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**ASPA**

*To the Future*



THE LIGHT WORKS  
2017.11.15

# ASPA - At a Glance

12,000 customers (pop. 70,000)

Multi-function public utility

- » Power
- » Water
- » Wastewater
- » Solid Waste
- » Fuels Marketing

442 employees

semi- autonomous

# By the numbers



\$100m in total assets

\$60m annual revenue

- » 33 percent – canneries
- » 12 percent – government

+\$3m government debt

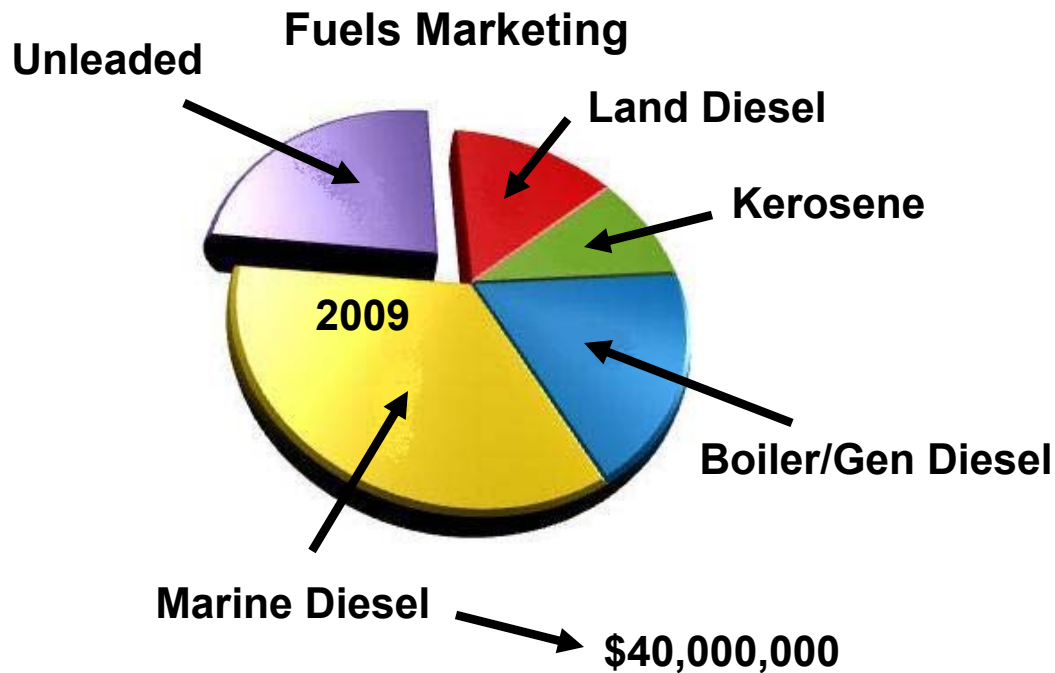
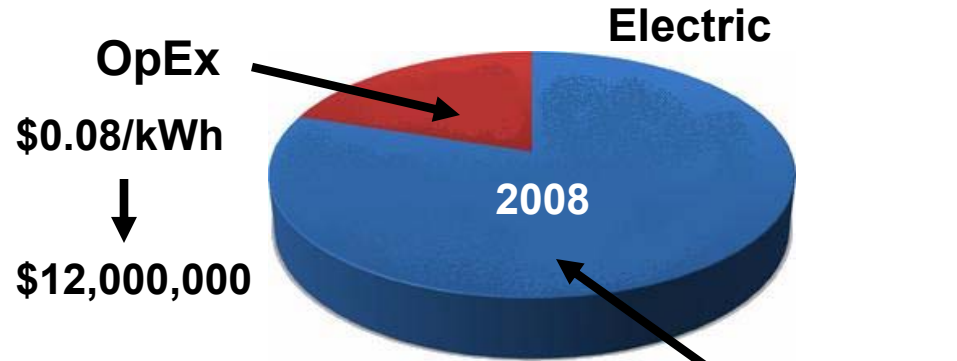
- » Have not paid a bill since march
- » \$1.8m over 90 days

80 percent delinquency rate

- » issue 8,000 delinquency notices per month
- » over 1,000 disconnections per month

# By the numbers

FY 2010 Forecast  
\$113,000,000



# Forward thinking



## Maximize synergies

- » Energy from waste
- » Hydro



## Create efficiencies

- » Leed-certified headquarters



## Think Globally

- » Interconnection of renewables
- » Cutting Petroleum costs

# 1. Energy\_from\_waste

» Synergy between power gen and trash

» Solves many island problems

» landfill life (7-10 years)

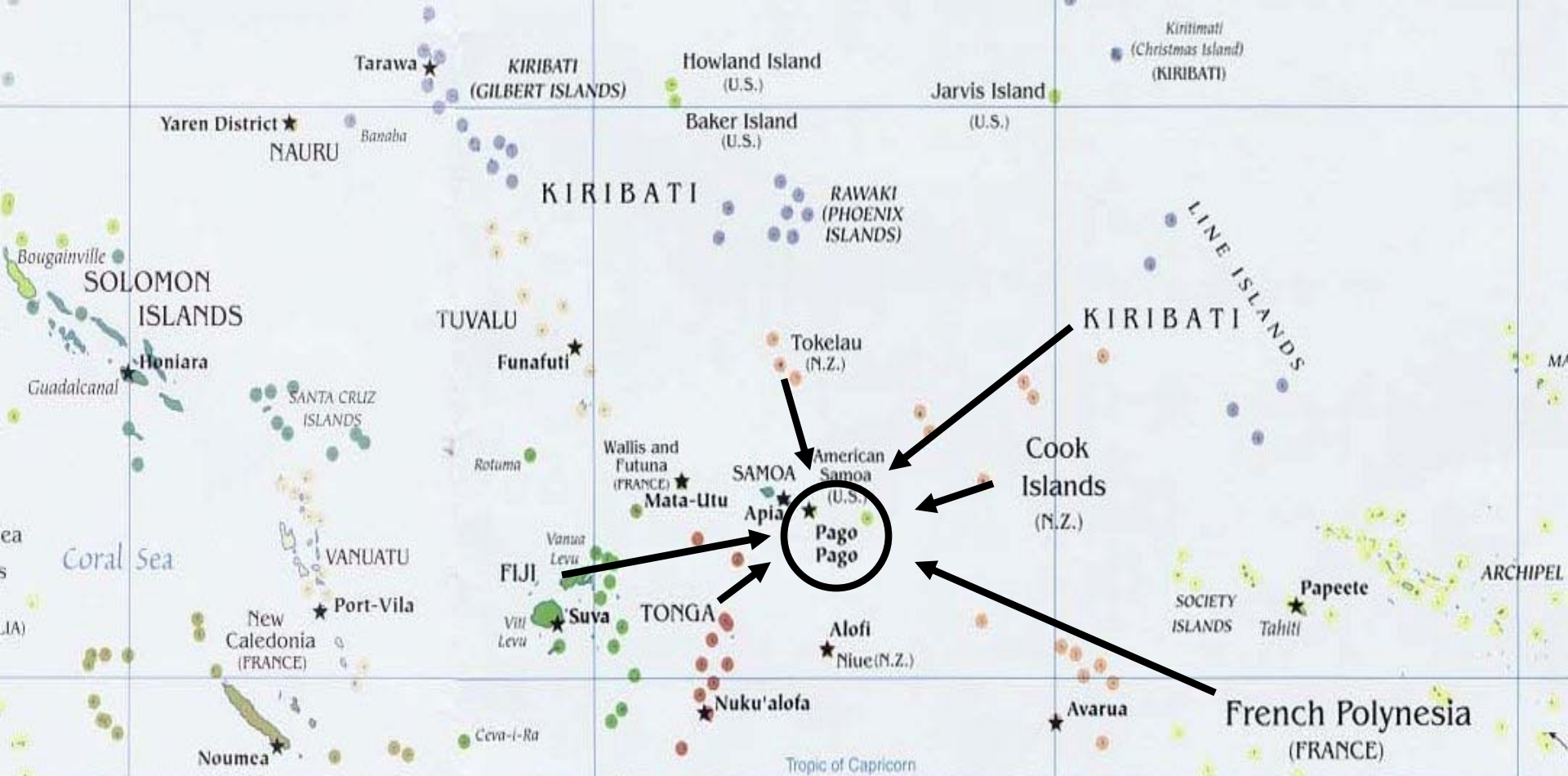
» tires (12,000 and growing)

» waste oil (120,000 gallons per YEAR)

» plastics

» petroleum consumption


$$12 \text{ mg/yr} \times \$2.50/\text{g} = \$30\text{m} / 26 \text{ MW} = \$1.15\text{m}/\text{MW}/\text{yr} \times 2 \text{ MW} = \$2.3\text{m} \text{ saved per year}$$
$$12 \text{ mg/yr} / 26 \text{ MW} = 470,000\text{g}/\text{MW}/\text{yr} \times 2 \text{ MW} = 940,000 \text{ gallons saved per year}$$



# Regional planning & development

- Oversize the facility
- Free shipping!

15,000,000 kWhs/yr / 70,000 = 214 kWhs/yr/person

Samoa pop. 177,000 Tonga pop. 119,000 296,000 x 214 = 63m kWhs/yr = 7 MW potential

South Pacific

Ocean

## 2. Hydro-Power

- Synergy between Power Gen & Water
- Two water microfiltration plants in bay area
  - Costly to operate and maintain
  - Water output is insignificant
- Cannery closure (COSI)
  - Excess water in central system (1,600 gpm)
- Modify microfiltration plants for hydro power



# 3. Administrative HQ

- \$5 million (debt service) budgeted
- LEED certification
- Model building for island development
  - Inputs (materials)
  - Design aspects
  - Tours
- Carbon neutrality
- Centralize operations



# 4. Interconnection Procedures

For Large IPPs

- Renewable energy power producers
- 100 kW systems and larger
- Sell power to ASPA at avoided cost
- Capped at IRR of 15%
- Final stages
  - Copies available



# Tutuila Island

American Samoa

Upgrading the Electric Grid to Attract  
Renewable Energy Producers



# 5. Petroleum Market



- **May 2008**
  - Mobil divesting in 13 Pacific markets
  - BP sold to Fiji Holdings/Hindustan Petroleum
- **Facing a single supplier – loss of control for ASPA**
  - Loss of market competition
  - Loss of wholesale price discount
  - Potential increases in overall fuel costs
  - Seize control of our own destiny!
- **ASPA positioned to capitalize**
  - Biggest single player in the market (12.5 million gallons = 26% market)
  - Well capitalized, good cash flow, creditworthy
  - Little additional effort (inventory management)
  - Opportunity to generate revenue for customer discounts or capital improvements

# Capitalizing on Petroleum



- September 2008: Drafted business plan for a merger/acquisition
  - Market overview (players, market shares, volumes)
  - Regulatory framework (Terminal operations, MAP template)
  - Inventory management, cash flow management, supply chain process
  - Pricing and costs – Pro forma income statement
  - Risks and risk management
- October 2008: Restructured Mobil contract
  - Fuel sold ex Singapore refinery (DES Pago)
  - Better pricing terms
- November 2008: Petroleum sales agreements with distributor
  - Mitigate credit & collection risk
  - Value from pre-existing relationships (marine and land)
  - Ensure positive cash flow



# Capitalizing on Petroleum

- December 15, 2008: ASPA Fuels Marketing went live
  - Acquisition of all Mobil assets (except marine refueling hoses)
  - Product stored in terminal transferred to ASPA
  - ASPA started selling product
  
- What we have learned:
  - There is opportunity in regional divestments
  - Results in huge benefits to the Territory (\$2.7m/yr)
  - Faced incredible resistance to change
  - Requires hard working, intelligent, detail-oriented staff

**Thank you  
very much**

