



Scott A. Bauer
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Palo Verde Nuclear
Generating Station

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10 CFR 140.21(e)

Mail Station 7636
P.O. Box 52034
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102-04987-SAB/TNW/CJJ
August 15, 2003

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Mail Station: P1-37
Washington, DC 20555-0001

Dear Sir:

**Subject: Palo Verde Nuclear Generating Station (PVNGS)
Units 1, 2, and 3
Docket Nos. STN 50-528/529/530
Licensee Guarantee of Payment of Deferred Premium**

Pursuant to the requirements of 10 CFR 140.21(e), Arizona Public Service Company (APS), for itself and on behalf of the PVNGS Participants, has enclosed projected cash flow statements for each participant, except Southern California Edison, who submitted their Statement to the NRC in a letter dated 5/20/03.

Please note that the projected cash flow statement for the El Paso Electric Company is considered a confidential document, for which an affidavit is provided. The affidavit sets forth the basis on which the Commission may withhold the information from public disclosure. Accordingly, it is requested that the El Paso Electric Company projected cash flow statement be withheld from public disclosure.

No commitments are being made to the NRC in this letter. If you have any questions, please contact Thomas N. Weber at (623) 393-5764.

Sincerely,

SAB/TNW/CJJ

Enclosure

cc: Regional Administrator, NRC Region IV (all w/o enclosure)
J. N. Donohew
M. B. Fields
N. L. Salgado

Enclosure

Cash Flow Statements for:

**Arizona Public Service Company
Salt River Project
Public Service Company of New Mexico
Los Angeles Department of Water & Power
Southern California Public Power Authority
El Paso Electric Company**

**INTERNAL CASHFLOW PROJECTION OF ARIZONA PUBLIC SERVICE COMPANY
(Joint Owner Of Palo Verde Nuclear Generating Station**)**

(\$000)

	<u>2003 Estimate</u>
1. Net Income After Taxes - Continuing Operations	(4)
Less:	
2. Non-Cash Extraordinary Charge After Deferred Income Tax	-
3. Dividends Paid on Preferred Stock	(4)
4. Dividends Paid on Common Stock	(4)
5. Retained Earnings	(4)
Adjustments:	
6. Non-Cash Extraordinary Charge After Deferred Income Tax	-
7. Amortization of Regulatory Assets (1)	86,000
8. Depreciation and Amortization (2)	335,985
9. Deferred Income Taxes	(46,191)
10. Deferred ITC (Net)	(265)
11. Allowance for Funds Used During Construction (Equity & Borrowed)	(17,991)
12. Decommissioning	(11,444)
13. Deferred Expenses (Direct Access)	(4,220)
14. Total Adjustments	341,874
15. Internal Cash Flow (Line 5 + Line 14)	(4)
16. Average Quarterly Cash Flow (Line 15/4)	(4)

NOTES: ** Percentage Ownership in All Nuclear Units:

Unit 1 - 29.1%

Unit 2 - 29.1% (3)

Unit 3 - 29.1%

- (1) Related to 5/99 ACC settlement agreement.
- (2) Includes Nuclear Fuel Amortization.
- (3) Includes the leased portion of Palo Verde Unit 2.
- (4) Company policy prohibits disclosure of financial forecast data which will enable earnings or dividend forecasts by unauthorized persons, unless assured of confidentiality.

I, Donald G. Robinson, Vice President, Finance and Planning of APS, certify that these cashflow calculations utilize the Company's approach to estimating cash flows for internal management reports and planning purposes. The 2003 estimate of cashflows is based on the 2003 Company Budget. The 2003 estimate does not reflect actual results to date, as the Budget is not revised to reflect changing conditions.


Donald G. Robinson
Vice President, Finance and Planning, APS

**INTERNAL CASH FLOW PROJECTION OF SALT RIVER PROJECT
(JOINT OWNER OF PALO VERDE NUCLEAR GENERATING STATION)
FOR FISCAL YEARS ENDED APRIL 30, 2003 AND 2002
(\$000)**

	<u>2003 ACTUAL</u>	<u>2002 ACTUAL</u>
Net Income After Taxes	\$ 46,669	\$ 19,796
Less Dividends Paid:		
Preferred Dividend Requirements		
Dividends on common Stock		
	<hr/>	<hr/>
Retained Earnings	46,669	19,796
Adjustments:		
Depreciation and Amortization	435,815	411,915
Deferred Income Taxes and Investment Tax Credits		
Allowance for Funds Used During Construction	16,770	14,398
Cumulative Effect of Change in Accounting Principle	6,728	(11,834)
	<hr/>	<hr/>
Total Adjustments	459,313	414,479
	<hr/>	<hr/>
Internal Cash Flow	505,982	434,275
	<hr/>	<hr/>
Average Quarterly Cash Flow	\$ 126,496	\$ 108,569
	<hr/>	<hr/>
Percentage Ownership in all Nuclear Units		
Unit 1	17.49%	17.49%
Unit 2	17.49%	17.49%
Unit 3	17.49%	17.49%

I, Scott Farmer, Manager of Corporate Accounting Services of the Salt River Agricultural Improvement and Power District certify that the above figures are based upon our accounting records, and agree, as appropriate with our audited financial statements.


Scott Farmer

**2003 PRO FORMA CASH FLOW STATEMENT
FOR PUBLIC SERVICE COMPANY OF NEW MEXICO
(EXCLUDING NON-UTILITY SUBSIDIARIES)**

	<u>2002 Actual</u> (InThousands)	<u>2003 Projected</u> (InThousands)
Net Income After Taxes	(1)	(1)
Less Dividends Paid	(1)	(1)
Earnings Retained	(1)	(1)
Adjustments:		
Depreciation & Amortization	114,695	139,200
Deferred Income Taxes & ADITC	46,207	21,300
AFUDC	0	0
Other, Net	<u>-162,138</u>	<u>-72,000</u>
Total Adjustments	-1,236	88,500
 INTERNAL CASH FLOW	 (1)	 (1)
 Average Quarterly Cash Flow	 (1)	 (1)

(1) Financial Forecast data which will enable earnings or dividend forecasts by unauthorized persons is not provided.

Percentage Entitlement in all Nuclear Units:

Palo Verde Unit 1 — 10.2%
Palo Verde Unit 2 — 10.2%
Palo Verde Unit 3 — 10.2%

I, John Loyack, Sr. Vice President and Chief Financial Officer, PNM Resources, Inc., certify that these cash flow calculations utilize the Company's approach to estimating cash flows for internal management reports and planning purposes.

BY: 

John Loyack
Sr. Vice President and Chief Financial Officer

LOS ANGELES DEPARTMENT OF WATER & POWER
2003 Internal Cash Flow Projection
For Palo Verde Nuclear Power Station

	<i>in thousands</i>	2001-02 Actual	2002-03 Projection
Net Income	\$	436,068	151,700
Transfer to the City		(179,153)	(185,400)
		<u>256,915</u>	<u>(33,700)</u>
Adjustments:			
Depreciation & amortization		302,887	322,700
Allowance for funds used during construction		(1,393)	(1,800)
Total Adjustments		<u>301,494</u>	<u>320,900</u>
Internal Cash Flow	\$	<u>558,409</u>	\$ <u>287,200</u>

**Southern California
Public Power Authority
Quarterly Combined Financial Statements
December 31, 2002 and 2001
(Unaudited)**



Southern California Public Power Authority
Combined Financial Statements (Unaudited)
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Using This Financial Report

This unaudited financial report was prepared in accordance with Governmental Accounting Standard No. 34 which was adopted by the Southern California Public Power Authority (SCPPA) on July 1, 2001 and should be read in conjunction with the notes to the audited financial statements for the fiscal year ended June 30, 2002.

The adoption of Statement No. 34 had no significant effect on the basic financial statements except for the change from the indirect method to the direct method of reporting cash flows and the reclassification of costs recoverable, deferred credits and funds due to participants to net assets in accordance with the Statement. The unaudited financial statements for the quarter ended December 31, 2001 were reclassified to conform to the adoption of Statement No. 34.

This unaudited financial report consists of a series of financial statements and reflects the self-supporting activities of SCPPA that are funded primarily through the sale of energy and transmission services to member agencies under project specific "take or pay" contracts that require each member agency to pay its proportionate share of operating and maintenance expenses and debt service with respect to such projects.

Combined Statements of Net Assets, Combined Statements of Revenues, Expenses and Changes in Fund Net Assets, and Combined Statements of Cash Flows

The Combined Financial Statements provide an indication of the Authority's financial health. The Combined Statements of Net Assets includes all of the Authority's assets and liabilities, using an accrual basis of accounting, as well as an indication about which assets can be utilized for general purposes and which assets are restricted as a result of bond covenants and other commitments. The Combined Statements of Revenues, Expenses and Changes in Fund Net Assets reports all of the revenues and expenses during the time periods indicated. The Combined Statements of Cash Flows reports the cash provided and used by operating activities, as well as other cash sources such as investment income and cash payments for principal and interest on debt, capital additions and betterments.

The following table summarizes the financial condition and changes to fund net assets of the Authority as of and for the six months ended December 31, 2002 and 2001 (amounts in thousands):

Summary of financial condition and changes in net assets

	December 31,	
	2002	2001
Assets		
Utility plant	\$ 844,798	\$ 913,370
Investments	1,149,981	1,059,606
Cash	97,663	110,011
Other	92,537	89,930
	<u>\$ 2,184,979</u>	<u>\$ 2,172,917</u>
Liabilities and Fund Net Assets		
Long-term debt	\$ 2,099,993	\$ 2,141,429
Derivative commitments	133,936.00	63,020.00
Current liabilities	204,183	204,750
	<u>\$ 2,438,112</u>	<u>\$ 2,409,199</u>
Net assets:		
Invested in capital assets, net of related debt	(1,081,645)	(1,051,592)
Restricted assets	812,103	795,001
Unrestricted assets	16,409	20,309
Total net assets	<u>\$ (253,133)</u>	<u>\$ (236,282)</u>
	<u>\$ 2,184,979</u>	<u>\$ 2,172,917</u>
Revenues, Expenses and Changes in Net Assets		
Operating revenues	\$ 177,308	\$ 160,291
Operating expenses	<u>(88,070)</u>	<u>(88,791)</u>
Net operating income	89,238	71,500
Investment income	68,738	66,132
Debt expenses	(78,128)	(81,497)
Unrealized loss on derivative commitment	(34,240)	-
Extraordinary loss on debt refunding	<u>(965)</u>	<u>(735)</u>
Increase (decrease) in net assets	44,643	55,400
Beginning balance of net assets	(285,632)	(272,197)
Net withdrawals by participants	<u>(12,144)</u>	<u>(19,485)</u>
Ending balance of net assets	<u>\$ (253,133)</u>	<u>\$ (236,282)</u>

The net assets of the Authority decreased by \$16.8 million largely due to an increase in the assets of \$12.1 million offset by an increase in liabilities of \$28.9. The increase in the assets is mainly due to the continued contributions to the Deposit Installment Escrow Fund and increase contributions to the Decommissioning fund of the Palo Verde Project. The increase in liabilities is primarily caused by the increase in the fair market value on derivative commitments related to interest rate swap agreements.

The increased in operating revenues of \$17 million was largely due to increased billings to participants of the San Juan Unit 3 Project to pay for the coal contract buyout made in December 2002.

The increase in Unrealized loss on derivative commitment is mainly because quarterly valuation of the swap agreements became effective this fiscal year. Last year valuation of the swaps was done annually. The following table shows the fair market value of the swap agreements as of December 31, 2002, September 30, 2002 and June 30, 2002:

Estimated Fair Value (Amounts in thousands)			
	December 31, 2002	September 30, 2002	June 30, 2002
2000 Swap	\$ (26,074)	\$ (27,148)	\$ (18,976)
2001 Swap	(12,728)	(13,525)	(4,296)
1991 Swap	<u>(95,134)</u>	<u>(95,465)</u>	<u>(76,423)</u>
	<u>\$ (133,936)</u>	<u>\$ (136,138)</u>	<u>\$ (99,695)</u>

Southern California Public Power Authority

Combined Statements of Net Assets

(Amounts in thousands)

December 31, 2002

	Palo Verde Project	Southern Transmission System Project	Hoover Upgrading Project	Mead-Phoenix Project	Mead-Adelanto Project	Multiple Project Fund	San Juan Project	Projects' Stabilization Fund	Total
ASSETS									
Noncurrent assets									
Utility plant:									
Production	\$ 622,366	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,139	\$ -	\$ 797,505
Transmission	14,062	674,806	-	50,770	172,318	-	-	-	911,756
General	2,674	18,911	21	2,640	473	-	8,018	-	32,737
	639,102	693,617	21	53,410	172,791	-	183,157	-	1,741,998
Less - Accumulated depreciation	471,364	321,918	19	9,922	30,510	-	96,573	-	930,326
	167,718	371,599	2	43,488	142,281	-	86,584	-	811,672
Construction work in progress	16,149	-	-	-	-	-	721	-	16,870
Nuclear fuel, at amortized cost	16,256	-	-	-	-	-	-	-	16,256
Net utility plant	200,123	371,599	2	43,488	142,281	-	87,305	-	844,796
Special funds									
Restricted Investments									
Escrow accounts	355,876	15,318	-	-	-	-	-	-	371,196
Decommissioning fund	111,066	-	-	-	-	-	-	-	111,066
Other funds	132,689	61,144	1,624	7,643	26,087	242,250	29,019	152,476	652,932
	599,633	76,462	1,624	7,643	26,087	242,250	29,019	152,476	1,135,194
Nonrestricted Investments									
Other funds	14,402	-	385	-	-	-	-	-	14,787
Total special funds	614,035	76,462	2,009	7,643	26,087	242,250	29,019	152,476	1,149,981
Other noncurrent Assets									
Advance to IPA - restricted	-	11,550	-	-	-	-	-	-	11,550
Advances for capacity and energy, net - restricted	-	-	20,793	-	-	-	-	-	20,793
Unamortized debt expenses	3,668	8,961	524	809	2,851	-	3,065	-	19,878
Total other noncurrent assets	3,668	20,511	21,317	809	2,851	-	3,065	-	52,221
Total noncurrent assets	817,826	468,572	23,326	51,940	171,219	242,250	119,389	152,476	2,047,000
Current Assets									
Special funds:									
Cash and cash equivalents - restricted	41,024	13,536	826	3,354	4,033	-	11,437	12,862	87,072
Cash and cash equivalents - nonrestricted	7,702	45	998	157	201	-	1,488	-	10,591
Interest receivable	1,971	25	7	345	909	8,629	75	585	12,546
Accounts receivable	1,337	868	6	4	25	-	2,307	-	4,547
Due from other project - restricted	-	-	-	3,482	9,575	-	-	-	13,057
Materials and supplies	8,929	-	-	-	-	-	3,237	-	10,166
Total current assets	58,963	14,474	1,837	7,342	14,743	8,629	18,544	13,447	137,979
Total assets	876,789	483,046	25,165	59,282	185,962	250,879	137,933	165,923	2,184,979
LIABILITIES									
Noncurrent liabilities									
Long-term debt	586,689	797,747	19,323	64,029	206,493	216,104	209,608	-	2,099,993
Other noncurrent liabilities:									
Derivative commitments	-	133,936	-	-	-	-	-	-	133,936
Commitments and contingencies	-	-	-	-	-	-	-	-	-
Total other noncurrent liabilities	-	133,936	-	-	-	-	-	-	133,936
Total noncurrent liabilities	586,689	931,683	19,323	64,029	206,493	216,104	209,608	-	2,233,929
Current liabilities:									
Debt due within one year	49,190	30,035	1,190	-	-	7,100	1,600	-	89,115
Accrued interest	7,208	8,265	265	1,944	6,116	7,442	5,492	-	36,732
Accounts payable and accruals	52,362	1,880	331	819	1,045	-	5,408	-	61,575
Accrued property tax	1,687	-	-	729	871	-	417	-	3,704
Coal contracts buyout	-	-	-	-	-	-	-	-	-
Due to other projects	-	-	-	-	-	13,057	-	-	13,057
Total current liabilities	110,477	40,180	1,786	3,192	8,032	27,599	12,917	-	204,183
Total liabilities	697,166	971,863	21,109	67,221	214,525	243,703	222,525	-	2,438,112
NET ASSETS									
Invested in capital assets net of related debt and deferred credits	(432,253)	(447,229)	2	(16,735)	(61,362)	-	(121,068)	-	(1,081,645)
Restricted	584,236	(40,628)	2,990	12,880	34,487	7,176	35,039	165,923	812,103
Unrestricted	17,840	(960)	1,064	(1,084)	(1,658)	-	1,437	-	16,409
Total net assets	\$ 179,823	\$ (488,617)	\$ 4,056	\$ (7,939)	\$ (28,533)	\$ 7,176	\$ (84,592)	\$ 165,923	\$ (253,133)

These unaudited financial statements should be read in conjunction to the notes to
the audited financial statements for the fiscal year ended June 30, 2002.

Southern California Public Power Authority

Statements of Net Assets

(Amounts in thousands)

	December 31, 2001 (Restated)								
	Palo Verde Project	Southern Transmission System Project	Hoover Upgrading Project	Mead- Phoenix Project	Mead- Adelanto Project	Multiple Project Fund	San Juan Project	Projects' Stabilization Fund	Total
ASSETS									
Noncurrent assets									
Utility plant:									
Production	\$ 620,725	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,531	\$ -	\$ 796,256
Transmission	14,152	674,806	-	50,770	172,319	-	-	-	911,847
General	2,582	18,911	21	2,640	473	-	8,053	-	32,680
	637,459	693,517	21	53,410	172,792	-	183,584	-	1,740,783
Less - Accumulated depreciation	434,135	302,289	15	5,516	26,009	-	84,112	-	855,076
	203,324	391,228	6	44,894	146,783	-	99,472	-	885,707
Construction work in progress	10,359	-	-	-	-	-	938	-	11,297
Nuclear fuel, at amortized cost	16,366	-	-	-	-	-	-	-	16,366
Net utility plant	230,049	391,228	6	44,894	146,783	-	100,410	-	913,370
Special funds									
Restricted investments									
Escrow accounts	268,865	21,066	-	-	-	-	-	-	289,931
Decommissioning fund	97,639	-	-	-	-	-	-	-	97,639
Other funds	122,128	65,663	1,813	9,107	26,702	246,162	5,942	176,285	653,602
	488,632	86,729	1,813	9,107	26,702	246,162	5,942	176,285	1,041,372
Non restricted investments									
Other funds	17,680	-	564	-	-	-	-	-	18,234
Total special funds	506,312	86,729	2,167	9,107	26,702	246,162	5,942	176,285	1,059,606
Other noncurrent assets									
Advance to IPA - restricted	-	11,550	-	-	-	-	-	-	11,550
Advances for capacity and energy, net - restricted	-	-	21,724	-	-	-	-	-	21,724
Unamortized debt expenses	4,189	8,495	353	881	3,079	-	2,135	-	19,142
Total other noncurrent assets	4,189	20,045	22,087	881	3,079	-	2,135	-	52,416
Total noncurrent assets	740,750	498,002	24,260	54,882	176,564	246,162	108,487	176,285	2,025,392
Current Assets									
Special funds:									
Cash and cash equivalents - restricted	43,185	23,837	641	2,064	3,556	18	15,431	9,831	98,561
Cash and cash equivalents - nonrestricted	1,886	4,321	681	17	18	-	4,527	-	11,450
Interest receivable	2,922	120	45	338	965	9,047	8	585	14,028
Accounts receivable	1,401	-	-	-	-	-	265	-	1,666
Due from other project - restricted	-	-	-	3,155	8,677	-	-	-	11,832
Materials and supplies	6,799	-	-	-	-	-	3,169	-	9,968
Total current assets	56,193	28,278	1,367	5,674	13,216	9,063	23,418	10,416	147,525
Total assets	796,943	526,280	25,627	60,456	189,780	255,225	131,905	186,701	2,172,917
LIABILITIES									
Noncurrent liabilities									
Long-term debt	621,319	919,140	20,030	63,413	204,870	222,525	190,132	-	2,141,429
Other noncurrent liabilities:									
Coal contracts buyout	-	-	-	-	-	-	9,580	-	9,580
Derivative commitments	-	63,020	-	-	-	-	-	-	63,020
Commitments and contingencies	-	-	-	-	-	-	-	-	-
Total other noncurrent liabilities	-	63,020	-	-	-	-	9,580	-	72,600
Total noncurrent liabilities	621,319	982,160	20,030	63,413	204,870	222,525	199,712	-	2,214,029
Current liabilities:									
Debt due within one year	47,395	29,715	905	-	-	6,800	7,480	-	92,095
Accrued interest	8,117	10,441	91	1,945	6,116	7,669	5,271	-	39,650
Accounts payable and accruals	41,780	1,727	182	374	728	-	3,068	-	47,859
Accrued property tax	1,958	-	-	346	867	-	565	-	3,734
Due to other projects	-	-	-	-	-	11,832	-	-	11,832
Total current liabilities	99,246	41,883	1,178	2,665	7,711	26,101	16,384	-	195,170
Total liabilities	720,565	924,043	21,208	66,078	212,581	248,626	216,096	-	2,409,199
NET ASSETS									
Invested in capital assets net of related debt and deferred credits	(434,621)	(449,143)	6	(17,638)	(55,012)	-	(95,184)	-	(1,051,592)
Restricted	490,646	48,774	3,350	12,719	33,784	6,599	6,528	186,701	795,001
Unrestricted	14,451	2,606	1,063	(703)	(1,573)	-	4,465	-	20,309
Total net assets	\$ 76,376	\$ (397,763)	\$ 4,419	\$ (5,622)	\$ (22,801)	\$ 6,599	\$ (84,191)	\$ 186,701	\$ (236,282)

These unaudited financial statements should be read in conjunction to the notes to
the audited financial statements for the fiscal year ended June 30, 2002.

Southern California Public Power Authority
Combined Statements of Revenues, Expenses and Changes in Fund Net Assets
(Amounts in thousands)

Six Months December 31, 2002

	Palo Verde Project	Southern Transmission System Project	Hoover Upgrading Project	Mead- Phoenix Project	Mead- Adelanto Project	Multiple Project Fund	San Juan Project	Projects' Stabilization Fund	Total
Operating revenues:									
Sales of electric energy	\$ 89,406	\$ -	\$ 1,259	\$ -	\$ -	\$ -	\$ 38,164	\$ -	\$ 128,829
Sales of transmission services	-	40,798	-	1,993	5,688	-	-	-	48,479
Total operating revenues	89,406	40,798	1,259	1,993	5,688	-	38,164	-	177,308
Operating expenses:									
Operations and maintenance	13,529	7,136	1,243	443	506	-	22,665	-	45,522
Depreciation	13,310	9,815	1	702	2,250	-	5,033	-	31,111
Amortization of nuclear fuel	4,431	-	-	-	-	-	-	-	4,431
Decommissioning	5,450	-	-	-	-	-	1,556	-	7,006
Total operating expenses	36,720	16,951	1,244	1,145	2,756	-	29,254	-	88,070
Operating income (loss)	52,686	23,847	15	848	2,932	-	8,910	-	89,238
Non operating revenues (expenses)									
Investment income	51,220	2,661	42	352	930	8,603	648	4,282	68,738
Debt expense	(23,822)	(31,545)	(163)	(2,291)	(7,044)	(7,782)	(5,481)	-	(78,128)
Unrealized loss on derivative commitment	-	(34,240)	-	-	-	-	-	-	(34,240)
Net Non operating revenues (expenses)	27,398	(63,124)	(121)	(1,939)	(6,114)	821	(4,833)	4,282	(43,630)
Income loss before extraordinary items	80,084	(39,277)	(106)	(1,091)	(3,182)	821	4,077	4,282	45,608
Loss on refunding	-	(892)	-	-	-	-	(73)	-	(965)
Net Increase (decrease) in net assets	80,084	(40,169)	(106)	(1,091)	(3,182)	821	4,004	4,282	44,643
Net assets - beginning of year	99,539	(448,648)	4,162	(6,848)	(25,381)	6,355	(88,596)	173,785	(285,632)
Net withdrawals by participants	-	-	-	-	-	-	-	(12,144)	(12,144)
Net assets - end of year	\$ 179,623	\$ (488,817)	\$ 4,056	\$ (7,939)	\$ (28,563)	\$ 7,176	\$ (84,592)	\$ 165,923	\$ (253,133)

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2002.

Southern California Public Power Authority
Combined Statements of Revenues, Expenses and Changes in Fund Net Assets
(Amounts in thousands)

Six Months Ended December 31, 2001 (Restated)

	Palo Verde Project	Southern Transmission System Project	Hoover Upgrading Project	Mead- Phoenix Project	Mead- Adelanto Project	Multiple Project Fund	San Juan Project	Projects' Stabilization Fund	Total
Operating revenues:									
Sales of electric energy	\$ 87,549	\$ -	\$ 1,098	\$ -	\$ -	\$ -	\$ 21,948	\$ -	\$ 110,595
Sales of transmission services	-	41,919	-	2,076	5,701	-	-	-	49,696
Total operating revenues	<u>87,549</u>	<u>41,919</u>	<u>1,098</u>	<u>2,076</u>	<u>5,701</u>	<u>-</u>	<u>21,948</u>	<u>-</u>	<u>160,291</u>
Operating expenses:									
Operations and maintenance	12,770	8,763	1,037	462	550	-	22,282	-	45,864
Depreciation	13,415	9,819	1	703	2,251	-	5,031	-	31,220
Amortization of nuclear fuel	3,972	-	-	-	-	-	-	-	3,972
Decommissioning	6,179	-	-	-	-	-	1,556	-	7,735
Total operating expenses	<u>36,336</u>	<u>18,582</u>	<u>1,038</u>	<u>1,165</u>	<u>2,801</u>	<u>-</u>	<u>28,869</u>	<u>-</u>	<u>88,791</u>
Operating income (loss)	<u>51,213</u>	<u>23,337</u>	<u>60</u>	<u>911</u>	<u>2,900</u>	<u>-</u>	<u>(6,921)</u>	<u>-</u>	<u>71,500</u>
Non operating revenues (expenses)									
Investment income	46,152	3,202	158	360	972	9,047	405	5,836	66,132
Debt expense	(26,986)	(31,098)	(498)	(2,289)	(7,038)	(8,009)	(5,579)	-	(81,497)
Net non operating revenues (expenses)	19,166	(27,896)	(340)	(1,929)	(6,066)	1,038	(5,174)	5,836	(15,365)
Income (loss) before extraordinary items	<u>70,379</u>	<u>(4,559)</u>	<u>(280)</u>	<u>(1,018)</u>	<u>(3,166)</u>	<u>1,038</u>	<u>(12,095)</u>	<u>5,836</u>	<u>56,135</u>
Loss on refunding	-	-	(735)	-	-	-	-	-	(735)
Net Increase (decrease) in net assets	<u>70,379</u>	<u>(4,559)</u>	<u>(1,015)</u>	<u>(1,018)</u>	<u>(3,166)</u>	<u>1,038</u>	<u>(12,095)</u>	<u>5,836</u>	<u>55,400</u>
Net assets - beginning of year	<u>5,997</u>	<u>(393,204)</u>	<u>5,434</u>	<u>(4,604)</u>	<u>(19,635)</u>	<u>5,561</u>	<u>(72,096)</u>	<u>200,350</u>	<u>(272,197)</u>
Net withdrawals by participants	-	-	-	-	-	-	-	(19,485)	(19,485)
Net assets - end of year	<u>\$ 76,376</u>	<u>\$ (397,763)</u>	<u>\$ 4,419</u>	<u>\$ (5,622)</u>	<u>\$ (22,801)</u>	<u>\$ 6,599</u>	<u>\$ (84,191)</u>	<u>\$ 186,701</u>	<u>\$ (236,282)</u>

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2002.

Southern California Public Power Authority

Combined Statements of Cash Flows

(Amounts in thousands)

Six Months Ended December 31, 2002

	Palo Verde Project	Southern Transmission System Project	Hoover Upgrading Project	Mead- Phoenix Project	Mead- Adelanto Project	Multiple Project Fund	San Juan Project	Projects' Stabilization Fund	Total
Cash flows from operating activities:									
Receipts from participants	\$ 95,677	\$ 32,734	\$ 1,293	\$ 2,051	\$ 5,620	\$ -	\$ 35,359	\$ -	\$ 172,734
Payments to operating managers	(12,443)	(7,690)	(166)	(588)	(475)	-	(30,395)	-	(51,757)
Other receipts (payments)	-	-	7	-	-	-	-	-	7
Net cash flow from operating activities	83,234	25,044	1,134	1,463	5,145	-	4,964	-	120,984
Cash flows from noncapital financing activities:									
Advances from participants	-	-	-	-	-	-	-	(12,143)	(12,143)
Cash flows from capital and related financing activities:									
Additions to plant, net	(9,392)	-	-	-	-	-	(24)	-	(9,416)
Debt interest payments	(17,982)	(20,857)	(547)	(1,945)	(6,116)	(7,669)	(1,976)	-	(57,092)
Proceeds from sale of bonds	-	41,908	-	-	-	-	80,750	-	122,658
Transfer of funds from escrow	-	6,545	-	-	-	-	-	-	6,545
Payment for defeasance of revenue bonds	-	(48,498)	-	-	-	-	(72,344)	-	(120,842)
Principal payments on debt	(47,395)	(26,695)	(905)	-	-	(6,600)	-	-	(81,595)
Payment for bond issue costs	-	(717)	-	-	-	-	(1,132)	-	(1,849)
Net cash used for capital and related financing activities	(74,769)	(48,314)	(1,452)	(1,945)	(6,116)	(14,269)	5,274	-	(141,591)
Cash flows from investing activities:									
Interest received on investments	4,918	2,633	50	348	925	8,934	559	4,298	22,663
Purchases of investments	(218,041)	(20,761)	(2,005)	(179)	(2,134)	-	(12,935)	(50,390)	(306,445)
Proceeds from sale/maturity of investments	193,235	21,447	3,970	1,745	2,520	5,334	-	56,127	284,378
Net cash provided by (used for) investing activities	(19,888)	3,319	2,015	1,912	1,311	14,268	(12,376)	10,035	596
Net increase (decrease) in cash and cash equivalents	(11,423)	(19,951)	1,697	1,430	340	(1)	(2,138)	(2,108)	(32,154)
Cash and cash equivalents at beginning of year	60,149	33,532	127	2,081	3,894	1	15,063	14,970	129,817
Cash and cash equivalents at end of year	\$ 48,726	\$ 13,581	\$ 1,824	\$ 3,511	\$ 4,234	\$ -	\$ 12,925	\$ 12,862	\$ 97,663
Reconciliation of operating income to net cash provided by operating activities:									
Operating income (loss)	\$ 52,686	\$ 23,847	\$ 15	\$ 848	\$ 2,932	\$ -	\$ 8,910	\$ -	\$ 89,238
Adjustments to reconcile operating income to net cash provided (used) by operating activities:									
Depreciation	13,311	9,815	2	703	2,251	-	5,033	-	31,115
Decommissioning	5,450	-	-	-	-	-	1,556	-	7,006
Advances for capacity and energy	-	-	1,042	-	-	-	-	-	1,042
Amortization of nuclear fuel	4,431	-	-	-	-	-	-	-	4,431
Changes in assets and liabilities:									
Accounts receivable	(93)	(868)	(6)	(4)	(25)	-	(2,098)	-	(3,094)
Accounts payable and accruals	7,572	(7,752)	87	(81)	(11)	-	(8,293)	-	(8,478)
Other	(123)	2	(6)	(3)	(2)	-	(144)	-	(276)
Net cash provided by operating activities	\$ 83,234	\$ 25,044	\$ 1,134	\$ 1,463	\$ 5,145	\$ -	\$ 4,964	\$ -	\$ 120,984

These unaudited financial statements should be read in conjunction to the notes to
the audited financial statements for the fiscal year ended June 30, 2002.

Southern California Public Power Authority

Combined Statements of Cash Flows

(Amounts in thousands)

Six Months Ended December 31, 2001 (Restated)

	Palo Verde Project	Southern Transmission System Project	Hoover Upgrading Project	Mead- Phoenix Project	Mead- Adelanto Project	Multiple Project Fund	San Juan Project	Projects' Stabilization Fund	Total
Cash flows from operating activities:									
Receipts from participants	\$ 91,854	\$ 40,047	\$ 1,268	\$ 1,488	\$ 5,192	\$ -	\$ 23,324	\$ -	\$ 183,151
Payments to operating managers	(11,235)	(10,072)	(166)	(120)	(547)	-	-	-	(22,140)
Other receipts (payments)	-	-	6	-	-	-	(22,522)	-	(22,516)
Net cash flow from operating activities	80,619	29,975	1,106	1,348	4,645	-	802	-	118,495
Cash flows from noncapital financing activities:									
Advances from participants	-	-	-	-	-	-	-	(19,485)	(19,485)
Cash flows from capital and related financing activities:									
Additions to plant, net	(8,613)	-	-	78	3	-	(48)	-	(8,580)
Debt interest payments	(19,846)	(23,080)	(737)	(2,002)	(6,247)	(7,878)	(5,271)	-	(64,861)
Proceeds from sale of bonds	-	-	25,336	-	-	-	-	-	25,336
Payment for defeasance of revenue bonds	-	-	(28,875)	-	-	-	-	-	(28,875)
Principal payments on debt	(45,105)	(19,210)	(650)	(1,710)	(3,895)	(6,200)	-	-	(76,770)
Premium received on swap option agreement	-	-	-	-	-	-	-	-	-
Decommissioning fund	(6,690)	-	-	-	-	-	-	-	(6,690)
Payment of expenses for release of Debt Service Reserve Fund	-	-	-	-	-	-	-	-	-
Payment for bond issue costs	-	-	(296)	-	-	-	-	-	(296)
Net cash used for capital and related financing activities	(60,054)	(42,290)	(5,222)	(3,634)	(10,139)	(14,078)	(5,319)	-	(160,738)
Cash flows from investing activities:									
Interest received on investments	3,735	2,509	207	367	1,041	9,224	499	5,809	23,391
Purchases of investments	(162,524)	(13,151)	(5,237)	(5,456)	(4,369)	(4,831)	(10,985)	(34,942)	(241,195)
Proceeds from sale/maturity of investments	123,010	26,603	8,354	6,127	5,821	9,383	17,207	40,958	237,463
Net cash provided by (used for) investing activities	(35,779)	15,961	3,324	1,038	2,493	14,076	6,721	11,825	19,659
Net increase (decrease) in cash and cash equivalents	(35,214)	3,848	(792)	(1,248)	(3,001)	(2)	2,204	(7,860)	(42,067)
Cash and cash equivalents at beginning of year	80,285	24,512	2,114	3,329	6,575	18	17,754	17,491	152,078
Cash and cash equivalents at end of year	\$ 45,071	\$ 28,158	\$ 1,322	\$ 2,081	\$ 3,574	\$ 16	\$ 19,958	\$ 9,831	\$ 110,011
Reconciliation of operating income to net cash provided by operating activities:									
Cash flows from operating activities:	\$ 51,212	\$ 23,337	\$ 59	\$ 911	\$ 2,899	\$ -	\$ (6,921)	\$ -	71,497
Operating income (loss)									
Adjustments to reconcile operating income to net cash provided (used) by operating activities:									
Depreciation	13,416	9,819	2	703	2,251	-	5,031	-	31,222
Decommissioning	6,179	-	-	-	-	-	1,557	-	7,736
Advances for capacity and energy	-	-	896	-	-	-	-	-	896
Amortization of nuclear fuel	3,972	-	-	-	-	-	-	-	3,972
Changes in assets and liabilities:									
Accounts receivable	(110)	-	32	-	371	-	1,112	-	1,405
Accounts payable and accruals	6,041	(3,181)	124	(266)	(873)	-	(31)	-	1,814
Other	(61)	-	(7)	-	(3)	-	64	-	(47)
Net cash provided by operating activities	\$ 80,619	\$ 29,975	\$ 1,106	\$ 1,348	\$ 4,645	\$ -	\$ 802	\$ -	\$ 118,495

These unaudited financial statements should be read in conjunction to the notes to the audited financial statements for the fiscal year ended June 30, 2002.

To: Nuclear Regulatory Commission

Application regarding NRC Regulation 10 C.F.R. Section 140.21(e)

El Paso Electric Company hereby applies for withholding from public disclosure the following document:


"El Paso Electric Company 2003 Cash Flow Projection"

Affidavit:

I, Steven P. Busser, Treasurer of El Paso Electric Company, in my capacity as an officer of El Paso Electric Company, hereby represent, affirm, and request that the above-mentioned document, "El Paso Electric Company 2003 Cash Flow Projection" be withheld from public disclosure for the following reasons:

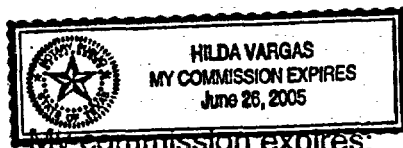
1. This information has not been released publicly;
2. This information is customarily held in confidence by El Paso Electric Company;
3. This information has not yet been transmitted to the NRC, but will be transmitted in a confidential matter;
4. This information cannot be constructed from any other source; and
5. Disclosure of this information may cause substantial harm to the El Paso Electric Company's competitive position and would give parties who have access to this information inside knowledge of El Paso Electric Company's projected operations that is not available to the general public.

Signed:

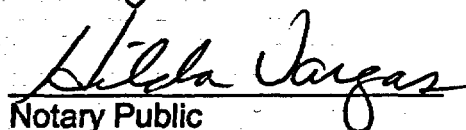


Steven P. Busser
Treasurer
El Paso Electric Company

Subscribed and sworn to before me on this 13th day of August, 2003.



My commission expires: _____



Notary Public