

Attachment B

Calculation of Operating Reserve Credit for 2017

\$ in '000

There are four factors that affect the calculation of the reserve credit:

- 2015 25% debt service reserve
- 2016 Estimates
- 2015 true-up
- Change in the 15% O&M Reserve

Summary of Operating Reserve Credit	If no changes to last years plan (a)	Budget to Actual (b)	Difference
2015 25% debt service reserve collected	\$ 3,400	\$ 3,400	\$ -
Prior year true up	-	3,127	3,127
Current year estimates	-	-	-
15% O&M Reserve	(651)	(651)	-
2017 Operating Reserve Credit from 2015 Operations	\$ 2,749	\$ 5,876	\$ 3,127
(a) Plan assumes prior year expenses and revenues were equal to budgeted amounts			
(b) Revised reflects the true -up of prior year activities			

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2015 True Up			
Description	Budget	Actual	Difference
Revenue			
GMC Revenue	\$ 198,600	\$ 196,725	\$ (1,875)
Other Income	9,400	10,361	961
Realized loss on Investments	-	376	376
Total revenue	208,000	207,463	(537)
Expenses			
O&M	(165,100)	(161,176)	3,924
Debt Service: Principal	(4,400)	(4,400)	-
Debt Service: Interest	(9,100)	(9,025)	75
Cash Funded Capital	(20,000)	(20,000)	-
Generator Fines Interest Adjustment	-	(335)	(335)
Total expenses	(198,600)	(194,936)	3,664
Impact to Operating Reserve			
Net Increase in Prior Year true-up	\$ 9,400	\$ 12,527	\$ 3,127

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2016 Estimates			
Description	Budget	Estimate	Difference
Revenue			
GMC Revenue	\$ 195,300	\$ 195,300	\$ -
Other Income	10,800	10,800	-
Total revenue	206,100	206,100	-
Expenses			
O&M	(169,300)	(169,300)	-
Debt Service: Principal	(4,600)	(4,600)	-
Debt Service: Interest	(8,900)	(8,900)	-
Debt Service Reserve	(3,400)	(3,400)	-
Cash Funded Capital	(24,000)	(24,000)	-
Total expenses	(210,200)	(210,200)	-
Impact to Operating Reserve			
Net Increase in current year estimates	\$ (4,100)	\$ (4,100)	\$ -

Change in 15% Operating Reserve			
Description	2016 Budget	2017 Projected Budget	Change
Change in O&M budget from prior year	\$ 169,300	\$ 173,637	\$ (4,337)
Change in 15% Operating Reserve requirement	\$ 25,395	\$ 26,046	\$ (651)