \$51,130,440 | \$52,191,410 |
| * OPTION | Exhaust Waste Heat Recovery | (Included in above Options) | \$2,999,660 | \$2,999,660 |
| | TOTAL | | \$2,999,660 | \$2,999,660 |
| | GRAND TOTAL | \$55,208,560 | \$54,130,100 | \$55,191,070 |

* NOTE: NTP must be issued on or before December 31, 1994

*MORGAN STANLEY**FINANCING MEMORANDUM***To:** Bruce Pecon**Date:** June 16, 1994**From:** Tom Yauger**Dept:** Public Finance**Subject:** Revised Second Baseload Unit Sizing Cashflows

Attached please find an update on the June 15, 1994 sizing cashflows. I have incorporated an original issue discount ("OID") on the bonds which is approximately equal to the OID on the 1993 Series A GPA issue. The issue is sized at \$85 million. This is the amount which should be requested for approval for the Second Baseload Unit. The primary component of this sizing is the \$62,532,000 project cost, so as long as you are comfortable with your engineers' estimate of construction, there should be ample funds in our requested authorization par. As always call if you have any questions.

cc: Carl Taitano

SOURCES AND USES OF FUNDS

Guam Power Authority
1994 Series A (Second Baseload Unit)

June 16, 1994

Sources:

| | |
|-------------------------|----------------------|
| Bond Proceeds: | |
| Par Amount | 85,000,000.00 |
| Original Issue Discount | -2,574,147.00 |
| | <u>82,425,853.00</u> |

Uses:

| | |
|----------------------------------|----------------------|
| Project Fund Deposits: | |
| Project #9: Second Baseload Unit | 62,532,000.00 |
| Other Fund Deposits: | |
| Debt Service Reserve Fund | 6,632,900.00 |
| Capitalized Interest | <u>11,724,450.83</u> |
| | 18,357,350.83 |
| Delivery Date Expenses: | |
| Cost of Issuance | 600,000.00 |
| Underwriter's Discount | <u>935,000.00</u> |
| | 1,535,000.00 |
| Other Uses of Funds: | |
| Rounding | 1,502.17 |
| | <u>82,425,853.00</u> |

BOND PRICING

Guam Power Authority
1994 Series A (Second Baseload Unit)

June 16, 1994

| Bond Component | Maturity Date | # Bonds | Amount | Rate | Yield | Price | Premium (-Discount) |
|------------------------------|---------------|---------------|-------------------|--------|--------|---------|----------------------|
| Serials: 1997 - 2004: | | | | | | | |
| | 10/01/1997 | 244 | 1,220,000 | 5.100% | 5.100% | 100.000 | - |
| | 10/01/1998 | 256 | 1,280,000 | 5.200% | 5.200% | 100.000 | - |
| | 10/01/1999 | 270 | 1,350,000 | 5.350% | 5.350% | 100.000 | - |
| | 10/01/2000 | 284 | 1,420,000 | 5.500% | 5.500% | 100.000 | - |
| | 10/01/2001 | 300 | 1,500,000 | 5.800% | 5.800% | 100.000 | - |
| | 10/01/2002 | 317 | 1,585,000 | 6.100% | 6.100% | 100.000 | - |
| | 10/01/2003 | 337 | 1,685,000 | 6.200% | 6.200% | 100.000 | - |
| | 10/01/2004 | 357 | 1,785,000 | 6.300% | 6.300% | 100.000 | - |
| | | <u>2,365</u> | <u>11,825,000</u> | | | | |
| Term: 2005 - 2014: | | | | | | | |
| | 10/01/2014 | 5,103 | 25,515,000 | 6.400% | 6.672% | 97.000 | -765,450.00 |
| Term: 2015 - 2024: | | | | | | | |
| | 10/01/2024 | 9,532 | 47,660,000 | 6.500% | 6.797% | 96.205 | -1,808,697.00 |
| | | <u>17,000</u> | <u>85,000,000</u> | | | | <u>-2,574,147.00</u> |

| | |
|------------------------|---------------|
| Dated Date | 8/01/1994 |
| Delivery Date | 8/01/1994 |
| First Coupon | 4/01/1995 |
| Par Amount | 85,000,000.00 |
| Discount | -2,574,147.00 |
| Production | 82,425,853.00 |
| Underwriter's Discount | -935,000.00 |
| Purchase Price | 81,490,853.00 |
| Accrued Interest | - |
| Net Proceeds | 81,490,853.00 |

BOND DEBT SERVICE

Guan Power Authority
1994 Series A (Second Baseload Unit)

June 16, 1994

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|---------------|--------------|--------|--------------|--------------|---------------------|
| Aug 1, 1994 | - | - | - | - | - |
| Apr 1, 1995 | - | - | 3,607,523.33 | 3,607,523.33 | - |
| Oct 1, 1995 | - | - | 2,705,642.50 | 2,705,642.50 | 6,313,165.83 |
| Apr 1, 1996 | - | - | 2,705,642.50 | 2,705,642.50 | - |
| Oct 1, 1996 | - | - | 2,705,642.50 | 2,705,642.50 | 5,411,285.00 |
| Apr 1, 1997 | - | - | 2,705,642.50 | 2,705,642.50 | - |
| Oct 1, 1997 | 1,220,000.00 | 5.100% | 2,705,642.50 | 3,925,642.50 | 6,631,285.00 |
| Apr 1, 1998 | - | - | 2,674,532.50 | 2,674,532.50 | - |
| Oct 1, 1998 | 1,280,000.00 | 5.200% | 2,674,532.50 | 3,954,532.50 | 6,629,065.00 |
| Apr 1, 1999 | - | - | 2,641,252.50 | 2,641,252.50 | - |
| Oct 1, 1999 | 1,350,000.00 | 5.350% | 2,641,252.50 | 3,991,252.50 | 6,632,505.00 |
| Apr 1, 2000 | - | - | 2,605,140.00 | 2,605,140.00 | - |
| Oct 1, 2000 | 1,420,000.00 | 5.550% | 2,605,140.00 | 4,025,140.00 | 6,630,280.00 |
| Apr 1, 2001 | - | - | 2,565,735.00 | 2,565,735.00 | - |
| Oct 1, 2001 | 1,500,000.00 | 5.800% | 2,565,735.00 | 4,065,735.00 | 6,631,470.00 |
| Apr 1, 2002 | - | - | 2,522,235.00 | 2,522,235.00 | - |
| Oct 1, 2002 | 1,585,000.00 | 6.100% | 2,522,235.00 | 4,107,235.00 | 6,629,470.00 |
| Apr 1, 2003 | - | - | 2,473,892.50 | 2,473,892.50 | - |
| Oct 1, 2003 | 1,685,000.00 | 6.200% | 2,473,892.50 | 4,158,892.50 | 6,632,785.00 |
| Apr 1, 2004 | - | - | 2,421,657.50 | 2,421,657.50 | - |
| Oct 1, 2004 | 1,785,000.00 | 6.300% | 2,421,657.50 | 4,206,657.50 | 6,628,315.00 |
| Apr 1, 2005 | - | - | 2,365,430.00 | 2,365,430.00 | - |
| Oct 1, 2005 | 1,900,000.00 | 6.400% | 2,365,430.00 | 4,265,430.00 | 6,630,860.00 |
| Apr 1, 2006 | - | - | 2,304,630.00 | 2,304,630.00 | - |
| Oct 1, 2006 | 2,020,000.00 | 6.400% | 2,304,630.00 | 4,324,630.00 | 6,629,260.00 |
| Apr 1, 2007 | - | - | 2,239,990.00 | 2,239,990.00 | - |
| Oct 1, 2007 | 2,150,000.00 | 6.400% | 2,239,990.00 | 4,389,990.00 | 6,629,980.00 |
| Apr 1, 2008 | - | - | 2,171,190.00 | 2,171,190.00 | - |
| Oct 1, 2008 | 2,290,000.00 | 6.400% | 2,171,190.00 | 4,461,190.00 | 6,632,380.00 |
| Apr 1, 2009 | - | - | 2,097,910.00 | 2,097,910.00 | - |
| Oct 1, 2009 | 2,435,000.00 | 6.400% | 2,097,910.00 | 4,532,910.00 | 6,630,820.00 |
| Apr 1, 2010 | - | - | 2,019,990.00 | 2,019,990.00 | - |
| Oct 1, 2010 | 2,590,000.00 | 6.400% | 2,019,990.00 | 4,609,990.00 | 6,629,980.00 |
| Apr 1, 2011 | - | - | 1,937,110.00 | 1,937,110.00 | - |
| Oct 1, 2011 | 2,755,000.00 | 6.400% | 1,937,110.00 | 4,692,110.00 | 6,629,220.00 |
| Apr 1, 2012 | - | - | 1,848,950.00 | 1,848,950.00 | - |
| Oct 1, 2012 | 2,935,000.00 | 6.400% | 1,848,950.00 | 4,783,950.00 | 6,632,900.00 |
| Apr 1, 2013 | - | - | 1,755,030.00 | 1,755,030.00 | - |
| Oct 1, 2013 | 3,120,000.00 | 6.400% | 1,755,030.00 | 4,875,030.00 | 6,630,060.00 |
| Apr 1, 2014 | - | - | 1,655,190.00 | 1,655,190.00 | - |
| Oct 1, 2014 | 3,320,000.00 | 6.400% | 1,655,190.00 | 4,975,190.00 | 6,630,380.00 |
| Apr 1, 2015 | - | - | 1,548,950.00 | 1,548,950.00 | - |
| Oct 1, 2015 | 3,530,000.00 | 6.500% | 1,548,950.00 | 5,078,950.00 | 6,627,900.00 |
| Apr 1, 2016 | - | - | 1,434,225.00 | 1,434,225.00 | - |
| Oct 1, 2016 | 3,760,000.00 | 6.500% | 1,434,225.00 | 5,194,225.00 | 6,628,450.00 |
| Apr 1, 2017 | - | - | 1,312,025.00 | 1,312,025.00 | - |
| Oct 1, 2017 | 4,005,000.00 | 6.500% | 1,312,025.00 | 5,317,025.00 | 6,629,050.00 |
| Apr 1, 2018 | - | - | 1,181,862.50 | 1,181,862.50 | - |
| Oct 1, 2018 | 4,265,000.00 | 6.500% | 1,181,862.50 | 5,446,862.50 | 6,628,725.00 |
| Apr 1, 2019 | - | - | 1,043,250.00 | 1,043,250.00 | - |
| Oct 1, 2019 | 4,545,000.00 | 6.500% | 1,043,250.00 | 5,588,250.00 | 6,631,500.00 |
| Apr 1, 2020 | - | - | 895,537.50 | 895,537.50 | - |

BOND DEBT SERVICE

Guam Power Authority
1994 Series A (Second Baseload Unit)

June 16, 1994

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|------------------|---------------|--------|----------------|----------------|------------------------|
| Oct 1, 2020 | 4,840,000.00 | 6.500% | 895,537.50 | 5,735,537.50 | 6,631,075.00 |
| Apr 1, 2021 | - | - | 738,237.50 | 738,237.50 | - |
| Oct 1, 2021 | 5,155,000.00 | 6.500% | 738,237.50 | 5,893,237.50 | 6,631,475.00 |
| Apr 1, 2022 | - | - | 570,700.00 | 570,700.00 | - |
| Oct 1, 2022 | 5,490,000.00 | 6.500% | 570,700.00 | 6,060,700.00 | 6,631,400.00 |
| Apr 1, 2023 | - | - | 392,275.00 | 392,275.00 | - |
| Oct 1, 2023 | 5,845,000.00 | 6.500% | 392,275.00 | 6,237,275.00 | 6,629,550.00 |
| Apr 1, 2024 | - | - | 202,312.50 | 202,312.50 | - |
| Oct 1, 2024 | 6,225,000.00 | 6.500% | 202,312.50 | 6,427,312.50 | 6,629,625.00 |
| | 85,000,000.00 | | 112,374,215.83 | 197,374,215.83 | 197,374,215.83 |

MORGAN STANLEY

FINANCING MEMORANDUM

To: Bruce Pecon

Date: June 20 1994

From: Tom Yauger

Dept: Public Finance

Subject: Revised Sizing Cashflows

Attached please find revised cashflows which size for the Second Baseload Unit and four additional projects as outlined in the Sources and Uses of Funds Report. The revised numbers reflect an original issue discount which was not previously factored into the sizing..

SOURCES AND USES OF FUNDS

Guam Power Authority
1994 Series A
Includes Bond Financing for
Second Baseload Unit, GAA Transmission and
Umatac, Tamuning, and Pagat Substations

June 20, 1994

Sources:

| | |
|-------------------------|----------------------|
| Bond Proceeds: | |
| Par Amount | 102,900,000.00 |
| Original Issue Discount | -3,116,415.00 |
| | <u>99,783,585.00</u> |

Uses:

| | |
|--|----------------------|
| Project Fund Deposits: | |
| Project #9: Second Baseload Unit | 62,532,000.00 |
| Project #10: GAA | 2,828,000.00 |
| Project #6: Umatac Substation | 3,228,000.00 |
| Project #1: Tamuning 115 KV Substation | 3,616,000.00 |
| Project #3: Pagat Substation | <u>3,623,000.00</u> |
| | 75,827,000.00 |
| Other Fund Deposits: | |
| Debt Service Reserve Fund | 8,029,780.00 |
| Capitalized Interest | <u>14,193,627.50</u> |
| | 22,223,407.50 |
| Delivery Date Expenses: | |
| Cost of Issuance | 600,000.00 |
| Underwriter's Discount | <u>1,131,900.00</u> |
| | 1,731,900.00 |
| Other Uses of Funds: | |
| Rounding | 1,277.50 |
| | <u>99,783,585.00</u> |

BOND PRICING

Guam Power Authority
 1994 Series A
 Includes Bond Financing for
 Second BaseLoad Unit, GAA Transmission and
 Umstac, Tamuning, and Pagat Substations

June 20, 1994

| Bond Component | Maturity Date | # Bonds | Amount | Rate | Yield | Price | Premium (-Discount) |
|-----------------------------|---------------|---------|-------------|--------|--------|---------|---------------------|
| Series: 1997 - 2004: | | | | | | | |
| | 10/01/1997 | 295 | 1,475,000 | 5.100% | 5.100% | 100.000 | - |
| | 10/01/1998 | 310 | 1,550,000 | 5.200% | 5.200% | 100.000 | - |
| | 10/01/1999 | 326 | 1,630,000 | 5.350% | 5.350% | 100.000 | - |
| | 10/01/2000 | 344 | 1,720,000 | 5.550% | 5.550% | 100.000 | - |
| | 10/01/2001 | 363 | 1,815,000 | 5.800% | 5.800% | 100.000 | - |
| | 10/01/2002 | 384 | 1,920,000 | 6.100% | 6.100% | 100.000 | - |
| | 10/01/2003 | 407 | 2,035,000 | 6.200% | 6.200% | 100.000 | - |
| | 10/01/2004 | 433 | 2,165,000 | 6.300% | 6.300% | 100.000 | - |
| | | 2,862 | 14,310,000 | | | | |
| Term: 2005 - 2014: | | | | | | | |
| | 10/01/2014 | 6,178 | 30,890,000 | 6.400% | 6.672% | 97.000 | -926,700.00 |
| Term: 2015 - 2024: | | | | | | | |
| | 10/01/2024 | 11,540 | 57,700,000 | 6.500% | 6.797% | 96.205 | -2,189,715.00 |
| | | 20,580 | 102,900,000 | | | | -3,116,415.00 |

| | |
|------------------------|----------------|
| Dated Date | 8/01/1994 |
| Delivery Date | 8/01/1994 |
| First Coupon | 4/01/1995 |
| Par Amount | 102,900,000.00 |
| Discount | -3,116,415.00 |
| Production | 99,783,585.00 |
| Underwriter's Discount | -1,131,900.00 |
| Purchase Price | 98,651,685.00 |
| Accrued Interest | - |
| Net Proceeds | 98,651,685.00 |

BOND DEBT SERVICE

Guam Power Authority
1994 Series AIncludes Bond Financing for
Second Base-load Unit, GAA Transmission and
Umatac, Tamuning, and Pagat Substations

June 20, 1994

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|---------------|--------------|--------|--------------|--------------|---------------------|
| Aug 1, 1994 | - | - | - | - | - |
| Apr 1, 1995 | - | - | 4,367,270.00 | 4,367,270.00 | - |
| Oct 1, 1995 | - | - | 3,275,452.50 | 3,275,452.50 | 7,642,722.50 |
| Apr 1, 1996 | - | - | 3,275,452.50 | 3,275,452.50 | - |
| Oct 1, 1996 | - | - | 3,275,452.50 | 3,275,452.50 | 6,550,905.00 |
| Apr 1, 1997 | - | - | 3,275,452.50 | 3,275,452.50 | - |
| Oct 1, 1997 | 1,475,000.00 | 5.100% | 3,275,452.50 | 4,750,452.50 | 8,025,905.00 |
| Apr 1, 1998 | - | - | 3,237,840.00 | 3,237,840.00 | - |
| Oct 1, 1998 | 1,550,000.00 | 5.200% | 3,237,840.00 | 4,787,840.00 | 8,025,680.00 |
| Apr 1, 1999 | - | - | 3,197,540.00 | 3,197,540.00 | - |
| Oct 1, 1999 | 1,630,000.00 | 5.350% | 3,197,540.00 | 4,827,540.00 | 8,025,080.00 |
| Apr 1, 2000 | - | - | 3,153,937.50 | 3,153,937.50 | - |
| Oct 1, 2000 | 1,720,000.00 | 5.550% | 3,153,937.50 | 4,873,937.50 | 8,027,875.00 |
| Apr 1, 2001 | - | - | 3,106,207.50 | 3,106,207.50 | - |
| Oct 1, 2001 | 1,815,000.00 | 5.800% | 3,106,207.50 | 4,921,207.50 | 8,027,415.00 |
| Apr 1, 2002 | - | - | 3,053,572.50 | 3,053,572.50 | - |
| Oct 1, 2002 | 1,920,000.00 | 6.100% | 3,053,572.50 | 4,973,572.50 | 8,027,145.00 |
| Apr 1, 2003 | - | - | 2,995,012.50 | 2,995,012.50 | - |
| Oct 1, 2003 | 2,035,000.00 | 6.200% | 2,995,012.50 | 5,030,012.50 | 8,025,025.00 |
| Apr 1, 2004 | - | - | 2,931,927.50 | 2,931,927.50 | - |
| Oct 1, 2004 | 2,165,000.00 | 6.300% | 2,931,927.50 | 5,096,927.50 | 8,028,855.00 |
| Apr 1, 2005 | - | - | 2,863,730.00 | 2,863,730.00 | - |
| Oct 1, 2005 | 2,300,000.00 | 6.400% | 2,863,730.00 | 5,163,730.00 | 8,027,460.00 |
| Apr 1, 2006 | - | - | 2,790,130.00 | 2,790,130.00 | - |
| Oct 1, 2006 | 2,445,000.00 | 6.400% | 2,790,130.00 | 5,235,130.00 | 8,025,260.00 |
| Apr 1, 2007 | - | - | 2,711,890.00 | 2,711,890.00 | - |
| Oct 1, 2007 | 2,605,000.00 | 6.400% | 2,711,890.00 | 5,316,890.00 | 8,028,780.00 |
| Apr 1, 2008 | - | - | 2,628,530.00 | 2,628,530.00 | - |
| Oct 1, 2008 | 2,770,000.00 | 6.400% | 2,628,530.00 | 5,398,530.00 | 8,027,060.00 |
| Apr 1, 2009 | - | - | 2,539,890.00 | 2,539,890.00 | - |
| Oct 1, 2009 | 2,950,000.00 | 6.400% | 2,539,890.00 | 5,489,890.00 | 8,029,780.00 |
| Apr 1, 2010 | - | - | 2,445,490.00 | 2,445,490.00 | - |
| Oct 1, 2010 | 3,135,000.00 | 6.400% | 2,445,490.00 | 5,580,490.00 | 8,025,980.00 |
| Apr 1, 2011 | - | - | 2,345,170.00 | 2,345,170.00 | - |
| Oct 1, 2011 | 3,335,000.00 | 6.400% | 2,345,170.00 | 5,680,170.00 | 8,025,340.00 |
| Apr 1, 2012 | - | - | 2,238,450.00 | 2,238,450.00 | - |
| Oct 1, 2012 | 3,550,000.00 | 6.400% | 2,238,450.00 | 5,788,450.00 | 8,026,900.00 |
| Apr 1, 2013 | - | - | 2,124,850.00 | 2,124,850.00 | - |
| Oct 1, 2013 | 3,780,000.00 | 6.400% | 2,124,850.00 | 5,904,850.00 | 8,029,700.00 |
| Apr 1, 2014 | - | - | 2,003,890.00 | 2,003,890.00 | - |
| Oct 1, 2014 | 4,020,000.00 | 6.400% | 2,003,890.00 | 6,023,890.00 | 8,027,780.00 |
| Apr 1, 2015 | - | - | 1,875,250.00 | 1,875,250.00 | - |
| Oct 1, 2015 | 4,275,000.00 | 6.500% | 1,875,250.00 | 6,150,250.00 | 8,025,500.00 |
| Apr 1, 2016 | - | - | 1,736,312.50 | 1,736,312.50 | - |
| Oct 1, 2016 | 4,555,000.00 | 6.500% | 1,736,312.50 | 6,291,312.50 | 8,027,625.00 |
| Apr 1, 2017 | - | - | 1,588,275.00 | 1,588,275.00 | - |
| Oct 1, 2017 | 4,850,000.00 | 6.500% | 1,588,275.00 | 6,438,275.00 | 8,026,550.00 |
| Apr 1, 2018 | - | - | 1,430,650.00 | 1,430,650.00 | - |
| Oct 1, 2018 | 5,165,000.00 | 6.500% | 1,430,650.00 | 6,595,650.00 | 8,026,300.00 |

BOND DEBT SERVICE

Guam Power Authority
 1994 Series A
 Includes Bond Financing for
 Second Baseload Unit, GAA Transmission and
 Unatac, Tamuning, and Pegat Substations

June 20, 1994

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|------------------|----------------|--------|----------------|----------------|------------------------|
| Apr 1, 2019 | - | - | 1,262,787.50 | 1,262,787.50 | - |
| Oct 1, 2019 | 5,500,000.00 | 6.500% | 1,262,787.50 | 6,762,787.50 | 8,025,575.00 |
| Apr 1, 2020 | - | - | 1,084,037.50 | 1,084,037.50 | - |
| Oct 1, 2020 | 5,860,000.00 | 6.500% | 1,084,037.50 | 6,944,037.50 | 8,028,075.00 |
| Apr 1, 2021 | - | - | 893,587.50 | 893,587.50 | - |
| Oct 1, 2021 | 6,240,000.00 | 6.500% | 893,587.50 | 7,133,587.50 | 8,027,175.00 |
| Apr 1, 2022 | - | - | 690,787.50 | 690,787.50 | - |
| Oct 1, 2022 | 6,645,000.00 | 6.500% | 690,787.50 | 7,335,787.50 | 8,026,575.00 |
| Apr 1, 2023 | - | - | 474,825.00 | 474,825.00 | - |
| Oct 1, 2023 | 7,075,000.00 | 6.500% | 474,825.00 | 7,549,825.00 | 8,024,650.00 |
| Apr 1, 2024 | - | - | 244,887.50 | 244,887.50 | - |
| Oct 1, 2024 | 7,535,000.00 | 6.500% | 244,887.50 | 7,779,887.50 | 8,024,775.00 |
| | 102,900,000.00 | | 136,043,447.50 | 238,943,447.50 | 238,943,447.50 |

JOINT REPORT OF THE COMMITTEE ON ELECTRICAL POWER AND CONSUMER PROTECTION AND COMMITTEE ON ECONOMIC AND AGRICULTURAL DEVELOPMENT AND INSURANCE ON BILL NO. 1068: AN ACT TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE OF GUAM POWER AUTHORITY REVENUE BONDS AS SUBSTITUTED BY THE COMMITTEE ON ELECTRICAL POWER AND CONSUMER PROTECTION.

PREFACE:

The Committee on Electrical Power and Consumer Protection and the Committee on Economic and Agricultural Development and Insurance conducted a joint public hearing on Wednesday, June 29, 1994 at 10:30 a.m. in the Legislative Public Hearing Room on **Bill No. 1068: AN ACT TO APPROVE THE TERMS AND CONDITIONS OF THE ISSUANCE OF GUAM POWER AUTHORITY REVENUE BONDS**. Committee Members present at the public hearing were: Senator Don Parkinson, Chairman, Committee on Electrical Power and Consumer Protection; Senator Ben Pangelinan, Chairman, Committee on Economic and Agricultural Development and Insurance; Senator Tom Ada, Vice Chairman, Committee on Electrical Power and Consumer Protection; Senator Herminia Dierking, member; Senator Francis Santos, member; Senator Ted Nelson and Speaker Joe T. San Agustin, Ex-Officio.

TESTIMONY:

During the public hearing the following appeared before the Committee to testify in support of Bill No. 1068 Mr. Raymond Camacho, General Manager, Guam Power Authority,; Mr. Charles P. Crisostomo, Administrator of the Guam Economic Development Authority.

Mr. Ray Camacho, General Manager for GPA indicated in his testimony that the Cabras #4 unit is identical to the Cabras #3 presently under construction and scheduled for commissioning in October 1995. Cabras #4 will be operational in April 1996. According to Camacho this second slow speed diesel generator is still urgently needed as was indicated in previous appearances before this committee when approval was given for Cabras #3 and down line approval for Cabras #4 was given. Mr. Camacho also indicated that the Public Utilities and the Legislature has already conditionally approved the construction of Cabras #4 (second baseload slow speed diesel generator) and his appearance today was to insure that the Legislature would finally approve the second baseload and to approve the issuance of bonds to finance the purchase and installation of the generator and ancillary equipment. And finally, Mr. Camacho justified the selection of slow speed diesel technology over steam turbines was based on costs and efficiency with the slow speed diesels affording lower heat rate which translated into reduced fuel consumption, constituting lower operations and maintenance expenses and longer life of the generator.

Mr. Charles Crisostomo, Administrator of the Guam Economic Development Authority who testified in favor of Bill 1068 indicated that he and his staff and the staff of the Law Firm of Orrick, Herrington and Sutcliff had worked very closely with the Governor's Office and the GPA on GPA's request for bond issuance in 1992 for fast track generation and that at that time had recommended approval of the issuance of bonds for fast track generation. The issuance of 1993 bonds were also approved for capital improvements projects required by the GPA. Cabras #4 is another capital improvement project that requires the issuance of bands. Mr. Crisostomo indicated that the GEDA

Board of Directors had not adopted its resolution approving the issuance of this bonds, he is submitting for the Committee's review, the final draft of the Authority's resolution and the final draft of the bond purchase agreement. He also stated that the GEDA Board was scheduled to meet on June 30 to consider the bond issuance proposal for GPA and at this time new of no reason why it would not be approved..

COMMITTEE FINDINGS AND RECOMMENDATION:

The Committee on Electrical Power and Consumer Protection found that testimony and responses to questions ask by committee members of Mr. Raymond Camacho, Mr. Ken Flores, Mr. Charles Crisostomo and Mr. Kimbo Lujan were satisfactory and justified the need for not only the new 40 megawatt slow speed diesel generator, but also the issuance of bonds required for funding the purchase. **Therefor, the Committee on Electrical Power and Consumer Protection of the 22nd Guam Legislature recommends that Bill No. 1068 as substituted be passed by the 22nd Guam Legislature.**

Exhibits:

- Exhibit "A" Written testimony from Mr. Raymond Camacho, General Manager, Guam Power Authority with Cost Summary of Cabras Unit #4, slow speed diesel, direct cost caparison between Cabras #3 and Cabras #4, Financing Memorandum, sources and usage's of funds, bond pricing, and bond debt service.
- Exhibit "B" Written testimony from Mr. Charles Crisostomo, Administrator for the Guam Economic Development Authority, with GEDA Board of Directors Resolution No. 94-004, approving the issuance and sale of GPA Revenue Bonds and approving and authorizing the execution of related documents, agreements and actions.
- Exhibit "C" Supplemental Indenture to December 1, 1992 Revenue Bond
- Exhibit "D" GPA Supporting Bond Legislation for Cabras #4
- Exhibit "E" Bill 1068 as submitted
- Exhibit "F" Bill 1068 as substituted
- Exhibit "G" Witness Sign In Sheet Displayed during the public hearing on June 29, 1994



GUAM POWER AUTHORITY

ATURIDAT ILEKTRESEDAT GUAHAN
P.O. BOX 2977, AGANA, GUAM, USA 96910-2977

June 28, 1994

The Honorable Don Parkinson
Chairman, Committee on Electrical
Power and Consumer Protection
Twenty-Second Guam Legislature
192 Archbishop Flores St., Room 203
Agana, Guam 96910

Re: **Testimony on Bill 1068**

Dear Senator Parkinson:

Guam Power Authority is requesting authority to issue revenue bonds at this time in the amount of \$85 million for the Cabras Unit 4 low speed diesel 40 MW generator unit.

The Cabras generator unit is a baseload unit identical to the one presently under construction scheduled for commissioning in October 1995. This second unit will come on line approximately seven months later and will be in commission in about April 1996, if awarded by the end of July, 1994.

This Legislature and the Public Utilities Commission earlier approved the first baseload unit and the Commission at that time conditionally approved an option for the second unit, and has since given its final approval.

The need for this project is made evident by the thin generating margins in the GPA system, and its cost is affordable. Indeed, Guam's economic viability is dependent on this project to sustain and improve the quality of life of its residents.

As the senators will recall, the technology chosen for these baseload units was as determined by the Integrated Resource Plan (IRP) developed by R. W. Beck and Associates and GPA in October 1990.

Low speed diesel technology was chosen over steam turbines based on both costs and efficiency, the low speed diesels affording lower heat rates which translate into reduced fuel consumption. They also offer lower life cycle cost reflected by lower operations and maintenance expenses in the longer term.

Exhibit "A"

Letter to The Honorable Don Parkinson
June 28, 1994
Page 2

Other Vitally Needed Projects

GPA requests that four other critical projects be conditionally approved by this Legislature for financing. They are:

Pagat Substation, GAA 34.5 KV Transmission line/substation, Tamuning 115 KV substation, and Umatac substation.

GAA 35.5/13.8 KV SUBSTATION

This new substation is necessary to supply electric service for new load additions at the Guam International Airport Terminal Expansion. Due to the magnitude of the new load addition and special reliability requirement of the Airport, 34.5 KV rather than 13.8 KV service is required. The substation project will allow a strategically located source for 13.8 KV distribution for the developing area at the Airport industrial park. Additionally it will serve as an excellent source for better emergency tie capacity.

PAGAT SUBSTATION NEAR ROUTE 26 AND ROUTE 15

This project is required to accommodate the 13.5 MVA Marbo Resort; there is no existing substation capacity sufficient to service this load. In addition, this substation will accommodate normal load growth in the local area, which will result from this large spotload. Lastly, this substation will accommodate other anticipated loads which include the GCC expansion (approximately 5 MVA) and the U.S. Standard Builders 111-unit single dwelling homes subdivision (approximately 1 MVA) on Route 15 north of Gayinero Road.

TAMUNING 115 KV SUBSTATION

This project is required to provide 115 KV injection into the central area via the existing Harmon to Agana 115 KV line. The project will eliminate the voltage depression conditions in the Central zone due to the loss of any Central transmission line. In addition, the project eliminates loss of load at Tumon or Tamuning substation conditions in the Central zone due to the loss of Tamuning to Agana or the Tumon to Harmon 34.5 KV lines. Lastly, the project aids in the support of any new Central development.

Letter to The Honorable Don Parkinson
June 28, 1994
Page 3

UMATAC SUBSTATION

This project is required to alleviate overloading at Talofofu Substation due to the additions of Talofofu Land for the Landless (1500 KVA), Dandan Calvo Subdivision, Piqua Land for the Landless and Transworld Radio expansion (2500 KVA). The project will also alleviate overloading at Apra Substation due to the anticipated additions of Cascada Country Club (1500) KVA, Sunset Club Guam (600 KVA), Southern High School (6 MVA) and SDA Agat Housing (2 MVA).

These four projects are vital to Guam and are best addressed by the Legislature at this time. Together with Cabras 4 these projects require the Legislature to grant authority to GPA to issue revenue bonds in the amount of \$102.9 million. Review by the PUC is pending for the non-Cabras projects with approval expected by the end of July.

Cabras 4 costs are itemized in the attached tables, showing costs for a Notice to Proceed (NTP) given before and after July 31, 1994. Also, a comparison is provided between Cabras 3 and Cabras 4 costs. In addition, bonding cost breakdowns for a) Cabras 4 alone and b) Cabras 4 plus the four projects are summarized in the attached Morgan Stanley transmittals.

Sincerely,



RAYMOND C. CAMACHO
General Manager

Attachment

\jla

COST SUMMARY
CABRAS UNIT #4 SLOW SPEED DIESEL

| COM. | ITEMS | NTP BEFORE JULY 31, 1994 (5 %) | NTP BEFORE JUNE 30, 1995 (10 %) |
|----------------|---|--------------------------------------|---------------------------------------|
| MAIN | Mechanical | \$30,644,361 | \$31,140,446 |
| | Electrical Works and Instrumentation | \$7,604,279 | \$7,961,690 |
| | Civil Works | \$9,310,010 | \$9,475,164 |
| | Sub Total | \$47,558,650 | \$48,577,300 |
| OPTION | Turbo Compounding | \$698,880 | \$732,150 |
| | Freshwater Generating Unit | \$190,160 | \$199,210 |
| | Sub Total | \$889,040 | \$931,360 |
| Seismic Zone 4 | | \$2,682,750 | \$2,682,750 |
| T O T A L | | \$51,130,440 | \$52,191,410 |
| * OPTION | Exhaust Waste Heat Recovery | \$2,999,660 | \$2,999,660 |
| T O T A L | | \$54,130,100 | \$55,191,070 |
| INDIRECT COST | Environmental Permitting, Construction Management, and other related activities | \$2,000,000 | \$2,000,000 |
| T O T A L | | \$56,130,100 | \$57,191,070 |
| CONTINGENCY | 10% | \$5,613,010 | \$5,719,107 |
| GRAND TOTAL | | \$61,743,110 | \$62,910,177 |

* NOTE: NTP must be issued on or before December 31, 1994

**DIRECT COST SUMMARY
BETWEEN CABRAS #3 AND #4
SLOW SPEED DIESEL UNITS**

| COM. | ITEMS | CABRAS #3 | CABRAS #4 | |
|---------------------------|--------------------------------|-----------------------------------|--------------------------------------|---------------------------------------|
| | | | NTP BEFORE JULY 31, 1994 (5 %) | NTP BEFORE JUNE 30, 1995 (10 %) |
| BASE UNIT | | \$46,540,000 | \$47,558,650 | \$48,577,300 |
| BASE UNIT WITH OPTIONS | | \$3,573,659 | \$889,040 | \$931,360 |
| | Spare Parts & Tools | \$2,469,901 | | |
| | Seismic Zone 4 | \$2,625,000 | \$2,682,750 | \$2,682,750 |
| | TOTAL | \$55,208,560 | \$51,130,440 | \$52,191,410 |
| * OPTION | Exhaust Waste Heat Recovery | (Included in above Options) | \$2,999,660 | \$2,999,660 |
| | TOTAL | | \$2,999,660 | \$2,999,660 |
| | GRAND TOTAL | \$55,208,560 | \$54,130,100 | \$55,191,070 |

* NOTE: NTP must be issued on or before December 31, 1994

*MORGAN STANLEY**FINANCING MEMORANDUM***To:** Bruce Pecon**Date:** June 16, 1994**From:** Tom Yauger**Dept:** Public Finance**Subject:** Revised Second Baseload Unit Sizing Cashflows

Attached please find an update on the June 15, 1994 sizing cashflows. I have incorporated an original issue discount ("OID") on the bonds which is approximately equal to the OID on the 1993 Series A GPA issue. The issue is sized at \$85 million. This is the amount which should be requested for approval for the Second Baseload Unit. The primary component of this sizing is the \$62,532,000 project cost, so as long as you are comfortable with your engineers' estimate of construction, there should be ample funds in our requested authorization par. As always call if you have any questions.

cc: Carl Taitano

SOURCES AND USES OF FUNDS

Guam Power Authority
1994 Series A (Second Baseload Unit)

June 16, 1994

Sources:

| | |
|-------------------------|----------------------|
| Bond Proceeds: | |
| Par Amount | 85,000,000.00 |
| Original Issue Discount | <u>-2,574,147.00</u> |
| | 82,425,853.00 |

Uses:

| | |
|----------------------------------|----------------------|
| Project Fund Deposits: | |
| Project #9: Second Baseload Unit | 62,532,000.00 |
| Other Fund Deposits: | |
| Debt Service Reserve Fund | 6,632,900.00 |
| Capitalized Interest | <u>11,724,450.83</u> |
| | 18,357,350.83 |
| Delivery Date Expenses: | |
| Cost of Issuance | 600,000.00 |
| Underwriter's Discount | <u>935,000.00</u> |
| | 1,535,000.00 |
| Other Uses of Funds: | |
| Rounding | 1,502.17 |
| | <u>1,502.17</u> |
| | 82,425,853.00 |

BOND PRICING
 Guam Power Authority
 1994 Series A (Second Baseload Unit)
 June 16, 1994

| Bond Component | Maturity Date | # Bonds | Amount | Rate | Yield | Price | Premium (-Discount) |
|------------------------------|---------------|---------------|-------------------|--------|--------|---------|----------------------|
| Serials: 1997 - 2004: | | | | | | | |
| | 10/01/1997 | 244 | 1,220,000 | 5.100% | 5.100% | 100.000 | - |
| | 10/01/1998 | 256 | 1,280,000 | 5.200% | 5.200% | 100.000 | - |
| | 10/01/1999 | 270 | 1,350,000 | 5.350% | 5.350% | 100.000 | - |
| | 10/01/2000 | 284 | 1,420,000 | 5.550% | 5.550% | 100.000 | - |
| | 10/01/2001 | 300 | 1,500,000 | 5.800% | 5.800% | 100.000 | - |
| | 10/01/2002 | 317 | 1,585,000 | 6.100% | 6.100% | 100.000 | - |
| | 10/01/2003 | 337 | 1,695,000 | 6.200% | 6.200% | 100.000 | - |
| | 10/01/2004 | 357 | 1,785,000 | 6.300% | 6.300% | 100.000 | - |
| | | <u>2,365</u> | <u>11,825,000</u> | | | | |
| Term: 2005 - 2014: | 10/01/2014 | 5,103 | 25,515,000 | 6.400% | 6.672% | 97.000 | -765,450.00 |
| Term: 2015 - 2024: | 10/01/2024 | 9,532 | 47,660,000 | 6.500% | 6.797% | 96.205 | -1,808,697.00 |
| | | <u>17,000</u> | <u>85,000,000</u> | | | | <u>-2,574,147.00</u> |

| | |
|------------------------|---------------|
| Dated Date | 8/01/1994 |
| Delivery Date | 8/01/1994 |
| First Coupon | 4/01/1995 |
| Par Amount | 85,000,000.00 |
| Discount | -2,574,147.00 |
| Production | 82,425,853.00 |
| Underwriter's Discount | -935,000.00 |
| Purchase Price | 81,490,853.00 |
| Accrued Interest | |
| Net Proceeds | 81,490,853.00 |

BOND DEBT SERVICE

Guam Power Authority
1994 Series A (Second Baseload Unit)

June 16, 1994

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|------------------|--------------|--------|--------------|--------------|------------------------|
| Aug 1, 1994 | - | - | - | - | - |
| Apr 1, 1995 | - | - | 3,607,523.33 | 3,607,523.33 | - |
| Oct 1, 1995 | - | - | 2,705,642.50 | 2,705,642.50 | 6,313,165.83 |
| Apr 1, 1996 | - | - | 2,705,642.50 | 2,705,642.50 | - |
| Oct 1, 1996 | - | - | 2,705,642.50 | 2,705,642.50 | 5,411,285.00 |
| Apr 1, 1997 | - | - | 2,705,642.50 | 2,705,642.50 | - |
| Oct 1, 1997 | 1,220,000.00 | 5.100% | 2,705,642.50 | 3,925,642.50 | 6,631,285.00 |
| Apr 1, 1998 | - | - | 2,674,532.50 | 2,674,532.50 | - |
| Oct 1, 1998 | 1,280,000.00 | 5.200% | 2,674,532.50 | 3,954,532.50 | 6,629,065.00 |
| Apr 1, 1999 | - | - | 2,641,252.50 | 2,641,252.50 | - |
| Oct 1, 1999 | 1,350,000.00 | 5.350% | 2,641,252.50 | 3,991,252.50 | 6,632,505.00 |
| Apr 1, 2000 | - | - | 2,605,140.00 | 2,605,140.00 | - |
| Oct 1, 2000 | 1,420,000.00 | 5.550% | 2,605,140.00 | 4,025,140.00 | 6,630,280.00 |
| Apr 1, 2001 | - | - | 2,565,735.00 | 2,565,735.00 | - |
| Oct 1, 2001 | 1,500,000.00 | 5.800% | 2,565,735.00 | 4,065,735.00 | 6,631,470.00 |
| Apr 1, 2002 | - | - | 2,522,235.00 | 2,522,235.00 | - |
| Oct 1, 2002 | 1,585,000.00 | 6.100% | 2,522,235.00 | 4,107,235.00 | 6,629,470.00 |
| Apr 1, 2003 | - | - | 2,473,892.50 | 2,473,892.50 | - |
| Oct 1, 2003 | 1,685,000.00 | 6.200% | 2,473,892.50 | 4,158,892.50 | 6,632,705.00 |
| Apr 1, 2004 | - | - | 2,421,657.50 | 2,421,657.50 | - |
| Oct 1, 2004 | 1,785,000.00 | 6.300% | 2,421,657.50 | 4,206,657.50 | 6,628,315.00 |
| Apr 1, 2005 | - | - | 2,365,430.00 | 2,365,430.00 | - |
| Oct 1, 2005 | 1,900,000.00 | 6.400% | 2,365,430.00 | 4,265,430.00 | 6,630,860.00 |
| Apr 1, 2006 | - | - | 2,304,630.00 | 2,304,630.00 | - |
| Oct 1, 2006 | 2,020,000.00 | 6.400% | 2,304,630.00 | 4,324,630.00 | 6,629,260.00 |
| Apr 1, 2007 | - | - | 2,239,990.00 | 2,239,990.00 | - |
| Oct 1, 2007 | 2,150,000.00 | 6.400% | 2,239,990.00 | 4,389,990.00 | 6,629,980.00 |
| Apr 1, 2008 | - | - | 2,171,190.00 | 2,171,190.00 | - |
| Oct 1, 2008 | 2,290,000.00 | 6.400% | 2,171,190.00 | 4,461,190.00 | 6,632,380.00 |
| Apr 1, 2009 | - | - | 2,097,910.00 | 2,097,910.00 | - |
| Oct 1, 2009 | 2,435,000.00 | 6.400% | 2,097,910.00 | 4,532,910.00 | 6,630,820.00 |
| Apr 1, 2010 | - | - | 2,019,990.00 | 2,019,990.00 | - |
| Oct 1, 2010 | 2,590,000.00 | 6.400% | 2,019,990.00 | 4,609,990.00 | 6,629,980.00 |
| Apr 1, 2011 | - | - | 1,937,110.00 | 1,937,110.00 | - |
| Oct 1, 2011 | 2,755,000.00 | 6.400% | 1,937,110.00 | 4,692,110.00 | 6,629,220.00 |
| Apr 1, 2012 | - | - | 1,848,950.00 | 1,848,950.00 | - |
| Oct 1, 2012 | 2,935,000.00 | 6.400% | 1,848,950.00 | 4,783,950.00 | 6,632,900.00 |
| Apr 1, 2013 | - | - | 1,755,030.00 | 1,755,030.00 | - |
| Oct 1, 2013 | 3,120,000.00 | 6.400% | 1,755,030.00 | 4,875,030.00 | 6,630,060.00 |
| Apr 1, 2014 | - | - | 1,655,190.00 | 1,655,190.00 | - |
| Oct 1, 2014 | 3,320,000.00 | 6.400% | 1,655,190.00 | 4,975,190.00 | 6,630,380.00 |
| Apr 1, 2015 | - | - | 1,548,950.00 | 1,548,950.00 | - |
| Oct 1, 2015 | 3,530,000.00 | 6.500% | 1,548,950.00 | 5,078,950.00 | 6,627,900.00 |
| Apr 1, 2016 | - | - | 1,434,225.00 | 1,434,225.00 | - |
| Oct 1, 2016 | 3,760,000.00 | 6.500% | 1,434,225.00 | 5,194,225.00 | 6,628,450.00 |
| Apr 1, 2017 | - | - | 1,312,025.00 | 1,312,025.00 | - |
| Oct 1, 2017 | 4,005,000.00 | 6.500% | 1,312,025.00 | 5,317,025.00 | 6,629,050.00 |
| Apr 1, 2018 | - | - | 1,181,862.50 | 1,181,862.50 | - |
| Oct 1, 2018 | 4,265,000.00 | 6.500% | 1,181,862.50 | 5,446,862.50 | 6,628,725.00 |
| Apr 1, 2019 | - | - | 1,043,250.00 | 1,043,250.00 | - |
| Oct 1, 2019 | 4,545,000.00 | 6.500% | 1,043,250.00 | 5,588,250.00 | 6,631,500.00 |
| Apr 1, 2020 | - | - | 895,537.50 | 895,537.50 | - |

BOND DEBT SERVICE

Guam Power Authority
1994 Series A (Second Baseload Unit)

June 16, 1994

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|------------------|---------------|--------|----------------|----------------|------------------------|
| Oct 1, 2020 | 4,840,000.00 | 6.500% | 895,537.50 | 5,735,537.50 | 6,631,075.00 |
| Apr 1, 2021 | - | - | 738,237.50 | 738,237.50 | - |
| Oct 1, 2021 | 5,155,000.00 | 6.500% | 738,237.50 | 5,893,237.50 | 6,631,475.00 |
| Apr 1, 2022 | - | - | 570,700.00 | 570,700.00 | - |
| Oct 1, 2022 | 5,490,000.00 | 6.500% | 570,700.00 | 6,060,700.00 | 6,631,400.00 |
| Apr 1, 2023 | - | - | 392,275.00 | 392,275.00 | - |
| Oct 1, 2023 | 5,845,000.00 | 6.500% | 392,275.00 | 6,237,275.00 | 6,629,550.00 |
| Apr 1, 2024 | - | - | 202,312.50 | 202,312.50 | - |
| Oct 1, 2024 | 6,225,000.00 | 6.500% | 202,312.50 | 6,427,312.50 | 6,629,625.00 |
| | 85,000,000.00 | | 112,374,215.83 | 197,374,215.83 | 197,374,215.83 |

*MORGAN STANLEY**FINANCING MEMORANDUM*

To: Bruce Pecon**Date:** June 20 1994**From:** Tom Yauger**Dept:** Public Finance**Subject:** Revised Sizing Cashflows

Attached please find revised cashflows which size for the Second Baseload Unit and four additional projects as outlined in the Sources and Uses of Funds Report. The revised numbers reflect an original issue discount which was not previously factored into the sizing..

SOURCES AND USES OF FUNDS

Guam Power Authority
1994 Series A
Includes Bond Financing for
Second Baseload Unit, GAA Transmission and
Umatac, Tamuning, and Pagat Substations

June 20, 1994

Sources:

| | |
|-------------------------|----------------------|
| Bond Proceeds: | |
| Par Amount | 102,900,000.00 |
| Original Issue Discount | -3,116,415.00 |
| | <u>99,783,585.00</u> |

Uses:

| | |
|--|----------------------|
| Project Fund Deposits: | |
| Project #9: Second Baseload Unit | 62,532,000.00 |
| Project #10: GAA | 2,828,000.00 |
| Project #6: Umatac Substation | 3,228,000.00 |
| Project #1: Tamuning 115 KV Substation | 3,616,000.00 |
| Project #3: Pagat Substation | <u>3,623,000.00</u> |
| | 75,827,000.00 |
| Other Fund Deposits: | |
| Debt Service Reserve Fund | 8,029,780.00 |
| Capitalized Interest | <u>14,193,627.50</u> |
| | 22,223,407.50 |
| Delivery Date Expenses: | |
| Cost of Issuance | 600,000.00 |
| Underwriter's Discount | <u>1,131,900.00</u> |
| | 1,731,900.00 |
| Other Uses of Funds: | |
| Rounding | 1,277.50 |
| | <u>99,783,585.00</u> |

BOND PRICING

Guam Power Authority
 1994 Series A
 Includes Bond Financing for
 Second Baseload Unit, GAA Transmission and
 Umatac, Tamuning, and Pagat Substations

June 20, 1994

| Bond Component | Maturity Date | # Bonds | Amount | Rate | Yield | Price | Premium (-Discount) |
|------------------------------|---------------|---------------|--------------------|--------|--------|---------|----------------------|
| Serials: 1997 - 2004: | | | | | | | |
| | 10/01/1997 | 295 | 1,475,000 | 5.100% | 5.100% | 100.000 | - |
| | 10/01/1998 | 310 | 1,550,000 | 5.200% | 5.200% | 100.000 | - |
| | 10/01/1999 | 326 | 1,630,000 | 5.350% | 5.350% | 100.000 | - |
| | 10/01/2000 | 344 | 1,720,000 | 5.550% | 5.550% | 100.000 | - |
| | 10/01/2001 | 363 | 1,815,000 | 5.800% | 5.800% | 100.000 | - |
| | 10/01/2002 | 384 | 1,920,000 | 6.100% | 6.100% | 100.000 | - |
| | 10/01/2003 | 407 | 2,035,000 | 6.200% | 6.200% | 100.000 | - |
| | 10/01/2004 | 433 | 2,165,000 | 6.300% | 6.300% | 100.000 | - |
| | | <u>2,862</u> | <u>14,310,000</u> | | | | |
| Term: 2005 - 2014: | | | | | | | |
| | 10/01/2014 | 6,178 | 30,890,000 | 6.400% | 6.672% | 97.000 | -926,700.00 |
| Term: 2015 - 2024: | | | | | | | |
| | 10/01/2024 | 11,540 | 57,700,000 | 6.500% | 6.797% | 96.205 | -2,189,715.00 |
| | | <u>20,580</u> | <u>102,900,000</u> | | | | <u>-3,116,415.00</u> |

| | | |
|------------------------|----------------|------------|
| Dated Date | 8/01/1994 | |
| Delivery Date | 8/01/1994 | |
| First Coupon | 4/01/1995 | |
| Par Amount | 102,900,000.00 | |
| Discount | -3,116,415.00 | |
| Production | 99,783,585.00 | 96.971414% |
| Underwriter's Discount | -1,131,900.00 | -1.100000% |
| Purchase Price | 98,651,685.00 | 95.871414% |
| Accrued Interest | - | |
| Net Proceeds | 98,651,685.00 | |

BOND DEBT SERVICE

Guam Power Authority
1994 Series AIncludes Bond Financing for
Second Baseload Unit, GAA Transmission and
Umatac, Tamuning, and Pagat Substations

June 20, 1994

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|------------------|--------------|--------|--------------|--------------|------------------------|
| Aug 1, 1994 | - | - | - | - | - |
| Apr 1, 1995 | - | - | 4,367,270.00 | 4,367,270.00 | - |
| Oct 1, 1995 | - | - | 3,275,452.50 | 3,275,452.50 | 7,642,722.50 |
| Apr 1, 1996 | - | - | 3,275,452.50 | 3,275,452.50 | - |
| Oct 1, 1996 | - | - | 3,275,452.50 | 3,275,452.50 | 6,550,905.00 |
| Apr 1, 1997 | - | - | 3,275,452.50 | 3,275,452.50 | - |
| Oct 1, 1997 | 1,475,000.00 | 5.100% | 3,275,452.50 | 4,750,452.50 | 8,025,905.00 |
| Apr 1, 1998 | - | - | 3,237,840.00 | 3,237,840.00 | - |
| Oct 1, 1998 | 1,550,000.00 | 5.200% | 3,237,840.00 | 4,787,840.00 | 8,025,680.00 |
| Apr 1, 1999 | - | - | 3,197,540.00 | 3,197,540.00 | - |
| Oct 1, 1999 | 1,630,000.00 | 5.350% | 3,197,540.00 | 4,827,540.00 | 8,025,080.00 |
| Apr 1, 2000 | - | - | 3,153,937.50 | 3,153,937.50 | - |
| Oct 1, 2000 | 1,720,000.00 | 5.550% | 3,153,937.50 | 4,873,937.50 | 8,027,875.00 |
| Apr 1, 2001 | - | - | 3,106,207.50 | 3,106,207.50 | - |
| Oct 1, 2001 | 1,815,000.00 | 5.800% | 3,106,207.50 | 4,921,207.50 | 8,027,415.00 |
| Apr 1, 2002 | - | - | 3,053,572.50 | 3,053,572.50 | - |
| Oct 1, 2002 | 1,920,000.00 | 6.100% | 3,053,572.50 | 4,973,572.50 | 8,027,145.00 |
| Apr 1, 2003 | - | - | 2,995,012.50 | 2,995,012.50 | - |
| Oct 1, 2003 | 2,035,000.00 | 6.200% | 2,995,012.50 | 5,030,012.50 | 8,025,025.00 |
| Apr 1, 2004 | - | - | 2,931,927.50 | 2,931,927.50 | - |
| Oct 1, 2004 | 2,165,000.00 | 6.300% | 2,931,927.50 | 5,096,927.50 | 8,028,855.00 |
| Apr 1, 2005 | - | - | 2,863,730.00 | 2,863,730.00 | - |
| Oct 1, 2005 | 2,300,000.00 | 6.400% | 2,863,730.00 | 5,163,730.00 | 8,027,460.00 |
| Apr 1, 2006 | - | - | 2,790,130.00 | 2,790,130.00 | - |
| Oct 1, 2006 | 2,445,000.00 | 6.400% | 2,790,130.00 | 5,235,130.00 | 8,025,260.00 |
| Apr 1, 2007 | - | - | 2,711,890.00 | 2,711,890.00 | - |
| Oct 1, 2007 | 2,605,000.00 | 6.400% | 2,711,890.00 | 5,316,890.00 | 8,028,780.00 |
| Apr 1, 2008 | - | - | 2,628,530.00 | 2,628,530.00 | - |
| Oct 1, 2008 | 2,770,000.00 | 6.400% | 2,628,530.00 | 5,398,530.00 | 8,027,060.00 |
| Apr 1, 2009 | - | - | 2,539,890.00 | 2,539,890.00 | - |
| Oct 1, 2009 | 2,950,000.00 | 6.400% | 2,539,890.00 | 5,489,890.00 | 8,029,780.00 |
| Apr 1, 2010 | - | - | 2,445,490.00 | 2,445,490.00 | - |
| Oct 1, 2010 | 3,135,000.00 | 6.400% | 2,445,490.00 | 5,580,490.00 | 8,025,980.00 |
| Apr 1, 2011 | - | - | 2,345,170.00 | 2,345,170.00 | - |
| Oct 1, 2011 | 3,335,000.00 | 6.400% | 2,345,170.00 | 5,680,170.00 | 8,025,340.00 |
| Apr 1, 2012 | - | - | 2,238,450.00 | 2,238,450.00 | - |
| Oct 1, 2012 | 3,550,000.00 | 6.400% | 2,238,450.00 | 5,788,450.00 | 8,026,900.00 |
| Apr 1, 2013 | - | - | 2,124,850.00 | 2,124,850.00 | - |
| Oct 1, 2013 | 3,780,000.00 | 6.400% | 2,124,850.00 | 5,904,850.00 | 8,029,700.00 |
| Apr 1, 2014 | - | - | 2,003,890.00 | 2,003,890.00 | - |
| Oct 1, 2014 | 4,020,000.00 | 6.400% | 2,003,890.00 | 6,023,890.00 | 8,027,780.00 |
| Apr 1, 2015 | - | - | 1,875,250.00 | 1,875,250.00 | - |
| Oct 1, 2015 | 4,275,000.00 | 6.500% | 1,875,250.00 | 6,150,250.00 | 8,025,500.00 |
| Apr 1, 2016 | - | - | 1,736,312.50 | 1,736,312.50 | - |
| Oct 1, 2016 | 4,555,000.00 | 6.500% | 1,736,312.50 | 6,291,312.50 | 8,027,625.00 |
| Apr 1, 2017 | - | - | 1,588,275.00 | 1,588,275.00 | - |
| Oct 1, 2017 | 4,850,000.00 | 6.500% | 1,588,275.00 | 6,438,275.00 | 8,026,550.00 |
| Apr 1, 2018 | - | - | 1,430,650.00 | 1,430,650.00 | - |
| Oct 1, 2018 | 5,165,000.00 | 6.500% | 1,430,650.00 | 6,595,650.00 | 8,026,300.00 |

BOND DEBT SERVICE

Guam Power Authority
1994 Series A

Includes Bond Financing for
Second Baseload Unit, GAA Transmission and
Unatac, Tamuning, and Pagat Substations

June 20, 1994

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|------------------|----------------|--------|----------------|----------------|------------------------|
| Apr 1, 2019 | - | - | 1,262,787.50 | 1,262,787.50 | - |
| Oct 1, 2019 | 5,500,000.00 | 6.500% | 1,262,787.50 | 6,762,787.50 | 8,025,575.00 |
| Apr 1, 2020 | - | - | 1,084,037.50 | 1,084,037.50 | - |
| Oct 1, 2020 | 5,860,000.00 | 6.500% | 1,084,037.50 | 6,944,037.50 | 8,028,075.00 |
| Apr 1, 2021 | - | - | 893,587.50 | 893,587.50 | - |
| Oct 1, 2021 | 6,240,000.00 | 6.500% | 893,587.50 | 7,133,587.50 | 8,027,175.00 |
| Apr 1, 2022 | - | - | 690,787.50 | 690,787.50 | - |
| Oct 1, 2022 | 6,645,000.00 | 6.500% | 690,787.50 | 7,335,787.50 | 8,026,575.00 |
| Apr 1, 2023 | - | - | 474,825.00 | 474,825.00 | - |
| Oct 1, 2023 | 7,075,000.00 | 6.500% | 474,825.00 | 7,549,825.00 | 8,024,650.00 |
| Apr 1, 2024 | - | - | 244,887.50 | 244,887.50 | - |
| Oct 1, 2024 | 7,535,000.00 | 6.500% | 244,887.50 | 7,779,887.50 | 8,024,775.00 |
| | 102,900,000.00 | | 136,043,447.50 | 238,943,447.50 | 238,943,447.50 |



GUAM ECONOMIC DEVELOPMENT AUTHORITY
ATURIDAT INADILANTON IKUNUMIHA GUAHAN

GEDA

July 1, 1994

Senator Don Parkinson
Chairman
Committee on Electrical Power and Consumer Protection
Twenty-Second Guam Legislature
Agana, Guam 96910

Senator Vicente Pangelinan
Chairman
Committee on Economic & Agricultural Development & Insurance
Twenty-Second Guam Legislature
Agana, Guam 96910

RE: Comments on Substitute Bill #1068 relative to the approval of the terms and conditions of the Issuance of the GPA Revenue Bonds 1994 Series

Dear Senators Parkinson and Pangelinan:

Please find enclosed the written comments by bond counsel with regard to the first draft of the above-captioned substitute bill.

Additionally, pursuant to the conference call with bond counsel, this morning, following is a summary of bond counsel's comments and suggested changes on the 2nd draft of the substitute bill. Although made prior to the 2nd draft, bond counsel's written comments are still pertinent in their respective areas.

Section 2, Lines 13 & 14

It is recommended that the phrase "as approved by the Public Utilities Commission in their order dated May 31, 1994 in PUC Docket 93-004" be deleted from Section 2, Lines 13 & 14. Should Substitute Bill 1068 become law in its present form, it may have the effect of restricting or contradicting any statutory authority in existence. In addition, the language would not provide GPA with sufficient latitude to include additional projects. Should the legislature wish to consider the Governor's request of June 30th to amend the proposed legislation to include the four additional projects totaling \$17.9 million, it is suggested that the amount shown in Line 16 of the Section be amended to reflect the amount inclusive of the additional projects. The four additional

This is the intent we are not considering other requests