

Calculation of Operating Reserve Credit for 2016

\$ in '000

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

- 2014 25% debt service reserve
- 2015 Estimates
- 2014 true-up
- Change in the 15% O&M Reserve

Summary of Operating Reserve Credit	If no changes to last years plan (a)	Revised: Forecast to Actual (b)	Difference
2014 25% debt service reserve collected	\$ 3,400	\$ 3,400	\$ -
Prior year true up	-	1,280	1,280
Current year estimates	-	-	-
15% O&M Reserve	(630)	(630)	-
2016 Operating Reserve Credit from 2014 Operations	\$ 2,770	\$ 4,050	\$ 1,280
(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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2014 True Up			
Description	Budget	Actual	Difference
Revenue			
GMC Revenue	\$ 198,000	\$ 197,649	\$ (351)
Other Income	8,300	9,113	813
Realized loss on Investments	-	(392)	(392)
Total revenue	206,300	206,371	71
Expenses			
O&M	(164,400)	(163,486)	914
Debt Service: Principal	(4,400)	(4,400)	-
Debt Service: Interest	(9,100)	(9,136)	(36)
Cash Funded Capital	(24,000)	(24,000)	-
Generator Fines Interest Adjustment	-	332	332
Total expenses	(201,900)	(200,690)	1,210
Impact to Operating Reserve			
Net Increase in Prior Year true-up	\$ 4,400	\$ 5,680	\$ 1,280

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2015 Estimates			
Description	Budget	Estimate	Difference
Revenue			
GMC Revenue	\$ 198,500	\$ 198,500	\$ -
Other Income	9,400	9,400	-
Total revenue	207,900	207,900	-
Expenses			
O&M	(165,100)	(165,100)	-
Debt Service: Principal	(4,500)	(4,500)	-
Debt Service: Interest	(9,100)	(9,100)	-
Debt Service Reserve	(3,400)	(3,400)	-
Cash Funded Capital	(30,000)	(30,000)	-
Total expenses	(212,100)	(212,100)	-
Impact to Operating Reserve			
Net Increase in current year estimates	\$ (4,200)	\$ (4,200)	\$ -

Change in 15% Operating Reserve			
Description	2015 Budget	2016 Budget	Change
Change in O&M budget from prior year	\$ 165,100	\$ 169,300	\$ (4,200)
Change in 15% Operating Reserve requirement	\$ 24,765	\$ 25,395	\$ (630)