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Public Utilities Commission
GUAM

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:	GPA Docket 14-02
The Application of the Guam Power Authority Requesting Approval of the Procurement of an Integrated Program Management Office (PMO).	**SUPPLEMENTAL PUC COUNSEL REPORT**

INTRODUCTION

In his initial Report herein, PUC Counsel recommended that the Commission deny GPA's request for authorization to expend $440,000 to CHA [hereinafter referred to as "R.W. Armstrong" or "Armstrong"] for "program management services" in FY2014 and $880,000 in such services for FY2015. As PUC Consultants Georgetown and Lummus both pointed out previously, GPA consistently failed to budget or include any amounts for LNG or Armstrong in its 2014 base rate proceeding or in its FY2014 budget.

The failure by GPA to properly plan for its consulting services has apparently led, over the past six months, to the filing of four separate petitions by GPA which seek funding of the PMO from varied sources, including LEAC, revenue funds, and bond funds. GPA has failed to demonstrate fiscal responsibility or proper planning in the budgeting of its PMO services. Nothing contained in the June 26, 2014 GPA filing convinces Counsel that his recommendation for a non-funding of the current request for PMO services should be changed or altered.

With regard to the pending requests [$440,000 FY2014 and $880,000 FY2015] GPA has failed to provide proper justification for the expenditure of such amounts. Enclosed is a summary of expenditures that have been authorized by PUC for the PMO since January of 2012 [a period of approximately two and one half years]:

Amount Sought	Amount Approved	Funding Source	Approval Date
$3,900,000	$3,900,000 [Funding proposed for three years, was fully utilized in two years]	Bond Funds	PUC Order 1/11/12
$3,900,000 [1 yr. extension]	$1,022,000	LEAC Funds	PUC Order 12/30/13
$544,221.37	$544,221.37 [Expenditure in violation of PUC Order]	Bond Funds	PUC Order 4/24/2014
$440,000 [FY2014]	Pending	Revenue CIP Funds	Pending
$1,022,000	Pending		Pending
Total: $9,806,211.37	Total: $5,466,221.37		

To date, GPA has been authorized to expend approximately $5,466,221.37 in two and one half years for PMO Services to Armstrong. There are pending requests for additional PMO funds by GPA in the amount of $1,462,000.

PUC HAS A DUTY TO ENSURE THAT EXPENDITURES OF RATEPAYER FUNDS BY GPA ARE REASONABLE, PRUDENT, AND NECESSARY

Both the statutory enabling Act of the PUC and the Contract Review Protocol require that the Commission review contracts of GPA in excess of $1.5M. The theory is that expenditures in excess of such amounts could increase rates. For the protection of ratepayers, PUC must ensure that GPA contract expenditures in excess of $1.5M are reasonable, prudent and necessary. The large expenditures required to fund PMO services are significant. At a time when GPA often contends that it is cash-strapped to meet necessary expenditures, there appears to be a willingness on its part to authorize expenditures for whatever amounts the PMO requests. The Commission must insure that all PMO expenditures are necessary and utilized in a manner that will benefit ratepayers.

To date, Counsel believes that the PMO expenditure program has been marked by a lack of accountability and controls. Such lack of accountability and controls has been set forth in the Counsel Reports filed in this docket since December of 2013. With the present request, the Commission must particularly consider that GPA seeks to fund these management services from internally funded CIP funds.[1] These funds are part of the CIP budget that GPA submits to the Commission every year; the funds are generally

[1] Guam Consolidated Commission on Utilities Resolution No. 2014-15, Approval of the Guam Power Authority's Implementation of Program Management Services, adopted April 8, 2014, at p. 4. (See attachment thereto "Task 01-IRP Program Management Services Task Reset, pg. 4.)

for general plant, computers, office equipment, plant improvements, and other items. However, none of these amounts were ever specifically budgeted by GPA for the purposes of paying for consultant "management services" or the LNG program. If GPA believes that such program management services and the LNG program are so critical, why hasn't it planned or budgeted for them?

When GPA requested the establishment of the PMO Program, it represented to the PUC that the program would be funded from bond funds and that there would be no rate impact upon ratepayers. Apparently such was not in fact the case as now GPA seeks PMO funding from revenue funds. There is definitely a rate impact when such expenditures are funded from revenue funds.

The main problem is that there is no proper budget or explanation provided by GPA for precisely what purposes it intends to expend these "program management" amounts. As previously pointed out, GPA has failed to give project spending details for each subcategory of work, or provide any cost information other than lump sum amounts. There is no clear, precise explanation of what specific task or project the funds will be expended for or how those lump sum amounts were arrived at.

In reviewing GPA's request, Counsel attempted to determine how GPA arrived at its proposal for PMO expenditures of $440,000 for FY2014 and $880,000 for FY2015. When Counsel asked GPA for the breakdown, he was provided with the "Task Order

Breakdown" attached hereto as Exhibit "1". That one page listing indicates that GPA management went to the PMO and essentially asked it how much money it needed for undefined, unspecified tasks. The only supporting material is the estimated number of hours that various employees of the PMO intend to charge, and the hourly rates. But, there is no indication of amounts to be charged for specific tasks or what services will be performed. Based on hourly estimates, a yearly total of $880,000.00, for Task One program management services only, was devised. This amount is only for "program management services" and does not include the substantial additional amounts that the PMO will additionally seek to charge for Tasks 2 & 3.

In other words, GPA's request for an additional $440,000 for this year was based upon nothing other than an estimate of hours that the PMO felt were necessary to provide undefined services. More importantly, there was no presentation at all of what specific services the PMO will provide, how many hours will be assigned to each project, or how many personnel will be need to work upon each particular project. This is not a proper manner of budgeting for projects. The PUC cannot shirk its duty of due diligence on the hope or expectation that GPA and the PMO will at some point in the future provide a proper scope and budget. Based upon what GPA has submitted, there is no basis upon which the PUC could find that these proposed expenditures are necessary or justified.

PUC DENIAL OF A $440,000 EXPENDITURE REQUEST WILL NOT BRING GPA OPERATIONS TO A HALT

For the PMO to claim that PUC disallowance of the "program management" service fees will result in the stoppage of all work activities of GPA and LNG/Generation, response to the PUC on the IRP, or other issues, is clearly an exaggeration. In two and one-half years, GPA has already been authorized to expend in excess of $5.5M on the PMO. Counsel suspects that the PMO has already performed a significant amount of additional services which have yet to be paid for by GPA. It is certainly not inappropriate for the PUC to ask for accountability and an explanation from GPA concerning the expenditures and their purposes.

An additional problem has been that the PMO is performing services far beyond the original intent of the PMO office or the construction of CIP projects. As pointed out in Counsel's initial report, the general description of scope of work includes identification and analysis of outside impacts to GPA's operation and finances, promotion of employee development and improvement of operational efficiencies including renewables, military build-up, fuel pricing, general economic conditions, etc.

We have no precise definition of what these program management services are for which GPA seeks authorization. In the past extensive expenditures have been made by GPA with PMO funds on media operations, assistance to the Budget office, PMO meetings with customers on billing disputes and numerous other activities which were never contemplated by the PUC when it created the PMO. There needs to be a reassessment of the activities which the PMO has undertaken to determine whether such activities are within the proper scope of the office as created by the PUC. It appears that "program management services" are what the PMO charges for "managing" the subcontractors (such as HDR and MEI) that are performing the actual services. It is a management "premium" fee.

In fact, there is a previous precedent for PUC disallowance of Task 1 PMO program management service expenses. In its December 2013 Order, PUC authorized an expenditure of $1.22M from LEAC for Tasks 2&3, which related to the LNG program and related program definition aspects. However, the "program management" element of the proposed services, Task 1, was disapproved. Apparently, Task 1 relates to fees for the PMO for managing other sub-contractors in coordinating work, such as HDR and MEI, work and services which Armstrong cannot perform itself. It is disturbing that GPA has not demonstrated an effort to reduce the extremely high management costs for the services of its PMO.

GPA should make a conscious effort to reduce unnecessary expenses for management fees. GPA's recent filing admits that there are no specifics to its proposals for PMO services: "at the time of the original petition, GPA had not yet determined the specific areas where PMO expertise and capability would be required for the development of an LNG program. As noted above, the actual work, scope budget and schedule will be defined as GPA determines what actual services it deems necessary to further develop LNG study analysis and recommendations. Therefore the request is necessarily undefined except for broad planning descriptions. Thus it is reasonable to utilize a "not-to-exceed-time-and-expense" structure, so that GPA has maximum flexibility to exercise PMO resources where they are most needed." (Emphasis added).

GPA's approach to the PUC is to request advance payment for PMO fees without providing any proper scope or budget. This is not an acceptable approach or accounting procedure. It is not an acceptable procedure to approve funding for a project before the scope, budget and schedule for the project are determined; also, it is not correct that the development of LNG study analyses and recommendations has been done through Task 1, program management services, the funding request presently before the Commission. When LEAC funds were approved by the PUC, the funding for LNG study analyses and recommendations was authorized under Tasks 2 & 3, not Task 1.

As the PMO further admits, funding from internal CIP funds for Task 1 Program Management Services is not even necessary. Since GPA filed this request for program management funds in April of 2014, it has filed an additional request for PMO funding in the amount of $1,022,500 on June 18, 2014. The projected source is bond funds. In addition, in GPA's recent request for issuance of revenue bonds, the 2014 Revenue Bonds, it has included $3 Million for "LNG initial start-up."

GPA management has indicated that it intends to spend this $3M to Armstrong for PMO consulting services. In other words, the $440,000 that GPA has requested for FY2014 and $880,000 for FY2015 is not necessary. GPA intends to fund the PMO out of the "LNG initial start-up" of $3 Million from the 2014 Revenue Bonds.

In its filing, GPA, through the PMO, now argues that it was only seeking $440,000 for Task 1 PMO services for FY2014. In the Attachment to CCU Resolution No. 2014-15, PMO Task One-IRP Program Management Services Task Reset, p. 4, the PMO includes "PMO Fiscal Year Costs for FY2014 in the total of $440,000 and for FY2015 in the total amount of $880,000." Its present position is not consistent with the filing. In any event, the PMO's argument is now reduced to a claim that the denial of $440,000 for undefined program management services will somehow render GPA incapable of functioning at all or providing any necessary services. Such position is not tenable.

THE PMO RAISES IRRELEVANT ISSUES IN SUPPORT OF APPROVAL OF $440,000 FOR PROGRAM MANAGEMENT SERVICES

The PMO claims that Counsel's recommendations "will prevent GPA from accessing the outside expertise needed to make informed decisions that will result in energy savings" to ratepayers. Counsel has not prevented, nor could he prevent, GPA from hiring necessary outside expertise. As indicated, GPA has many possible consulting sources to choose from to advise it on energy savings other than the PMO. Counsel only makes recommendations; only the PUC Commissioners can take final action on any such recommendations. It authorized GPA to proceed with the development of an LNG program and the RIP. It is not the case that denial of a $440,000 fund request will deprive GPA of the ability to make informed decisions, with or without the PMO.

It is also untrue for the GPA/PMO to suggest that there is a **"PUC approach which seems to halt the development of LNG/Generation program completely."** There has not been nor is there such a "PUC approach." What facts does GPA base this assertion on? In July of 2013 PUC conditionally authorized GPA to proceed with the development of a possible LNG program. PUC is presently reviewing GPA's Resource Implementation Plan. However, what the PUC has requested from the beginning is that GPA clearly explain how it is going to fund the $850 Million that it claims will be necessary to pay for the infrastructure for the LNG program and related plant development/improvements.

Until recently, GPA had submitted nothing to the PUC which even suggested any specifics about how such a far reaching LNG program would be financed. Now, in the Leidos Engineers Report, submitted in support of the 2014 Bond Issuance, the consulting engineer suggests that GPA plans a five year capital improvement program from 2014 through 2018 that will cost $846,391,000. In the LNG Resource

Implementation Plan presently filed by GPA, GPA has apparently suggested a 2015 Bond Financing in the amount of $542.1 Million and a 2017 Bond Financing in the amount of $326.6 Million, again a total amount of more than $860 Million. See Exhibit 2 [excerpts from the RIP and Leidos Engineers Report] attached hereto. How the ratepayers are expected to pay for such financing is still unexplained.

GPA has repeatedly claimed that it will save $900M over thirty years on LNG; this claim has yet to be proven. None of the long term pricing assumptions for LNG/RFO are validated, and there is no proof that GPA will obtain JCC pricing, as opposed to such pricing plus a fifteen or twenty percent add on. However, it appears that at this point, GPA plans to expend nearly $900M to save $900M over thirty years. PUC looks forward to further explanation of the financial aspects of the program, the justifications, and how this is a "good deal" for ratepayers.

On its face, the RIP apparently raises as many questions as it answers. The RIP has now been referred to the PUC Consultants for review. The PUC consultants will take a sufficient and adequate amount of time to review this lengthy document. There will be a review period now for the PUC consultants where the PMO will not be required to undertake "response to the PUC" on the RIP. Counsel also wonders why the PMO is needed, in every instance, to respond to questions about the RIP. GPA has many talented employees and management staff that are likely able to respond to questions about the RIP.

In any event, such work on the RIP and LNG would likely be funded, if at all, out of Task 2 and Task 3, which do not constitute "program management services." The basic problem is that there is no definition of what program management services are.

CONCLUSION

GPA now seems to concur that it no longer needs to use internal revenue CIP funds to pay for the requested PMO services. It states that it originally used such funding "due to PUC concerns about using LEAC funding for this effort." GPA now proposes to incorporate PMO costs into long term debt, that is through the bond issuance. It submits that allowing GPA to use bond funds will "avoid a short term rate hike to pay for the work required by US EPA, PUC, CCU and GPA." If GPA intends to use bond financing, it appears that its request for use of internal revenue CIP funds for "program management services" is unnecessary.

The PMC's position that PUC should simply approve unlimited amounts of PMO expenditures without any specific and precise scope of work, a budget, or explanation of the costs for each work task, is simply unacceptable. Before it approves PMO expenditures, the PUC is entitled to a specific budget indicating specific services the PMO intends to undertake for FY2014 and FY2015, the costs involved, and the specific breakdown of how prices and/or costs are determined. Pricing should be set forth for work projects under each task order.

Pricing for PMO costs must involve more than simply a request from GPA management based upon the PMO's estimate of the number of hours it wants to perform services. Counsel submits that the PUC should deny this funding request for $440,000. Counsel will present his recommendations for GPA's subsequent $1,022,500 funding request in a separate report. Counsel has submitted a Proposed Order for consideration by the Commission in this matter.

Dated this 30th day of July, 2014.

Frederick J. Horecky
PUC Legal Counsel

GPA PMO Program Management Office

Program Management Office
Task Order Breakdown (as of 3/30/2014)

Task 1
Program Management Services

Consultant Title	Hourly Rate	Estimated Annualized Hours	Extended Cost
Program Manager	$319.00	390	$124,410.00
Deputy Program Manager	$275.00	760	$209,000.00
Sr. Technical Advisor	$319.00	110	$35,090.00
Sr. Project Manager	$278.00	380	$105,640.00
Senior Technical Manager (CHA)	$267.00	140	$37,380.00
Internal/External Interaction & Messaging	$200.00	225	$45,000.00
Project Engineer(s) - PMO Team	$145.00	600	$87,000.00
IT/Program Controls Support (CHA)	$225.00	480	$108,000.00
Program Controls (CHA)	$194.00	300	$58,200.00
Admin Assistant (CHA)	$80.00	700	$56,000.00
Task 1 CHA Reimbursable Costs	-		$14,280.00
	$880,000.00	4085	$880,000.00
	4,085		

EXHIBIT "1"

The primary assumptions embedded in the financial analysis are summarized below:

LNG Financing Assumptions			
Construction Costs	$688.3 million		
Commercial Operation Date	New Combined Cycle Unit	LNG Import/Gasification Facilities	Retrofitting Existing Units
	2018	2020	2020
Capitalized Interest	Through commercial operating date by project		
Investment Rate	Capitalized Interest and Project Fund	Debt Service Reserve Fund	
	1.00%	2.50%	
Final Maturity	2045 (30 years from initial financing)		
Debt Service Shape	Level debt service		
Interest Rate Mode	100% fixed rate		
Rates	Rates as of April 8, 2014		
Cost of Issuance	1.5% of par		
Financings		2015 Financing	2017 Financing
	Par[3]:	$542.1 million	$326.6 million
	Construction Deposit:	$431.0 million	$257.3 million

Alternative Financing Approaches: In addition to the Barclays information summarized above, GPA will also review other debt structure approaches whereby GPA buys natural gas delivered to its gate at a certain price - $X.XX per MMBTu and electricity generated by an IPP at $0.xx per kWh delivered into its grid. GPA will continue to examine an approach where a private company builds and operates the facilities and sells the energy to the utility through a purchase agreement. Key to this approach is ensuring that GPA has the long term flexibility to ensure a competitive approach to fuel purchase and plant operations.

GPA PMO and Barclays/CITI Technical Papers:
Please see the attached Financial Model and Barclays/CITI Technical Papers, located in Technical Paper 3, which provides greater detail than the summarized discussion noted above.

GPA PMO Conclusions
The GPA PMO has reviewed the work already done by GPA and their previous consultants, discussed with GPA the required various financial model inputs and will produced a financial model that will assist GPA to better understand the various financial and funding permutations and impacts. In sum, Barclays has found that GPA has many available options, tied to strong investor interest in assisting GPA to fund the LNG Implementation. Based on this information, analysis, and experience, it is the opinion and conclusion of the GPA PMO, GPA has many available options that will be further developed and determined as part of the IRP Execution Plan phase.

[3] Assumes Financing Structure 1 – Direct Debt.

EXHIBIT "2"

GPA reports that early indications have been that GPA may be able to achieve significant savings through the issuance of tax exempt debt for this transaction. That would require government ownership of the project. GPA has utilized two types of generation management contracts in the past – IPP's and PMC's. GPA has not decided which vehicle to use for the new generation. GPA is exploring whether or not a PMC contract can shift additional risk to the operator. If that cannot be achieved, GPA would pursue a long term IPP management contract wherein the contractor would take full risk for the operation of the plant.

Within the study period, GPA expects to spend approximately $3.3 million in FY 2015, $84.6 million in FY 2016, $138.1 million in FY 2017, and $74.9 million in FY 2018, primarily on the terminal and associated storage and delivery facilities, unit conversions, and the new combined cycle plant. Our current financial forecast assumes these expenditures are paid for with an additional bond issuance of **[$700]** million in FY **[2016]**. Total cost for the LNG projects including the terminal, regasification, storage, pipeline, and unit conversions is approximately **[$688 million]** with annual operations and maintenance costs of **[$XX]** per year.

GPA's Demand Side Management Program

Demand side management ("DSM") programs are, in general, programs that utilities (and other entities) implement to increase energy efficiency and conservation efforts for their customers and to reduce their generation and associated fuel costs. While GPA has not had an active DSM program for several years, it has recently received several grants enabling it to move forward with a number of DSM projects. These projects include (i) a $2.5 million American Recovery and Reinvestment Act of 2009 ("ARRA") grant to install energy efficient street lights; and (ii) $11.5 million in ARRA grants to perform energy efficient retrofits on GovGuam buildings and to implement a solar water heater rebate pilot program for residential homeowners.

As part of an interdisciplinary review project in support of the GPA IRP process, Leidos was retained to perform an evaluation of the cost-effectiveness of residential and commercial DSM program measures for potential implementation by GPA. The study was designed to supplement the IRP analyses and studies being undertaken by GPA, which were also reviewed for reasonableness in advance of filings with the PUC. The DSM Review was also intended to satisfy the requirements of the PUC that GPA perform a DSM study as part of its IRP filing. This DSM study was conducted in a manner to provide a practical investigation of DSM program potential for GPA, evaluating the cost of the program measure commensurate with the size and scope of GPA's electric system. The analysis was conducted in two phases: (i) a technical screening assessment, and (ii) an economic screening analysis. The technical screening assessment involved a review of an expansive universe of potential DSM options. DSM measures previously examined for GPA during prior IRP efforts for technical potential were combined with an existing database of DSM measures deployed in other projects, and the entire set of measures were evaluated for technical potential using updated engineering estimates of energy and peak demand savings. Technical potential (energy and demand savings) estimates were prepared using weather patterns specific to GPA, and were vetted to make sure that savings estimates were reasonable compared to approximate Guam baselines. The economic analysis was performed using Leidos' proprietary cost-benefit evaluation model developed in partnership with EPRI. Cost-effectiveness evaluations were performed for three different perspectives on DSM program implementation, specifically, the Utility Cost Test, the Rate Impact Measure Test, and the Total Resource Cost Test. GPA established that a DSM measure must pass both the Utility Cost Test and the Rate Impact Measure Test before it would promote a DSM measure as part of its IRP filing. None of the DSM measures evaluated for economic potential were found to pass both the Utility Cost Test and Rate Impact Measure Test criteria.

Subordinate Bonds. GPA issued $150,440,000 of its senior lien Revenue Bonds, 2010 "2010 Senior Bonds") pursuant to the Senior Indenture and $56,115,000 of its Subordinate Bonds, 2010 Series A (the "2010 Subordinate Bonds"), pursuant to the Subordinate Indenture. proceeds of the 2010 Senior Bonds have been used for providing funds for (i) purchasing, nstructing and installing certain capital improvement projects, including Smart Grid projects, initial construction on an office building, together with generation, transmission and distribution projects; (ii) funding a deposit to the Bond Reserve Fund; (iii) providing for capitalized interest on a portion of the 2010 Senior Bonds through October 1, 2013; and (iv) providing for certain costs of issuance. The proceeds of the 2010 Subordinate Bonds were used to provide funds for (i) retiring approximately $20 million of GPA's short-term loan held by the Cathay Bank (the "Cathay Loan"); (ii) funding a deposit to the Working Capital Fund; (iii) providing for capitalized interest on a portion of the 2010 Subordinate Bonds through April 1, 2011; (iv) funding a deposit to the Bond Reserve Fund; and (v) providing for certain costs of issuance.

Capital Requirements

As part of its planning process, GPA has prepared a projection of the capital requirements and related costs for its electric system as summarized in Table 13. GPA's capital improvement program consists largely of ongoing improvements and upgrades to existing generating and transmission and distribution facilities, extension of transmission lines and the construction of associated substations, as well as the construction of the LNG terminal and related facilities and new generation resources. These additions will help GPA to meet system demand while maintaining overall system reliability. GPA currently projects the expenditure of approximately $846 million on its capital improvement program over the five-year period FY 2014 through 2018, as indicated in Table 13. Funds for the capital improvement program are expected to come from a combination of operating revenues and 2014 bond issuance proceeds, and a future bond issuance of approximately **$[700 million]** around the 2016 timeframe.

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Table 13
[Projected Capital Improvement Program]
($000)

	Historical		Projected (1)					Five-Year
Fiscal Year Ending September 30:	2012	2013	2014	2015	2016	2017	2018	Total
Capital Improvements:								
Transmission System Additions and Improvements	$25,589	$27,903	$6,693	$17,269	$31,042	$62,633	$60,819	$178,456
Distribution System Additions and Improvements	0	4,236	13,511	0	676	0	34,477	$48,664
Substation System Additions and Improvements	0	0	8,193	8,294	16,455	17,785	13,897	$64,624
Generation Plant Additions and Improvements, non-LNG	0	17,793	34,802	33,791	30,283	8,340	14,676	$121,891
General Plant Improvements and Replacements, non-LNG	20,748	6,467	7,363	10,038	10,711	11,430	12,197	$51,739
LNG Facilities, Plant Conversions, and New Generation	0	0	0	3,475	90,839	153,643	86,376	$334,334
Other (2)	0	0	33,200	466	0	0	13,017	$46,683
Total Capital Improvement Program	$46,337	$56,399	$103,762	$73,332	$180,007	$253,831	$235,460	$846,391
Amounts Funded from:								
Prior Bond Proceeds (3)	$20,694	$23,502	$69,734	$8,785	$0	$0	$0	$78,519
Current Revenues (4)	20,748	21,771	12,416	15,429	16,464	17,569	18,748	80,626
External - Developer Contribution	0	(16)	0	0	2,147	8,340	8,640	19,126
Proceeds of Future Bonds (5)	0	0	19,669	35,680	120,530	154,285	153,616	483,780
Grants and Contributions from Outside Sources	4,895	11,142	1,943	13,438	40,866	73,638	54,456	184,340
Total	$46,337	$56,399	$103,762	$73,332	$180,007	$253,831	$235,460	$846,391

(1) Inflated dollars based on an assumed annual rate of escalation specific to capital improvements program items on Guam of 3.6 percent.
(2) Includes expenditures for new office building in Fadlan, security, IT upgrades, Dededo facility expansion and Agana renovation.
(3) Reflects remaining bond proceeds from GPA's prior bond issues.
(4) Revenues available for capital improvements after payment of operating expenses and debt service.
(5) Assumed to be provided from senior lien bonds issued in FY 2014 and future bond issuance in FY 2016 of approximately [$700] million.

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