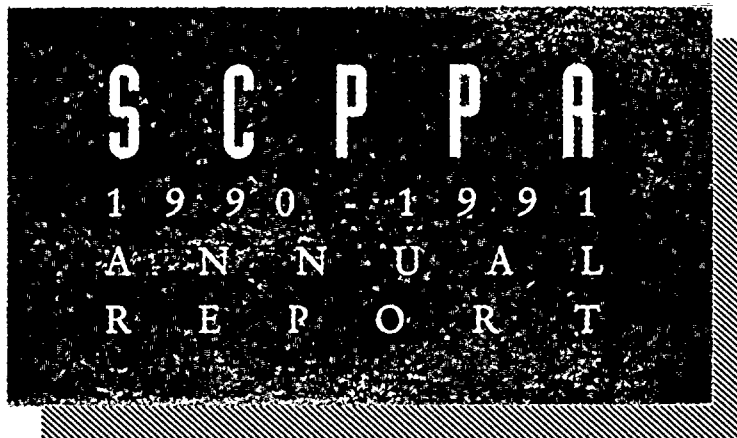


Docket # 50-528  
Accession # 9206040244  
Date 5/27/92 of Ltr  
Regulatory Docket File



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

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## Combined Power: A Firm Resource

The mission of the Southern California Public Power Authority (SCPPA), since its founding as a joint action agency in 1980, has been to maximize the collective resources of its 11 diverse members to support their common goal of providing customers with reliable, cost-efficient electrical generation and delivery.

The members — the municipalities of Anaheim, Azusa, Banning, Burbank, Colton, Glendale, Los Angeles, Pasadena, Riverside, Vernon and the Imperial Irrigation District — each bring their distinctive fiscal and creative strengths to SCPPA. Together, the members have formed a dynamic entity that has the dual capability of representing the group in a demanding and changing industry while being responsive to individual members and the needs of their communities.

SCPPA commands respect in the financial markets as one of the strongest public power financing agencies in the nation. To date, SCPPA has issued over \$6.4 billion in bonds, refunding bonds and notes which are backed by the fiscal integrity of SCPPA members.

In 1991, SCPPA utilized this financial strength by entering into a unique \$294 million interest-rate swap refunding transaction, one of the largest of its kind, featuring terms that were unprecedented in the municipal bond market. With the swap offering, SCPPA continues its history of providing substantial security for its investors while maximizing savings for its project participants.

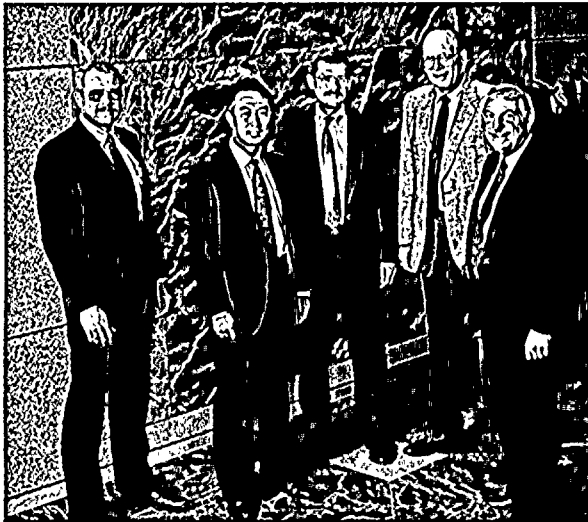
SCPPA draws its strength from the wealth of professional talent and creative energy of its members. As these resources continue to power SCPPA financial transactions, they will also support exploration into new areas where joint action can best serve SCPPA members.

In the coming years, SCPPA's 11 members, together as a joint agency, look forward to crafting innovative solutions that will support the member utilities in their individual efforts to meet the challenging demands of an increasingly competitive industry.

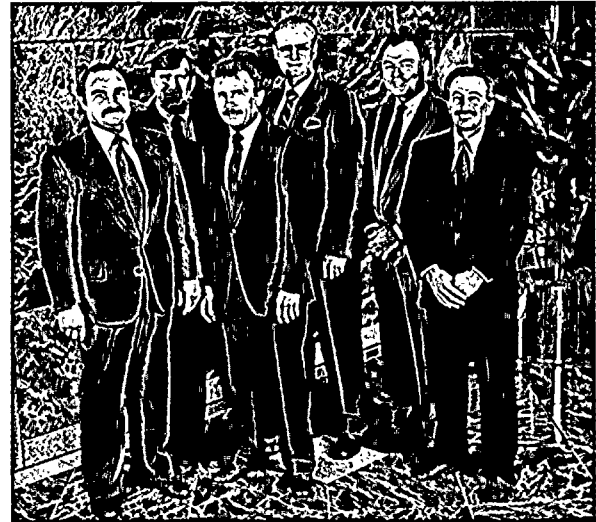
# M anagement and Directors



*Left to right:: Gale A. Drews, President;; Linda M. Lazzerino, Executive Director; Ronald V. Stassi, Vice President; Eldon A. Cotton, Secretary; George R. Spencer, Assistant Secretary.*



*Left to right: David C. Plumb, Pasadena Water and Power Department; Joseph F. Hsu, City of Azusa; Dale L. Pohlman, Anaheim Public Utilities Department, Gale A. Drews, City of Colton; Bill D. Carnahan, Riverside Public Utilities Department.*



*Left to right: Kenneth J. DeDario, \* City of Vernon; Terry Collins, City of Banning; Kenneth S. Noller, Imperial Irrigation District; Michael P. Hopkins, Glendale Public Service Department; Bernard V. Palk, \* Los Angeles Department of Water and Power; Ronald V. Stassi, Burbank Public Service Department.*

*\*Alternate. Not shown are Eldon A. Cotton, Los Angeles Department of Water and Power and Bruce V. Malkenhorst, City of Vernon.*



## Message from the President and Executive Director

The success of an organization such as the Southern California Public Power Authority (SCPPA) is a reflection of the talent and the commitment of its member representatives. SCPPA's record throughout the 11-year history as a joint-action agency stands as testimony to the richness of our resources.

During the past fiscal year, SCPPA began exploring areas where we might capitalize on our assets.

A Joint Planning Subcommittee was formed to define the common activities where shared information and resources can help members more efficiently or effectively accomplish their individual goals.

SCPPA also began the process of defining issues affecting our ability to finance and build economical generation and transmission facilities. Where SCPPA members share common concerns and expertise, the ability to address state and national utility policy with one voice will provide a new source of political power.

A goal in any joint action is to maximize the ability of the group and its members to serve constituents with options that are developed at the local level, based on local needs. SCPPA is structured to maximize that goal and our systems are designed with enough flexibility to include human imagination. We look forward to seeing our ideas develop into action in coming years.

Looking back on the progress of the past year, we would like to publicly thank the SCPPA staff, the Board of Directors and the committee members who have given their time and talent to ensure SCPPA's tradition of excellence. The Board of Directors and the working committees represent merely the front line of participation. We know their efforts are made possible by the support of many dedicated associates within each member utility. To those people we also extend our sincere appreciation.

## Highlights

Refinancing reduces Debt Service.

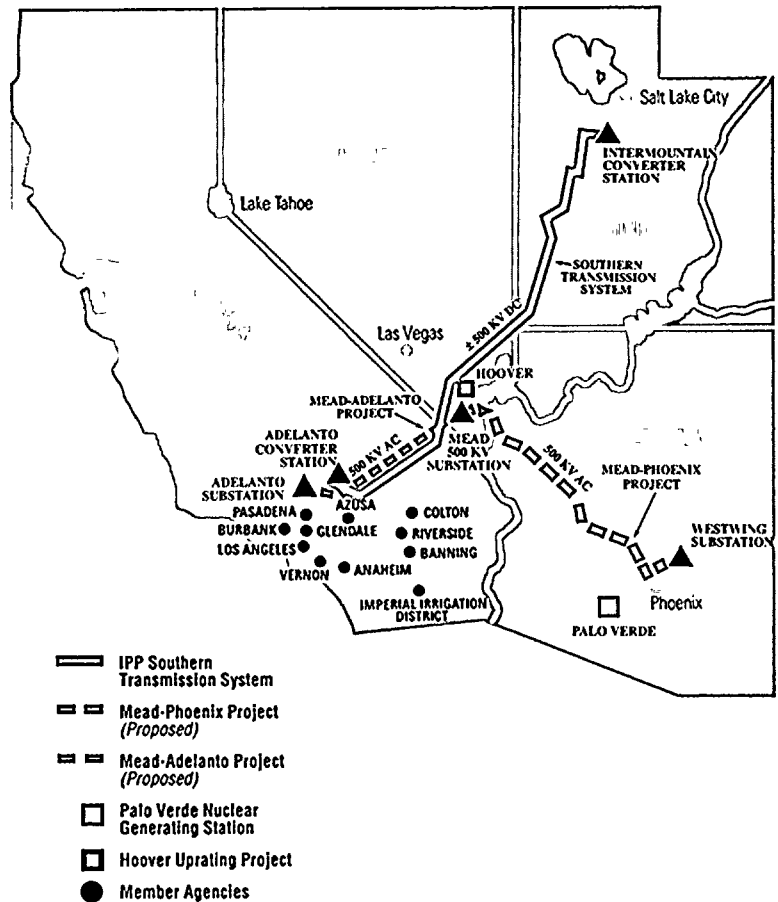
A \$294 million interest rate swap bond offering makes news.

Joint Planning Subcommittee establishes a forum for discussing future direction.

Members define significant policy issues.

Palo Verde Nuclear Generating Station ranks #1 in the nation for energy generation.

System and feasibility studies completed for the Mead-Phoenix and Mead-Adelanto Projects.





## Year of Action and Ideas

### Refinancing reduces Debt Service

SCPPA enjoys a well-deserved national reputation as an outstanding financing authority. Results of the past year once again reinforced SCPPA's standing.

Through SCPPA's efforts, interest rates on outstanding debt continues to drop. The average interest rate on SCPPA's \$2.7 billion of outstanding debt during fiscal 1991 was 6.9 percent, a favorable comparison to the average cost of funds among other municipal utilities throughout

the nation. The average interest rates for fiscal years 1990 and 1989 were 7.1 percent and 7.2 percent respectively.

(See Financial Statements and Notes for more detailed information.)

### Bond Offering Makes History

SCPPA marked the end of fiscal year 1991 with a \$294 million bond refunding of the Southern Transmission System Project. The variable interest-rate swap agreement allowed SCPPA to capitalize on a favorable interest rate environment while maintaining the security of a fixed-rate transaction.

SCPPA's offering captured the attention of the bond mar-

ket for a number of reasons:

- It was among the largest municipal swap transactions.
- The agreement required no up-front fees.
- The contract carried an unprecedented term of 28 years while most swap contracts run 10 years or less.
- Finally, SCPPA added several layers of protection for the agency and for bondholders by securing bond insurance, collateral guarantees from the counterparty's AAA-rated parent company, and a letter of credit that extends for the full term of the contract.

SCPPA's Board of Directors takes a conservative approach



*A meeting of the Joint Planning Subcommittee, formed to explore other efficiencies of Joint Action.*

to financing. Such innovative financing indicates that within conservative parameters, board members are also open to the new ideas that will better serve their customers and are willing to turn them into action.

#### Forum for the Future

SCPPA decision-makers are applying the innovative talents they demonstrate on the financial side to the operational elements of utility management and planning.

Subcommittee, a mechanism to explore the potential of leveraging that collective knowledge so all SCPPA member utilities and their constituencies may profit. The formation of the subcommittee creates the opportunity for the Authority to expand beyond its traditional financial role to support the member's efforts to meet the challenges of a changing, more competitive marketplace.

Although there is much diversity among member utilities in terms of size, load growth

improved methodologies and tools. With these tools they can pursue their own best "least cost" and environmentally responsive choices on a fully informed basis and within a broad context.

During the past fiscal year, SCPPA also began the process of identifying public policy areas where the Authority, with one voice, can contribute to effective problem solving.

Through an informal survey, SCPPA identified the most significant issues common to members. These are:

- Municipal financing and tax exempt bonds
- Transmission issues, including access, licensing, and corridors
- National energy policy
- Federal Power Marketing
- Electro-magnetic fields
- Environmental issues

Legislative and regulatory activity in California and the surrounding states and at the federal level has a significant impact on SCPPA, its members, and most importantly, their end users. SCPPA can draw on its combined experience to craft effective solutions that are responsive to the needs of the utility customer who is also a concerned citizen.

The investigation of extending SCPPA's role in the

#### SCPPA Bonds are rated as follows:

	Moody's Investor Service	Standard & Poor's Corporation
<i>Southern Transmission System Project — Revenue &amp; Refunding Bonds</i>	Aa	AA
<i>Palo Verde Project — Revenue &amp; Refunding Bonds</i>	A <sub>1</sub>	AA
<i>Hoover Upgrading Project — Revenue &amp; Refunding Bonds</i>	(cond). Aa	AA-
<i>Multiple Project — Revenue Bonds</i>	A	A

Members of the SCPPA Board and the various committees all hold positions of authority and responsibility within their respective utilities. This gives SCPPA the advantage of a leadership which has a depth of experience in utility matters and a tie to SCPPA's ultimate end-users — the residents and businesses of their cities and district.

During the past year, SCPPA created the Joint Planning

and customer mix, all members share the responsibility to plan for and provide their customers' sufficient capacity, while meeting environmental needs. This new subcommittee serves as the forum through which SCPPA members can explore and promote efficient, effective and coordinated electric-system resource planning and policies.

Through an information exchange, member utilities can assist one another in developing





SCPPA accounting team meets.

Southern California utility industry is expected to be a long-term study. However, SCPPA has taken the first steps toward giving form to ideas.

## Operations - 1990/1991

### Palo Verde Nuclear Generating Station

- Palo Verde Ranks #1.

The Palo Verde Nuclear Generating Station produced more electricity in 1990 than any other commercial nuclear power plant in the nation. The three units at Palo Verde generated a total of 21.9 million megawatt-hours of electricity during 1990 while operating at an average plant capacity factor of 62 percent.

Performance was even better in the plant's fiscal year spanning from July 1990 to June 1991. Palo Verde generated a total of 28.8 million megawatt-

hours of electricity at an average plant capacity factor of 84 percent. Unit 1 generated 9.6 million megawatt-hours, operating at 84 percent capacity factor. Unit 2 produced 10.7 million megawatt-hours of electricity at a capacity factor of 93 percent. Unit 3 generated 8.5 million megawatt-hours at 75 percent capacity factor.

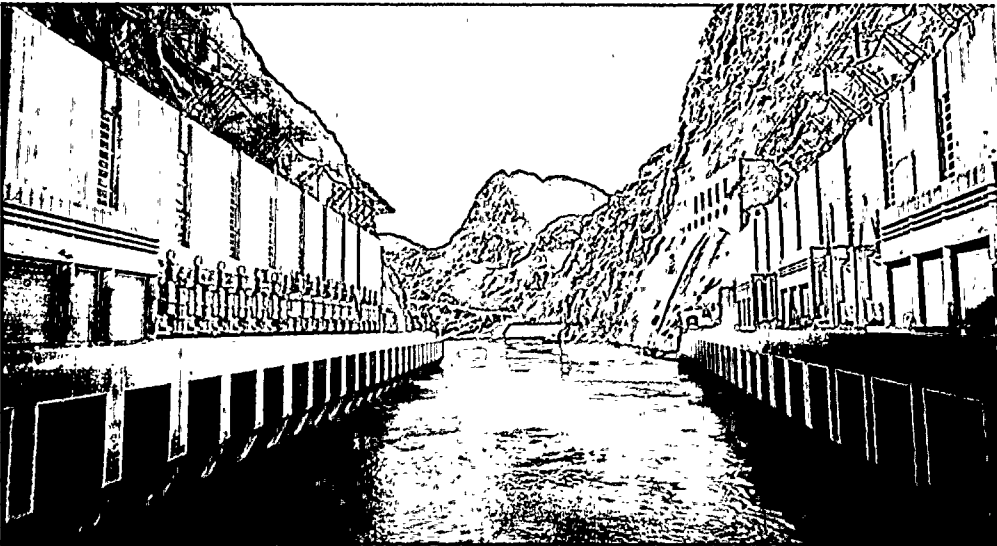
SCPPA holds a 5.91 percent interest in the three units of the generating station on behalf of 10 member utilities. SCPPA is entitled to receive up to 225 megawatts of power, based on the net design electrical rating of 1,270 megawatts per unit.

The generating station and water reclamation facility of Palo Verde are operated by the Arizona Public Service

Company, while the switchyard is operated by the Salt River Project Agricultural Improvement and Power District.

### Southern Transmission System

The Southern Transmission System (STS) delivers energy to six SCPPA participating members via a 488-mile DC transmission line to the AC/DC Adelanto (California) Converter Station from the Intermountain Generating Station in Utah. The system, which is operated by the Department of Water and Power of the City of Los Angeles, has operated with near-perfect availability and reliability.



Hoover Power Plant Upgrading Project is scheduled for 1992 completion.

availability and reliability.

During the past fiscal year, the STS had transmission availability of 99.7 percent. Within the 0.3 percent outage time, only one-third was due to unplanned events, the remainder was scheduled. In fiscal year 1991, Southern California users received a total of 12.5 million megawatt-hours of energy over the line, including energy generated by resources other than the Intermountain Generating Station. The Southern Transmission System was utilized at 78 percent of its total capacity.

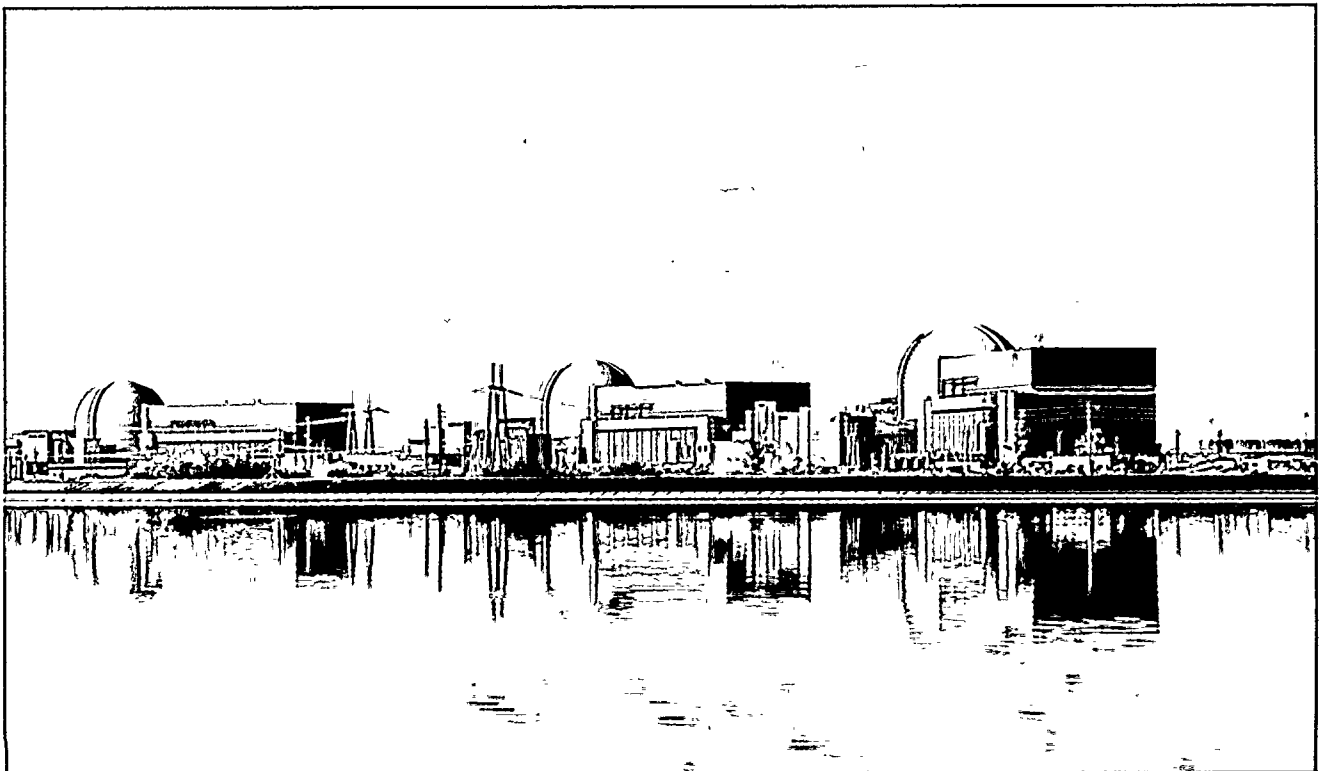
### Hoover Upgrading Project

The federally owned Hoover Power Plant continues to prove itself to be a valuable generating resource.

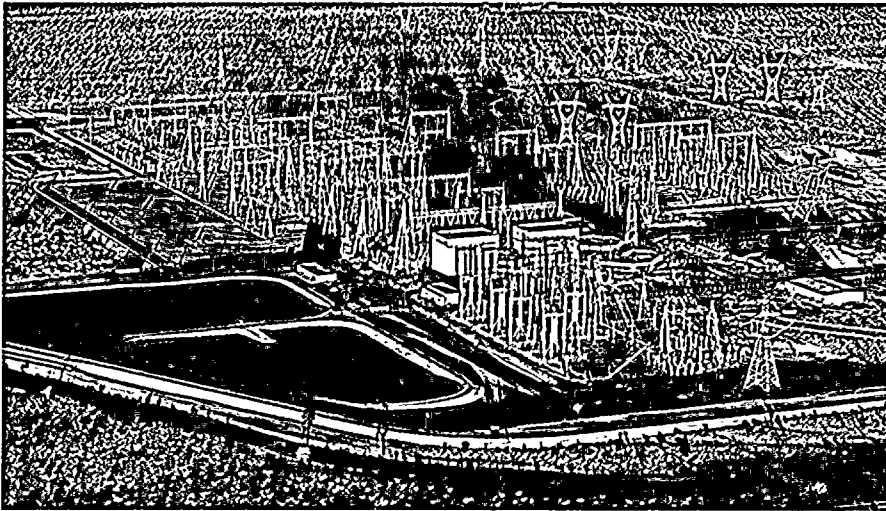
As work progresses on upgrading Hoover's 17 generating units, the six participating SCPPA members are continually getting more output from the half-century-old power generating facility. During the past fiscal year, SCPPA utilities received over 80 percent of their ultimate upgrading entitlement of 94 megawatts. SCPPA has an 18.68 percent interest in the upgrading output from the Hoover Power Plant Project. When the upgrading is completed in Fall 1992, Hoover Power

Plant will increase its generating capacity to 1,950 megawatts from 1,450 megawatts.

The work at Hoover presented new challenges to project participants and the federal government which operates the Project via the Interior Department's Bureau of Reclamation, and markets the power through the Department of Energy's Western Area Power Administration. To meet these challenges the many utilities with interests in Hoover have combined to review the status of upgrading work, propose solutions to problems as they occur and devise means of avoiding future difficulties.



*The Palo Verde Nuclear Generating Station produced more electricity than any other commercial nuclear power plant in the nation.*



*Adelanto Converter Station in California converts power from the Southern Transmission System.*

## T ransmission Projects

In January 1990, SCPPA issued Multiple Project Revenue Bonds, with net proceeds of approximately \$600 million, to finance new generation and transmission projects that would facilitate the meeting of members' electric energy demands after 1994. The proceeds were earmarked for construction or acquisition of ownership interests or capacity rights.

### Mead-Phoenix Transmission Project

- Mead-Phoenix is ready for construction.

As the fiscal year came to a close, participants in the Mead-Phoenix Transmission Project completed their work to finalize contracts. Once signatures

are in place, construction can begin on the 500-kilowatt AC transmission line between Phoenix, Arizona and the Mead substation near Boulder City, Nevada. The venture is a joint project of 10 SCPPA members, the Salt River Project, M-S-R Public Power Agency and the Western Area Power Administration, a federal agency.

The successful conclusion of contract negotiations climaxes a long and fluid planning process. Discussions about Mead-Phoenix began in the early 1980s. Since then, the resource needs of the participants changed dramatically — as did the utility industry, local and national economies. A decade ago, utilities planned, financed and built their own transmission lines. Today, that luxury

is no longer affordable.

The successful resolution of contract negotiations is testimony to the ability of numerous interest groups, including the federal government, to conduct business together — particularly when their joint project crosses the borders of three states and interconnects with existing generation and transmission projects.

SCPPA will have an 18.31 percent interest in the Mead-Phoenix Project. SCPPA's allocable portion of construction costs is approximately \$64 million. The Salt River Project has been designated as project manager and operating agent. Service is scheduled to begin in the mid-1990s.

Mead-Phoenix and other related transmission projects may be funded from the proceeds of SCPPA's January 1990 Multiple Project Revenue Bond issue.

### Mead-Adelanto Project

In connection with the Mead-Phoenix Project, SCPPA members, along with the Salt River Project, M-S-R Public Power Agency and the Western Area Power Administrator, simultaneously finalized contracts for a 500-kilovolt AC line between the Mead substa-

tion near Boulder City, Nevada, and a substation near Adelanto, California. SCPPA will own 67.92 percent of the project on behalf of participating utilities. SCPPA's allocable portion of construction cost is approximately \$191 million.

Current plans call for the transmission line to be operational in the mid-1990s. The Department of Water and Power of the City of Los Angeles has been designated as project manager and operating agent.

#### Adelanto-Lugo

SCPPA members continued to study a proposed transmis-

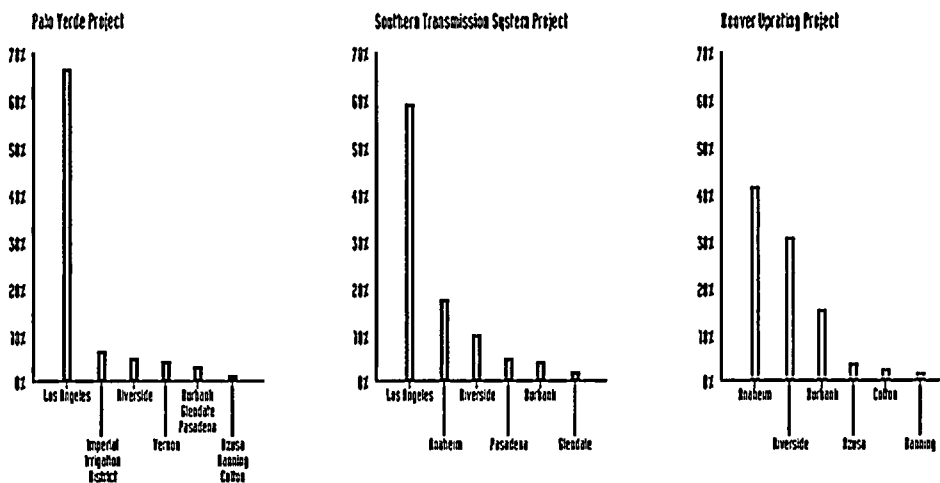
sion project to link the AC substation near Adelanto, California, with the Lugo Substation, owned by Southern California Edison near Victorville, California. The proposed 500-kilovolt AC transmission line would be 15 to 20 miles in length and could be placed into service in the mid-1990s.

If the project goes forward, SCPPA will own and finance a yet-to-be-determined portion on behalf of participating members. M-S-R Public Power Agency and Western Area Power Administration are also involved in feasibility studies for construction and operation of the line.

#### Utah-Nevada

The Department of Water and Power of the City of Los Angeles, Nevada Power Company, Utah Power and Light, and Deseret Generation and Transmission Cooperative are discussing the possibility of constructing the Utah-Nevada Transmission Project, a 500-kilovolt AC transmission line from Delta, Utah to the Boulder City, Nevada area. If the project goes forward, SCPPA would finance a portion of the total cost on behalf of participating members. Transmission service could begin in 1997.

Percentage of SCPPA Member Participation within SCPPA's Interest in Projects



## REPORT OF INDEPENDENT ACCOUNTANTS

September 3, 1991

To the Board of Directors  
of Southern California Public  
Power Authority

In our opinion, the accompanying combined balance sheet and the related combined statements of operations and of cash flows present fairly, in all material respects, the financial position of the Southern California Public Power Authority (Authority) at June 30, 1991 and 1990, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Authority's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

In our opinion, the accompanying separate balance sheets and the related separate statements of cash flows of the Authority's Palo Verde Project, Southern Transmission System Project, Hoover Upgrading Project, Mead-Phoenix Project and Multiple Project Fund and the separate statements of operations of the Authority's Palo Verde Project, Southern Transmission System Project and Hoover Upgrading Project present fairly, in all material respects, the financial position of each of the Projects at June 30, 1991 and 1990, and their cash flows and the results of operations of the Authority's Palo Verde Project, Southern Transmission System Project and Hoover Upgrading Project for the years then ended, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Authority's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. We believe that our audits provide a reasonable basis for the opinion expressed above.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental financial information, as listed on the accompanying index, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Price Waterhouse  
Los Angeles, California

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
COMBINED BALANCE SHEET  
(In thousands)

	June 30, 1991						June 30, 1990 Total
	Palo Verde Project	Southern Transmission System Project	Hoover Uprating Project	Mead- Phoenix Project	Multiple Project Fund	Total	
<b>ASSETS</b>							
Utility plant:							
Production .....	\$ 596,880					\$ 596,880	\$ 594,323
Transmission .....	14,211	\$ 668,316				682,527	676,899
General .....	2,259	18,893				21,152	21,182
	613,350	687,209				1,300,559	1,292,404
Less - Accumulated depreciation .....	102,265	95,853				198,118	153,898
	511,085	591,356				1,102,441	1,138,506
Construction work in progress .....	7,574	3,725		\$ 14,149		25,448	25,517
Nuclear fuel, at amortized cost .....	17,659					17,659	25,931
Net utility plant .....	536,318	595,081		14,149		1,145,548	1,189,954
Special funds:							
Decommissioning fund .....	45,319					45,319	6,355
Investments .....	116,850	127,488	\$ 12,690	96	\$ 603,005	860,129	847,761
Advance to Intermountain Power Agency ..		19,550				19,550	19,550
Advances for capacity and energy, net ...			15,400			15,400	12,163
Interest receivable .....	2,527	2,692	208		22,160	27,587	27,938
Cash and cash equivalents .....	68,001	53,256	7,304	31		128,592	157,973
	232,697	202,986	35,602	127	625,165	1,096,577	1,071,740
Accounts receivable .....	4,516	2,344	5			6,865	4,883
Materials and supplies .....	11,236					11,236	8,968
Costs recoverable from future billings to participants .....	82,056	113,025	(1,636)			193,445	161,080
Deferred costs:							
Unamortized debt expenses, less accumulated amortization of \$69,788 and \$62,801 .....	209,670	185,022	1,073			395,765	386,552
Other deferred costs .....	211					211	466
	209,881	185,022	1,073			395,976	387,018
	<u>\$ 1,076,704</u>	<u>\$ 1,098,458</u>	<u>\$ 35,044</u>	<u>\$ 14,276</u>	<u>\$ 625,165</u>	<u>\$ 2,849,647</u>	<u>\$ 2,823,643</u>
<b>LIABILITIES</b>							
Long-term debt .....	\$ 1,018,003	\$ 1,054,434	\$ 34,298		\$ 601,024	\$ 2,707,759	\$ 2,673,128
Arbitrage rebate payable .....					3,501	3,501	1,287
Current liabilities:							
Long-term debt due within one year .....	16,325	10,545		\$ 100		26,970	25,145
Accrued interest .....	35,644	29,547	689	1	20,640	86,521	98,040
Accounts payable and accrued expenses ..	6,732	3,932	57	127		10,848	11,995
	58,701	44,024	746	228	20,640	124,339	135,180
Advances from participants .....				14,048		14,048	14,048
Commitments and contingencies .....							
	<u>\$ 1,076,704</u>	<u>\$ 1,098,458</u>	<u>\$ 35,044</u>	<u>\$ 14,276</u>	<u>\$ 625,165</u>	<u>\$ 2,849,647</u>	<u>\$ 2,823,643</u>

The accompanying notes are an integral part of these financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
 COMBINED STATEMENT OF OPERATIONS  
 (In thousands)

	Year Ended June 30, 1991			Year Ended June 30, 1990
	Palo Verde Project	Southern Transmission System Project	Hoover Upgrading Project	
Operating revenues:				
Sales of electric energy .....	\$ 128,245		\$ 2,760	\$ 131,005
Sales of transmission services .....		\$ 87,803		87,803
Total operating revenues .....	128,245	87,803	2,760	218,808
Operating expenses:				
Nuclear fuel expenses .....	12,880			12,880
Other operation .....	30,175	12,262	1,553	43,990
Maintenance .....	6,486	3,808		10,294
Depreciation .....	18,641	19,376		38,017
Decommissioning .....	7,339			7,339
Total operating expenses .....	75,521	35,446	1,553	112,520
Operating income .....	52,724	52,357	1,207	106,288
Investment income .....	18,122	11,305	1,608	31,035
Income before debt expenses .....	70,846	63,662	2,815	137,323
Debt expense:				
Interest on debt .....	83,898	82,979	2,811	169,688
Costs recoverable from future billings to participants .....	(\$ 13,052)	(\$ 19,317)	\$ 4	(\$ 32,365)
				(\$ 22,690)

The accompanying notes are an integral part of these financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
COMBINED STATEMENT OF CASH FLOWS  
(In thousands)

	Year Ended June 30, 1991					Year Ended June 30, 1990
	Palo Verde Project	Southern Transmission System Project	Hoover Upgrading Project	Mead- Phoenix Project	Multiple Project Fund	Total
Cash flows from operating activities:						
Costs recoverable from future billings to participants . . . . .	(\$ 13,052)	(\$ 19,317)	\$ 4			(\$ 32,365) (\$ 22,690)
Adjustments to arrive at net cash (used for) provided by operating activities:						
Depreciation . . . . .	18,641	19,376				38,017 37,185
Decommissioning . . . . .	7,339					7,339 5,699
Amortization of nuclear fuel . . . . .	11,266					11,266 3,676
Amortization of debt costs . . . . .	12,861	10,252	54			23,167 22,953
Changes in assets and liabilities:						
Decommissioning fund . . . . .	(38,964)					(38,964) (2,490)
Interest receivable . . . . .	586	(60)	42			568 (2,914)
Accounts receivable . . . . .	(244)	(1,733)	(5)			(1,982) (700)
Materials and supplies . . . . .	(2,268)					(2,268) (2,109)
Other assets . . . . .	5	(75)	(10)			(80) (8)
Accrued interest . . . . .	(536)	(7,543)				(8,079) (207)
Accounts payable and accrued expenses . . . . .	1,107	(2,330)	32			(1,191) 1,393
Net cash (used for) provided by operating activities . . . . .	(3,259)	(1,430)	117			(4,572) 39,788
Cash flows from investing activities:						
Interest received on investments . . . . .					\$ 43,929	43,929
Payments for construction of facility . . . . .	(10,707)	(1,994)				(12,701) (14,524)
Payments of interest on long-term debt . . . . .					(44,720)	(44,720)
Advances for capacity and energy, net . . . . .			(3,237)			(3,237) (1,945)
Payments for feasibility study . . . . .				(\$ 27)		(27) (1,000)
Purchases of investments . . . . .	(87,504)	(164,801)	(6,748)	(217)	(2,993)	(262,263) (934,343)
Proceeds from sale of investments . . . . .	103,776	132,908	9,174	253	3,784	249,895 309,174
Refund from Intermountain Power Agency						611
Purchase of investments for decommissioning fund . . . . .	(35,858)					(35,858)
Net cash (used for) provided by investing activities . . . . .	(30,293)	(33,887)	(811)	9	—	(64,982) (642,027)
Cash flows from capital and related financing activities:						
Proceeds from sale of bonds . . . . .						603,796
Proceeds from sale of refunding bonds . . . . .		293,900				293,900
Payment for defeasance of revenue bonds . . . . .		(260,749)				(260,749)
Payment for principal of long-term debt . . . . .	(15,255)	(9,890)				(25,145) (20,195)
Payment for bond issue costs . . . . .		(3,690)	(1)			(3,691) (61)
Proceeds from construction fund for contributions to decommissioning fund . . . . .	35,858					35,858
Net cash provided by (used for) capital and related financing activities . . . . .	20,603	19,571	(1)	—	—	40,173 583,540
Net (decrease) increase in cash and cash equivalents . . . . .	(12,949)	(15,746)	(695)	9		(29,381) (18,699)
Cash and cash equivalents at beginning of year . . . . .	80,950	69,002	7,999	22		157,973 176,672
Cash and cash equivalents at end of year . . . . .	\$ 68,001	\$ 53,256	\$ 7,304	\$ 31	\$ —	\$ 128,592 \$ 157,973
Supplemental disclosure of cash flow information:						
Cash paid during the year for interest (net of amount capitalized) . . . . .	\$ 71,824	\$ 80,240	\$ 2,757	\$ —	\$ —	\$ 154,821 \$ 149,505

The accompanying notes are an integral part of these financial statements.



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

**NOTE 1 — Organization and purpose:**

Southern California Public Power Authority (Authority), a public entity organized under the laws of the State of California, was formed by a Joint Powers Agreement dated as of November 1, 1980 pursuant to the Joint Exercise of Powers Act of the State of California. The Authority's participant membership consists of ten Southern California cities and one public district of the State of California. The Authority was formed for the purpose of planning, financing, developing, acquiring, constructing, operating and maintaining projects for the generation and transmission of electric energy for sale to its participants. The Joint Powers Agreement has a term of fifty years.

The members have the following participation percentages in the Authority's interest in the four projects at June 30, 1991 and 1990:

Participants	Palo Verde	Southern Transmission System	Hoover Upgrading	Mead-Phoenix*
City of Los Angeles	67.0%	59.5%		61.81%
City of Anaheim		17.6	42.6%	15.00
City of Riverside	5.4	10.2	31.9	6.00
Imperial Irrigation District	6.5			
City of Vernon	4.9			3.50
City of Azusa	1.0		4.2	.23
City of Banning	1.0		2.1	.23
City of Colton	1.0		3.2	.23
City of Burbank	4.4	4.5	16.0	5.00
City of Glendale	4.4	2.3		5.00
City of Pasadena	4.4	5.9		3.00
	100.0%	100.0%	100.0%	100.00%

\*Based on 1982 Development Agreement.

The members do not currently participate in the Multiple Project Fund.

**Palo Verde Project** — The Authority, pursuant to an assignment agreement dated as of August 14, 1981 with the Salt River Project Agricultural Improvement and Power District, purchased a 5.91% interest in the Palo Verde Nuclear Generating Station (PVNGS), a 3,810 megawatt nuclear-fueled generating station near Phoenix, Arizona, and a 6.55% share of the right to use certain portions of the Arizona Nuclear Power Project Valley Transmission System (collectively, the Palo Verde Project).

As of July 1, 1981, ten participants had entered into power sales contracts with the Authority to purchase the Authority's share of PVNGS capacity and energy. Units 1, 2 and 3 of the Palo Verde Project began commercial operation in January and September 1986, and January 1988, respectively. During fiscal year 1990, Unit 1 was down the entire year and Units 2 and 3 were down approximately one-half the year for repairs. During fiscal year 1991, all three units were operational for most of the year.

**Southern Transmission System Project** — The Authority, pursuant to an agreement dated as of May 1, 1983 with the Intermountain Power Agency (IPA), has made payments-in-aid of construction to IPA to defray all the costs of acquisition and construction of the Southern Transmission System Project (STS), which provides for the transmission of energy from the Intermountain Generating Station in Utah to Southern California. The Authority entered into an agreement also dated as of May 1, 1983 with six of its participants pursuant to which each member assigned its entitlement to capacity of STS to the Authority in return for the Authority's agreement to make payments-in-aid of construction to IPA. STS commenced commercial operations in July 1986. The Department of Water and Power of the City of Los Angeles, a member of the Authority, serves as project manager and operating agent of the Intermountain Power Project (IPP).

**Hoover Upgrading Project** — The Authority and six participants entered into an agreement dated as of March 1, 1986, pursuant to which each participant assigned its entitlement to capacity and associated firm energy to the Authority in return for the Authority's agreement to make advance payments to the United States Bureau of Reclamation (USBR) on behalf of such participants. Construction is scheduled for completion by September 1992. The Authority will have an 18.68% interest in the contingent capacity of the Hoover Upgrading Project. Twelve "uprated" generators of the Hoover Upgrading Project have commenced commercial operations as of June 30, 1991.

**Mead-Phoenix Project** — The Authority has studied the feasibility of constructing the proposed Mead-Phoenix DC Intertie Project (Mead-Phoenix Project), a transmission line from Arizona to Nevada. The Authority's present interest in the Mead-Phoenix Project is 18.31%. The feasibility study is complete and the project is in contract negotiations with its participants.

**Multiple Project Fund** — During fiscal year 1990, the Authority issued Multiple Project Revenue Bonds for net proceeds of approximately \$600 million to provide funds to finance costs of construction and acquisition of ownership interests or capacity rights in one or more projects for the generation or transmission of electric energy which are expected to be undertaken within the next five years. Currently, the Authority has not authorized specific projects to be financed with the proceeds of the Bonds.

**NOTE 2 — Summary of significant accounting policies:**  
The financial statements of the Authority are presented in conformity with generally accepted accounting principles, and substantially in conformity with accounting principles prescribed by the Federal Energy Regulatory Commission and the California Public Utilities Commission. The Authority is not subject to regulations of such commissions.

**Utility Plant** — All expenditures, including general administrative and other overhead expenses, payments-in-aid of construction, interest net of related investment income, deferred cost amortization and the fair value of test power generated and delivered to the participants are capitalized

as utility plant construction work in progress until a facility begins commercial operation.

The Authority's share of costs associated with PVNGS is included as utility plant. Depreciation expense is computed using the straight-line method based on the estimated service life of thirty-five years. Nuclear fuel is amortized and charged to expense on the basis of actual thermal energy produced relative to total thermal energy expected to be produced over the life of the fuel. Under the provisions of the Nuclear Waste Policy Act of 1982, the Authority is charged one mill per kilowatt-hour on its share of electricity produced by PVNGS. The Authority records this charge as a current year expense.

The costs associated with STS are included as utility plant. Depreciation expense is computed using the straight-line method based on the estimated service lives, principally thirty-five years.

**Advances for Capacity and Energy** — Advance payments to USBR for the uprating of the 17 generators at the Hoover Power Plant are included in advances for capacity and energy. These advances are being reduced by the Western Area Power Administration billings to participants for energy and capacity.

**Nuclear Decommissioning** — Decommissioning of PVNGS is projected to start sometime after 2022. Based upon a study performed by an independent engineering firm, the Authority's share of the estimated decommissioning costs is \$45,580,000 in 1989 dollars. The Authority is providing for its share of the estimated future decommissioning costs over the life of the nuclear power plant through annual charges to expense.

A Nuclear Decommissioning Fund has been established and prefunded. The deposits to the fund plus the interest earnings on the fund balances are expected to be sufficient to pay the Authority's share of the decommissioning costs.

**Deferred Costs** — Deferred costs are reported net of accumulated amortization. Unamortized debt issue costs, including the cost of refunding, are amortized over the terms of the respective issues. Other deferred costs are amortized generally over five years.

**Investments** — Investments include United States Government and governmental agency securities and repurchase agreements which are collateralized by such securities. Additionally, the Multiple Project Fund's investments are invested under an investment agreement with a financial institution earning a guaranteed rate of return. The Southern Transmission System Project has debt service reserve funds associated with the 1991 Subordinate Refunding Series Bonds invested with a financial institution under a specific investment agreement allowed under the Bond Indenture earning a guaranteed rate of return. The investments are stated at amortized cost, which in general is not in excess of market. As discussed in Note 3, all of the investments are restricted as to their use.

**Cash and Cash Equivalents** — Cash and cash equivalents include cash and all investments with maturities less than ninety days.

**Revenues** — Revenues consist of billings to participants for the sales of electric energy and of transmission service in accordance with the participation agreements. Generally, revenues are fixed at a level to recover all operating and debt service costs over the commercial life of the plant (see Note 6).

**Debt Expenses** — Debt expenses include interest on debt, and the amortization of bond discounts, debt issue and refunding costs.

**Arbitrage Rebate** — A rebate payable to the Internal Revenue Service (IRS) results from the investment of the proceeds from the Multiple Project Revenue Bond Offering in a taxable financial instrument that yields a higher rate of interest income than the cost of the associated funds. The excess of interest income over costs is payable to the IRS within five years of the date of the bond offering and each consecutive five years thereafter.

#### NOTE 3 — Special funds:

The Bond Indentures for three of the four projects and the Multiple Project Fund require the following special funds to be established to account for the Authority's receipts and disbursements. The moneys and investments held in these funds are restricted in use to the purposes stipulated in the Bond Indentures. A summary of these funds follows:

Fund	Held by	Purpose
Construction	Trustee	To disburse funds for the acquisition and construction of the Project
Debt Service	Trustee	To pay interest and principal related to the Revenue Bonds
Revenue	Trustee	To initially receive all revenues and disburse them to other funds
Operating	Trustee	To pay operating expenses
Reserve and Contingency	Trustee	To pay capital improvements and make up deficiencies in other funds and accumulate funds for PVNGS decommissioning
General Reserve	Trustee	To make up any deficiencies in other funds
Advance Payments	Trustee	To disburse funds for the cost of acquisition of capacity
Proceeds Account	Trustee	To initially receive the proceeds of the sale of the Multiple Project Revenue Bonds
Earnings Account	Trustee	To receive investment earnings on the Multiple Project Revenue Bonds
Revolving Fund	Authority	To pay the Authority's operating expenses
Decommissioning Trust Fund	Trustee	To accumulate estimated future decommissioning costs of PVNGS
Issue Fund	Trustee	To initially receive pledged revenues associated with the 1991 Subordinated Refunding Series' Indenture of Trust and pay the related interest and principal

Special funds, in thousands, were as follows:

	June 30,			
	1991		1990	
	Carrying Value	Market	Carrying Value	Market
Palo Verde Project	\$ 232,697	\$ 235,760	\$ 223,540	\$ 227,012
Southern Transmission System Project	202,986	213,373	186,779	186,347
Hoover Upgrading Project	35,602	35,631	35,528	35,411
Mead-Phoenix Project	127	127	154	154
Multiple Project Fund	625,165	625,165	625,739	625,739
	<u>\$ 1,096,577</u>	<u>\$ 1,110,056</u>	<u>\$ 1,071,740</u>	<u>\$ 1,074,663</u>

*Palo Verde Project* — The special funds required by the Bond Indenture contain balances, in thousands, as follows:

	June 30,	
	1991	1990
Construction Fund —		
Initial Facilities Account	\$ 15,521	\$ 50,871
Debt Service Fund —		
Debt Service Account	49,626	51,871
Debt Service Reserve Account	92,256	91,001
Bond Anticipation Note Fund		30
Revenue Fund	674	2
Operating Fund	19,812	14,038
Reserve and Contingency Fund	9,436	9,372
Decommissioning Trust Fund	45,319	6,355
Revolving Fund	53	
	<u>\$ 232,697</u>	<u>\$ 223,540</u>

*Southern Transmission System Project* — The special funds required by the Bond Indenture contain balances, in thousands, as follows:

	June 30,	
	1991	1990
Construction Fund —		
Initial Facilities Account	\$ 957	\$ 263
Debt Service Fund —		
Debt Service Account	39,498	47,720
Debt Service Reserve Account	90,156	89,952
Revenue Fund	2	2
Operating Fund	5,550	7,168
General Reserve Fund	15,455	22,124
Issue Fund	31,808	
Revolving Fund	10	
	<u>\$ 183,436</u>	<u>\$ 167,229</u>

At June 30, 1991 and 1990 the Authority had non-interest bearing advances outstanding to IPA of \$19,550,000.

*Hoover Upgrading Project* — The special funds required by the Bond Indenture contain balances, in thousands, as follows:

	June 30,	
	1991	1990
Advance Payments Fund	\$ 15,349	\$ 18,559
Operating-Working Capital Fund	524	471
Debt Service Fund —		
Debt Service Account	718	723
Debt Service Reserve Account	3,604	3,612
Revolving Fund	7	
	<u>\$ 20,202</u>	<u>\$ 23,365</u>

At June 30, 1991 and 1990 the Authority had advances to USBR of \$15,400,000 and \$12,163,000, respectively.

*Multiple Project Fund* — The special funds required by the Bond Indenture contain balances, in thousands, as follows:

	June 30,	
	1991	1990
Multiple Project Fund —		
Multiple Project Proceeds Account	\$ 600,012	\$ 600,012
Multiple Project Debt Service Account		3,784
Multiple Project Earnings Account	25,153	21,943
	<u>\$ 625,165</u>	<u>\$ 625,739</u>

*Mead-Phoenix Project* — At June 30, 1991 and 1990, the balances in the Development Fund were \$127,000 and \$154,000, respectively, substantially all of which were invested in securities of the United States Government.

#### NOTE 4 — Long-term debt:

*Palo Verde Project* — To finance the purchase and construction of the Authority's share of the Palo Verde Project, the Authority issued Power Project Revenue Bonds pursuant to the Authority's Indenture of Trust dated as of July 1, 1981 (Bond Indenture), as amended and supplemented. Reference is made below to the Combined Schedule of Long-Term Debt at June 30, 1991 for details related to outstanding bonds.

The Bond Indenture provides that the Revenue Bonds shall be special, limited obligations of the Authority payable solely from and secured solely by (1) proceeds from the sale of bonds, (2) all revenues, incomes, rents and receipts attributable to the Palo Verde Project (see Note 5) and interest on all moneys or securities (other than in the Construction Fund) held pursuant to the Bond Indenture and (3) all funds established by the Bond Indenture (excluding Decommissioning Account in the Reserve and Contingency Fund).

All outstanding Power Project Revenue Term Bonds, at the option of the Authority, are subject to redemption prior to maturity.

The Bond Indenture requires mandatory sinking fund installments to be made beginning in fiscal year 1998 for the 1982 Series A Bonds, 1999 for the 1982 Series B Bonds and the 1983 Series A Bonds, 2001 for the 1984 Series A Bonds and the 1985 Series A Bonds, 2003 for the 1986 Series A Bonds, the 1986 Series B Bonds and the 1987 Series A Bonds and 2005 for the 1985 Series B Bonds and 1989 Series A Bonds. Scheduled principal maturities for the Palo Verde Project during the five fiscal years following

June 30, 1991 are \$16,325,000 in 1992, \$17,530,000 in 1993, \$18,860,000 in 1994, \$20,355,000 in 1995 and \$22,010,000 in 1996. The average interest rate on outstanding debt during the fiscal years 1991 and 1990 was 6.9%.

**Southern Transmission System Project** — To finance payments-in-aid of construction to IPA for construction of STS the Authority issued Transmission Project Revenue Bonds pursuant to the Authority's Indenture of Trust dated as of May 1, 1983 (Bond Indenture), as amended and supplemented. Reference is made below to the Combined Schedule of Long-Term Debt at June 30, 1991 for details related to the outstanding bonds.

The Bond Indenture provides that the Revenue Bonds shall be special, limited obligations of the Authority payable solely from and secured solely by (1) proceeds from the sale of bonds, (2) all revenues, incomes, rents and receipts attributable to STS (see Note 5) and interest on all moneys or securities (other than in the Construction Fund) held pursuant to the Bond Indenture and (3) all funds established by the Bond Indenture.

All outstanding Transmission Project Revenue Term Bonds, at the option of the Authority, are subject to redemption prior to maturity.

The Bond Indenture requires mandatory sinking fund installments to be made beginning in fiscal year 1993 for the 1991 Series Bonds, 2000 for the 1984 Series A Bonds, 2001 for the 1984 Series B Bonds and the 1985 Series A Bonds, 2003 for the 1986 Series A Bonds, 2002 for the 1986 Series B Bonds, and 2007 for the 1988 Series A Bonds. Scheduled principal maturities for STS during the five fiscal years following June 30, 1991 are \$10,545,000 in 1992, \$11,795,000 in 1993, \$12,600,000 in 1994, \$13,600,000 in 1995 and \$14,600,000 in 1996. The average interest rate on outstanding debt during fiscal years 1991 and 1990 was 7.0% and 7.3%, respectively.

**Multiple Project Fund** — To finance costs of construction and acquisition of ownership interests or capacity rights in one or more projects expected to be undertaken within the next five years, the Authority issued Multiple Project Revenue Bonds pursuant to the Authority's Indenture of Trust dated as of August 1, 1989 (Bond Indenture), as amended and supplemented. Reference is made below to the Combined Schedule of Long-Term Debt at June 30, 1991 for details related to the outstanding bonds.

The Bond Indenture provides that the Revenue Bonds shall be special, limited obligations of the Authority payable solely from and secured solely by (1) proceeds from the sale of bonds, (2) with respect to each authorized project, the revenues of such authorized project, and (3) all funds established by the Bond Indenture.

Of the outstanding Multiple Project Revenue Bonds, \$153,500,000 are not subject to redemption prior to maturity. The balance of the outstanding bonds, at the option of the Authority, are subject to redemption prior to maturity.

The Bond Indenture requires mandatory sinking fund installments to be made beginning in fiscal year 2006 for the 1989 Series Bonds. The first scheduled principal maturity for the Multiple Project is \$13,500,000 in 1999. The

average interest rate on outstanding debt during the fiscal years 1991 and 1990 was 6.9% and 6.8%, respectively.

The Bond Indenture required that, at the time of issuance of the Bonds, sufficient funds were available to pay costs related to issuance of the bonds, and that such funds come from a source other than proceeds of the bonds. The Department of Water and Power of the City of Los Angeles (LADWP) advanced \$7,219,000 to the Authority for the payment of the costs.

The advance plus 7.09% interest becomes immediately payable to the LADWP after the first transfer of bond proceeds by the Authority from the Multiple Project Fund to a separate authorized project account to finance the costs of construction and acquisition of ownership interest of the project.

The Authority has no obligation to repay the advance or interest to the LADWP if bond proceeds are not transferred from the Multiple Project Fund to a separate project account; except that on retirement of the bonds the amount of any remaining funds in the Multiple Project Fund shall be payable to the LADWP without interest.

**Hoover Upgrading Project** — To finance advance payments to USBR for application to the costs of the Hoover Upgrading Project, the Authority issued Hydroelectric Power Project Revenue Bonds pursuant to the Authority's Indenture of Trust dated as of March 1, 1986 (Bond Indenture). Reference is made below to the Combined Schedule of Long-Term Debt at June 30, 1991 for details related to the outstanding bonds.

The Bond Indenture provides that the Revenue Bonds shall be special, limited obligations of the Authority payable solely from and secured solely by (1) the proceeds from the sale of the bonds, (2) all revenues from sales of energy to participants (see Note 5), (3) interest or other receipts derived from any moneys or securities held pursuant to the Bond Indenture and (4) all funds established by the Indenture of Trust (except for the Interim Advance Payments Account in the Advance Payment Fund).

All outstanding Hydroelectric Power Project Revenue Term Bonds, at the option of the Authority, are subject to redemption prior to maturity.

The Bond Indenture requires mandatory sinking fund installments to be made beginning in fiscal year 2002 for the 1986 Series A Bonds. The next scheduled principal maturities for the Hoover Upgrading Project are \$490,000 in fiscal 1994, \$525,000 in fiscal 1995 and \$560,000 in fiscal 1996. The average interest rate on outstanding debt during fiscal years 1991 and 1990 was 8.0%.

The Authority estimates that the total financing requirements for its interest in the Hoover Upgrading Project will approximate \$34 million, substantially all of which will be expended for the acquisition of entitlements to capacity.

**Mead-Phoenix Project** — Prior to fiscal year 1989, the Authority borrowed \$14,148,000 to finance the feasibility study and development costs of the Mead-Phoenix Project. During fiscal year 1989, the Authority received from the participants \$14,048,000 retiring all the notes but \$100,000. These receipts are shown as Advances from

Participants. Authority management anticipates repaying these advances during fiscal 1992 or later.

**Refunding Bonds** — During fiscal year 1991, the proceeds from the sale of \$293,900,000 of Southern Transmission System Project Revenue Bonds were issued to refund \$240,605,000 of previously issued bonds (for total escrow payments of \$260,749,000 including interest and early redemption premium). The refunding reduced total debt service payments over the next 28 years by approximately \$25,336,000 (the difference between the debt service payments on the old and new debt). This will result in an overall present value savings of approximately \$14,138,000. In connection therewith, the net proceeds of the refunding bonds have been invested in securities of the United States Government, the principal and interest from which will be sufficient to fund the remaining principal, interest and call

premium payments on the refunded bonds until the stated first call dates of the respective issues. Accordingly, all amounts related to the refunded bonds have been removed from the balance sheets and the cost of refunding the debt is included in unamortized debt expenses.

At June 30, 1991 and 1990, the aggregate amount of debt considered to be extinguished was \$2,451,285,000 and \$2,210,680,000, respectively.

**Interest Rate Swap** — The Authority entered into an Interest Rate Swap agreement with a third party for the purpose of hedging against interest rate fluctuations arising from the issuance of the 1991 Refunding Series Bonds as variable rate obligations. The Swap Agreement provides for the Authority to make payments to the third party on a fixed rate basis at 6.38%, and for the third party to make reciprocal payments based on a variable rate basis.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
COMBINED SCHEDULE OF LONG-TERM DEBT  
AT JUNE 30, 1991  
(In thousands)

PROJECT	Series	Date of Sale	Effective Interest Rate	Maturity on July 1	Total
<b>Principal:</b>					
Palo Verde Project Revenue and Refunding Bonds .....	1982A	08/13/82	10.9%	1991 to 2017	\$ 10,075
	1982B	11/12/82	7.7%	1991 to 2017	34,925
	1983A	04/08/83	8.8%	1991 to 2017	13,005
	1984A	07/18/84	10.3%	1991 to 2004	10,985
	1985A	05/22/85	8.7%	1991 to 2014	9,115
	1985B	07/02/85	9.1%	1991 to 2017	31,420
	1986A	03/13/86	8.2%	1991 to 2015	77,155
	1986B	12/16/86	7.2%	1991 to 2017	351,630
	1987A	02/11/87	6.9%	1991 to 2017	342,470
	1989A	02/15/89	7.2%	1991 to 2015	293,995
					<u>1,174,775</u>
Southern Transmission System Project Revenue and Refunding Bonds .....	1984A	02/09/84	9.3%	1991 to 2004	26,990
	1984B	10/17/84	10.2%	1991 to 2000	10,575
	1985A	08/15/85	8.9%	1991 to 2021	13,940
	1986A	03/18/86	8.0%	1991 to 2021	129,975
	1986B	04/29/86	7.5%	1991 to 2023	473,995
	1988A	11/22/88	7.2%	1991 to 2015	235,335
	1991	4/17/91	6.4%	2019	293,900
					<u>1,184,710</u>
Multiple Project Revenue Bonds .....	1989	01/04/90	6.9%	1999 to 2020	647,750
Hoover Upgrading Project Revenue Bonds .....	1986A	08/13/86	8.1%	1993 to 2017	34,435
Mead-Phoenix - Bank Loan					100
Total principal amount					<u>3,041,770</u>
<b>Unamortized bond discount:</b>					
Palo Verde Project .....					(140,447)
Southern Transmission System Project .....					(119,731)
Multiple Project Fund .....					(46,726)
Hoover Upgrading Project .....					(137)
Total unamortized bond discount .....					<u>(307,041)</u>
					2,734,729
Long-term debt due within one year .....					(26,970)
Total long-term debt, net .....					<u>\$ 2,707,759</u>

Bonds which have been refunded are excluded from this schedule.

**NOTE 5 — Power sales and transmission service contracts:** The Authority has sold its entitlement to the output of the Palo Verde Project pursuant to power sales contracts with ten participants (see Note 1). Under the terms of the contracts, the participants are entitled to power output from the Palo Verde Nuclear Generating Station and are obligated to make payments on a "take or pay" basis for their proportionate share of operating and maintenance expenses and debt service on Power Project Revenue Bonds and other debt, whether or not the Palo Verde Project or any part thereof has been completed, is operating or operable, or its output is suspended, interfered with, reduced or curtailed or terminated. The contracts expire in 2030 and, as long as any Power Project Revenue Bonds are outstanding, cannot be terminated or amended in any manner which will impair or adversely affect the rights of the bondholders.

The Authority has entered into transmission service contracts with six participants of the Southern Transmission System Project (see Note 1). Under the terms of the contracts, the participants are entitled to transmission service utilizing the Southern Transmission System Project and are obligated to make payments on a "take or pay" basis for their proportionate share of operating and maintenance expenses and debt service on Transmission Project Revenue Bonds and other debt, whether or not the Southern Transmission System Project or any part thereof has been completed, is operating or operable, or its service is suspended, interfered with, reduced or curtailed or terminated. The contracts expire in 2027 and, as long as any Transmission Project Revenue Bonds are outstanding, cannot be terminated or amended in any manner which will impair or adversely affect the rights of the bondholders.

In March 1986, the Authority entered into power sales contracts with six participants of the Hoover Upgrading Project (see Note 1). Under the terms of the contracts, the participants are entitled to capacity and associated firm energy of the Hoover Upgrading Project and are obligated to make payments on a "take or pay" basis for their proportionate share of operating and maintenance expenses and debt service whether or not the Hoover Upgrading Project or any part thereof has been completed, is operating or is operable, or its service is suspended, interfered with, reduced or curtailed or terminated in whole or in part. The contracts expire in 2018 and as long as the Hydroelectric Power Project Revenue Bonds are outstanding, cannot be terminated or amended in any manner which will impair or adversely affect the rights of the bondholders.

**NOTE 6 — Costs recoverable from future billings to participants:**

Billings to participants are designed to recover "costs" as defined by the power sales and transmission service agreements. The billings are structured to systematically provide for debt service requirements, operating funds and reserves in accordance with these agreements. Those expenses, according to generally accepted accounting principles (GAAP), which are not included as "costs" are deferred to such periods as they are intended to be recovered through billings for the repayment of principal on related debt.

Costs recoverable from future billings to participants are comprised of the following:

	(In thousands)		
	Balance June 30, 1990	Fiscal 1991 Activity	Balance June 30, 1991
GAAP items not included in billings to participants:			
Depreciation of plant	\$ 137,341	\$ 38,017	\$ 175,358
Amortization of bond discount, debt issue costs, and cost of refunding	76,319	22,917	99,236
Nuclear fuel amortization and decommissioning expense	22,975	9,757	32,732
Interest expense	6,208	(3)	6,205
Bond requirements included in billings to participants:			
Operations and maintenance, net of investment income	(34,582)	(6,106)	(40,688)
Costs of acquisition of capacity — STS	(18,350)		(18,350)
Reduction in debt service due to transfer of excess construction funds	40,999		40,999
Principal repayments	(60,695)	(26,870)	(87,565)
Other	(9,135)	(5,347)	(14,482)
	<u>\$ 161,080</u>	<u>\$ 32,365</u>	<u>\$ 193,445</u>

**NOTE 7 — Commitments and contingencies:**

As a participant in the PVNGS, the Authority could be subject to assessment of retroactive insurance premium adjustments in the event of a nuclear incident at the PVNGS or at any other licensed reactor in the United States.

The Authority is involved in various legal actions. In the opinion of management, the outcome of such litigation or claims will not have a material effect on the financial position of the Authority or the respective separate projects.

**NOTE 8 — Subsequent event (unaudited):**

In August 1991, the Authority entered into a transaction to issue \$35,695,000 of Hoover Upgrading Project Revenue Refunding Bonds to refund \$28,530,000 of previously issued bonds. The refunding will reduce total debt service payments over the next 26 years by approximately \$4,624,000 (the difference between the debt service payments on the old and new debt) and will result in an overall present value savings of approximately \$1,519,000.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
SUPPLEMENTAL FINANCIAL INFORMATION  
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SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
PALO VERDE PROJECT  
SUPPLEMENTAL BALANCE SHEET  
(In thousands)

	June 30,	
	1991	1990
<b>ASSETS</b>		
Utility plant:		
Production .....	\$ 596,880	\$ 594,323
Transmission .....	14,211	14,172
General .....	2,259	2,289
	613,350	610,784
Less - Accumulated depreciation .....	102,265	77,421
	511,085	533,363
Construction work in progress .....	7,574	4,119
Nuclear fuel, at amortized cost .....	17,659	25,931
Net utility plant .....	536,318	563,413
Special funds:		
Decommissioning fund .....	45,319	6,355
Investments .....	116,850	133,122
Interest receivable .....	2,527	3,113
Cash and cash equivalents .....	68,001	80,950
	232,697	223,540
Accounts receivable .....	4,516	4,272
Materials and supplies .....	11,236	8,968
Costs recoverable from future billings to participants .....	82,056	69,004
Deferred costs:		
Unamortized debt expenses, less accumulated amortization of \$41,606 and \$33,660 .....	209,670	218,597
Other deferred costs .....	211	466
	209,881	219,063
	<u>\$ 1,076,704</u>	<u>\$ 1,088,260</u>
<b>LIABILITIES</b>		
Long-term debt .....	\$ 1,018,003	\$ 1,031,200
Current liabilities:		
Long-term debt due within one year .....	16,325	15,255
Accrued interest .....	35,644	36,180
Accounts payable and accrued expenses .....	6,732	5,625
	58,701	57,060
Commitments and contingencies .....		
	<u>\$ 1,076,704</u>	<u>\$ 1,088,260</u>

See Notes to Financial Statements.



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
PALO VERDE PROJECT  
SUPPLEMENTAL STATEMENT OF OPERATIONS  
(In thousands)

	Year Ended June 30,	
	1991	1990
Operating revenue:		
Sales of electric energy .....	\$ 128,245	\$ 120,782
Operating expenses:		
Nuclear fuel .....	12,880	4,176
Other operation .....	30,175	28,145
Maintenance .....	6,486	8,660
Depreciation .....	18,641	17,980
Decommissioning .....	7,339	5,699
Total operating expenses .....	75,521	64,660
Operating income .....	52,724	56,122
Investment income .....	18,122	18,290
Income before debt expenses .....	70,846	74,412
Debt expense:		
Interest on debt .....	83,898	84,829
Costs recoverable from future billings to participants .....	(\$ 13,052)	(\$ 10,417)

See Notes to Financial Statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
PALO VERDE PROJECT  
SUPPLEMENTAL STATEMENT CASH FLOWS  
(In thousands)

	Year Ended June 30,	
	1991	1990
Cash flows from operating activities:		
Costs recoverable from future billings to participants .....	(\$ 13,052)	(\$ 10,417)
Adjustments to arrive at net cash (used for) provided by operating activities -		
Depreciation .....	18,641	17,980
Decommissioning .....	7,339	5,699
Amortization of nuclear fuel .....	11,266	3,676
Amortization of debt costs .....	12,861	12,899
Changes in assets and liabilities:		
Decommissioning fund .....	(38,964)	(2,490)
Interest receivable .....	586	(1,499)
Accounts receivable .....	(244)	(637)
Materials and supplies .....	(2,268)	(2,109)
Other assets .....	5	(32)
Accrued interest .....	(536)	(39)
Accounts payable and accrued expenses .....	1,107	890
Net cash (used for) provided by operating activities .....	<u>(3,259)</u>	<u>23,921</u>
Cash flows from investing activities:		
Payments for construction of facility .....	(10,707)	(9,980)
Purchase of investments for decommissioning fund .....	(35,858)	
Purchases of investments .....	(87,504)	(189,436)
Proceeds from sale of investments .....	103,776	163,143
Net cash used for investing activities .....	<u>(30,293)</u>	<u>(36,273)</u>
Cash flows from capital and related financing activities:		
Payments for principal of long-term debt .....	(15,255)	(14,370)
Proceeds from construction fund for contributions to the decommissioning fund .....	35,858	
Net cash provided by (used for) capital and related financing activities .....	<u>20,603</u>	<u>(14,370)</u>
Net decrease in cash and cash equivalents .....	(12,949)	(26,722)
Cash and cash equivalents at beginning of year .....	80,950	107,672
Cash and cash equivalents at end of year .....	<u>\$ 68,001</u>	<u>\$ 80,950</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest (net of amount capitalized) .....	<u>\$ 71,824</u>	<u>\$ 72,399</u>

See Notes to Financial Statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
PALO VERDE PROJECT  
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE  
YEAR ENDED JUNE 30, 1991  
(In thousands)

	Construction Fund Initial Facilities Account	Debt Service Fund	Bond Antici- pation Note Fund	Revenue Fund	Operating Fund	Reserve & Contin- gency Fund	General Reserve Fund	Decom- missioning Trust Funds I & II	Total
Balance at June 30, 1990.....	\$50,080	\$141,784	\$ 29	\$ —	\$ 14,028	\$9,288	\$ —	\$ 6,282	\$221,491
Additions:									
Investment earnings .....	3,197	11,706	2	127	1,145	687		2,841	19,705
Distribution of investment earnings .....		(10,117)	(2)	12,001	(962)	(475)		(445)	—
Revenue from power sales.....				127,832					127,832
Distribution of revenues .....		84,870		(139,280)	46,303	5,488	1,448	1,171	—
Other income.....	27				140	574		(3)	738
Transfer for interest payment ...		114,687							114,687
Miscellaneous transfers.....	(35,839)		(29)	(9)	1,502		(1,448)	35,879	56
Total .....	(32,615)	201,146	(29)	671	48,128	6,274	—	39,443	263,018
Deductions:									
Construction expenditures .....	1,923					6,166			8,089
Operating expenditures.....					41,699				41,699
Fuel costs .....					608				608
Payment of principal.....		15,255							15,255
Interest paid .....		186,863			35			14	186,912
Interest paid on investment purchases .....	211				166	16		1,047	1,440
Premium paid on investment purchases .....					2				2
Miscellaneous .....	25							4	29
Total.....	2,159	202,118	—	—	42,510	6,182	—	1,065	254,034
Balance at June 30, 1991.....	\$15,306	\$140,812	\$ —	\$ 671	\$19,646	\$9,380	\$ —	\$44,660	\$230,475

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable of \$2,527 and \$3,113 and Decommissioning Trust Fund accrued interest receivable of \$724 and \$16 at June 30, 1991 and 1990, nor do they include total amortized net investment premiums of \$1,029 and \$1,080 at June 30, 1991 and 1990.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
SOUTHERN TRANSMISSION SYSTEM PROJECT  
SUPPLEMENTAL BALANCE SHEET  
(In thousands)

	June 30,	
	1991	1990
<b>ASSETS</b>		
Utility plant:		
Transmission .....	\$ 668,316	\$ 662,727
General .....	18,893	18,893
	687,209	681,620
Less - Accumulated depreciation .....	95,853	76,477
	591,356	605,143
Construction work in progress .....	3,725	7,320
Net utility plant .....	595,081	612,463
Special funds:		
Investments .....	127,488	95,595
Advance to Intermountain Power Agency .....	19,550	19,550
Interest receivable .....	2,692	2,632
Cash and cash equivalents .....	53,256	69,002
	202,986	186,779
Accounts receivable .....	2,344	611
Costs recoverable from future billings to participants .....	113,025	93,708
Deferred costs:		
Unamortized debt expenses, less accumulated amortization of \$27,921 and \$281,933. ....	185,022	166,840
	<u>\$ 1,098,458</u>	<u>\$ 1,060,401</u>
<b>LIABILITIES</b>		
Long-term debt .....	\$ 1,054,434	\$ 1,007,159
Current liabilities:		
Long-term debt due within one year .....	10,545	9,890
Accrued interest .....	29,547	37,090
Accounts payable and accrued expenses .....	3,932	6,262
	44,024	53,242
Commitments and contingencies .....		
	<u>\$ 1,098,458</u>	<u>\$ 1,060,401</u>

See Notes to Financial Statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
SOUTHERN TRANSMISSION SYSTEM PROJECT  
SUPPLEMENTAL STATEMENT OF OPERATIONS  
(In thousands)

	Year Ended June 30,	
	1991	1990
Operating revenue:		
Sales of transmission services .....	\$ 87,803	\$ 93,508
Operating expenses:		
Other operation .....	12,262	10,501
Maintenance .....	3,808	4,134
Depreciation .....	19,376	19,205
Total operating expenses .....	35,446	33,840
Operating income .....	52,357	59,668
Investment income .....	11,305	11,611
Income before debt expense .....	63,662	71,279
Debt expense:		
Interest on debt .....	82,979	84,180
Costs recoverable from future billings to participants .....	(\$ 19,317)	(\$ 12,901)

See Notes to Financial Statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
SOUTHERN TRANSMISSION SYSTEM PROJECT  
SUPPLEMENTAL STATEMENT OF CASH FLOWS  
(In thousands)

	Year Ended June 30,	
	1991	1990
Cash flows from operating activities:		
Costs recoverable from future billings to participants .....	(\$ 19,317)	(\$ 12,901)
Adjustments to arrive at net cash (used for) provided by operating activities —		
Depreciation .....	19,376	19,205
Amortization of debt costs .....	10,252	10,000
Changes in assets and liabilities:		
Interest receivable .....	(60)	(1,457)
Accounts receivable .....	(1,733)	(63)
Other assets .....	(75)	24
Accrued interest .....	(7,543)	(168)
Accounts payable and accrued expenses .....	(2,330)	493
Net cash (used for) provided by operating activities .....	(1,430)	15,133
Cash flows from investing activities:		
Payments for construction of facility .....	(1,994)	(4,544)
Purchases of investments .....	(164,801)	(124,280)
Proceeds from sale of investments .....	132,908	124,612
Refund from Intermountain Power Agency .....		611
Net cash used for investing activities .....	(33,887)	(3,601)
Cash flows from capital and related financing activities:		
Proceeds from sale of refunding bonds .....	293,900	
Payment for defeasance of revenue bonds .....	(260,749)	
Payment for principal of long-term debt .....	(9,890)	(5,825)
Payment for bond issue costs .....	(3,690)	
Net cash provided by (used for) capital and related financing activities .....	19,571	(5,825)
Net (decrease) increase in cash and cash equivalents .....	(15,746)	5,707
Cash and cash equivalents at beginning of year .....	69,002	63,295
Cash and cash equivalents at end of year .....	\$ 53,256	\$ 69,002
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest (net of amount capitalized) .....	\$ 80,240	\$ 74,349

See Notes to Financial Statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
SOUTHERN TRANSMISSION SYSTEM PROJECT  
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE  
YEAR ENDED JUNE 30, 1991  
(In thousands)

	Construction Fund-Initial Facilities Account	Debt Service Fund	Revenue Fund	Operating Fund	General Reserve Fund	Issue Fund	Total
Balance at June 30, 1990	\$ 262	\$ 135,062	\$ —	\$ 7,138	\$ 21,776	\$ —	\$ 164,238
Additions:							
Bond proceeds .....						33,151	33,151
Investment earnings .....	62	9,210	209	526	2,295	465	12,767
Distribution of investment earnings .....		(8,279)	11,090	(459)	(1,887)	(465)	—
Revenue from transmission sales .....			85,414				85,414
Distribution of revenue .....		80,330	(96,713)	14,448	1,935		
Transfer for interest payment .....		97,316					97,316
Miscellaneous transfers .....	4,997	(4,737)		10	(8,448)	4,062	(4,116)
Total .....	5,059	173,840	—	14,525	(6,105)	37,213	224,532
Deductions:							
Bond issue costs .....						3,690	3,690
Payments-in-aid of construction .....	4,365						4,365
Operating expenditures .....				16,037			16,037
Payment of principal .....		9,890					9,890
Interest paid .....		171,163				1,717	172,880
Interest paid on investment purchases .....		622		67	262		951
Premium paid on investment purchases .....		91		1	33		125
Total .....	4,365	181,766	—	16,105	295	5,407	207,938
Balance at June 30, 1991 .....	\$ 956	\$ 127,136	\$ —	\$ 5,558	\$ 15,376	\$ 31,806	\$ 180,832

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable of \$2,692 and \$2,632 at June 30, 1991 and 1990, nor do they include total amortized net investment premium of \$88 and discount of \$359 at June 30, 1991 and 1990.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
HOOVER UPRATING PROJECT  
SUPPLEMENTAL BALANCE SHEET  
(In thousands)

	June 30,	
	1991	1990
<b>ASSETS</b>		
Special funds:		
Investments .....	\$ 12,690	\$ 15,116
Advances for capacity and energy, net .....	15,400	12,163
Interest receivable .....	208	250
Cash and cash equivalents .....	7,304	7,999
	<u>35,602</u>	<u>35,528</u>
Accounts receivable .....	<u>5</u>	
Billings to participants in excess of costs recoverable .....	<u>(1,636)</u>	<u>(1,632)</u>
Deferred costs:		
Unamortized debt expenses, less accumulated amortization of \$261 and \$208 .....	<u>1,073</u>	<u>1,115</u>
	<u>\$ 35,044</u>	<u>\$ 35,011</u>
<b>LIABILITIES</b>		
Long-term debt .....	\$ 34,298	\$ 34,297
Current liabilities:		
Accrued interest .....	689	689
Accounts payable and accrued expenses .....	<u>57</u>	<u>25</u>
	<u>746</u>	<u>714</u>
Commitments and contingencies .....		
	<u>\$ 35,044</u>	<u>\$ 35,011</u>

See Notes to Financial Statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
HOOVER UPRATING PROJECT  
SUPPLEMENTAL STATEMENT OF OPERATIONS  
(In thousands)

	Year Ended June 30,	
	1991	1990
Operating revenue:		
Sales of electric energy .....	\$ 2,760	\$ 2,760
Operating expenses:		
Capacity charges .....	680	608
Energy charges .....	568	586
Other operation .....	<u>305</u>	<u>152</u>
Total operating expenses .....	<u>1,553</u>	<u>1,346</u>
Operating income .....	<u>1,207</u>	<u>1,414</u>
Investment income .....	<u>1,608</u>	<u>2,025</u>
Income before debt expense .....	<u>2,815</u>	<u>3,439</u>
Debt expense:		
Interest on debt .....	<u>2,811</u>	<u>2,811</u>
Billings to participants in excess of costs recoverable .....	<u>\$ 4</u>	<u>\$ 628</u>

See Notes to Financial Statements.



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
HOOVER UPRATING PROJECT  
SUPPLEMENTAL STATEMENT OF CASH FLOWS  
(In thousands)

	Year Ended June 30,	
	1991	1990
Cash flows from operating activities:		
Billings to participants in excess of costs recoverable	\$ 4	\$ 628
Adjustments to arrive at net cash provided by operating activities —		
Amortization of debt costs	54	54
Changes in assets and liabilities:		
Interest receivable	42	42
Accounts receivable	(5)	
Accounts payable and accrued expenses	32	10
Other assets	(10)	
Net cash provided by operating activities	117	734
Cash flows from investing activities:		
Advances for capacity and energy, net	(3,237)	(1,945)
Purchases of investments	(6,748)	(15,816)
Proceeds from sale of investments	9,174	19,447
Net cash (used for) provided by investing activities	(811)	1,686
Cash flows from capital and related financing activities:		
Payment for bond issue costs	(1)	(61)
Net cash used for capital and related financing activities	(1)	(61)
Net (decrease) increase in cash and cash equivalents	(695)	2,359
Cash and cash equivalents at beginning of year	7,999	5,640
Cash and cash equivalents at end of year	\$ 7,304	\$ 7,999
Supplemental disclosure of cash flow information:		
Cash paid during year for interest (net of amount capitalized)	\$ 2,757	\$ 2,757

See Notes to Financial Statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
HOOVER UPRATING PROJECT  
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE  
YEAR ENDED JUNE 30, 1991  
(In thousands)

	Advance Payments Fund	Interim Advance Payments Fund	Revenue Fund	Operating Working Capital Fund	Debt Service Account	Debt Service Reserve Account	Total
Balance at June 30, 1990	\$ 15,762	\$ 2,841	\$ —	\$ 458	\$ 720	\$ 3,624	\$ 23,405
Additions:							
Investment earnings .....	1,276	233	4	41	46	288	1,888
Distribution of investment earnings .....	610	(233)	(4)	(39)	(46)	(288)	—
Revenue from power sales .....			2,755				2,755
Distribution of revenues .....	(50)		(2,755)	50	2,755		—
Transfer of investments .....	(3,514)	3,514					—
Miscellaneous transfers .....	8						8
Total .....	(1,670)	3,514	—	52	2,755	—	4,651
Deductions:							
Advances for capacity and energy .....		4,055					4,055
Administrative expenditures .....	292	430					722
Interest paid .....					2,757		2,757
Interest paid on investment purchases .....	43					7	50
Premium paid on investment purchases .....	163						163
Total .....	498	4,485	—	—	2,757	7	7,747
Balance at June 30, 1991 .....	\$ 13,594	\$ 1,870	\$ —	\$ 510	\$ 718	\$ 3,617	\$ 20,309

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable of \$208 and \$250 at June 30, 1991 and 1990, nor do they include total amortized net investment premiums of \$315 and \$290 at June 30, 1991 and 1990.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
MEAD-PHOENIX PROJECT  
SUPPLEMENTAL BALANCE SHEET  
(In thousands)

	June 30,	
	1991	1990
<b>ASSETS</b>		
Utility plant:		
Construction work in progress .....	\$ 14,149	\$ 14,078
Special funds:		
Investments .....	96	132
Cash and cash equivalents .....	31	22
	<u>127</u>	<u>154</u>
	<u>\$ 14,276</u>	<u>\$ 14,232</u>
<b>LIABILITIES</b>		
Long-term debt .....		\$ 100
Current liabilities:		
Long-term debt due within one year .....	\$ 100	
Accrued interest .....	1	1
Accounts payable and accrued expenses .....	127	83
	<u>228</u>	<u>84</u>
Advances from participants .....	<u>14,048</u>	<u>14,048</u>
Commitments and contingencies .....		
	<u>\$ 14,276</u>	<u>\$ 14,232</u>

See Notes to Financial Statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
MEAD-PHOENIX PROJECT  
SUPPLEMENTAL STATEMENT OF CASH FLOWS  
(In thousands)

	Year Ended June 30,	
	1991	1990
Cash flows from operating activities .....	\$ —	\$ —
Cash flows from investing activities:		
Payments for feasibility study .....	(27)	(1,000)
Purchases of investments .....	(217)	(1,015)
Proceeds from sale of investments .....	253	1,972
Net cash provided by (used for) investing activities .....	<u>9</u>	<u>(43)</u>
Cash flows from capital and related financing activities .....	<u>—</u>	<u>—</u>
Net increase (decrease) in cash and cash equivalents .....	<u>9</u>	<u>(43)</u>
Cash and cash equivalents at beginning of year .....	<u>22</u>	<u>65</u>
Cash and cash equivalents at end of year .....	<u>\$ 31</u>	<u>\$ 22</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest (net of amount capitalized) .....	<u>\$ —</u>	<u>\$ —</u>

See Notes to Financial Statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
MULTIPLE PROJECT FUND  
SUPPLEMENTAL BALANCE SHEET  
(In thousands)

	June 30,	
	1991	1990
<b>ASSETS</b>		
Special funds:		
Investments .....	\$ 603,005	\$ 603,796
Interest receivable .....	22,160	21,943
	<u>\$ 625,165</u>	<u>\$ 625,739</u>
<b>LIABILITIES</b>		
Long-term debt .....	\$ 601,024	\$ 600,372
Arbitrage rebate payable .....	3,501	1,287
Current liabilities:		
Accrued interest .....	20,640	24,080
Commitments and contingencies .....		
	<u>\$ 625,165</u>	<u>\$ 625,739</u>

See Notes to Financial Statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
MULTIPLE PROJECT FUND  
SUPPLEMENTAL STATEMENT OF CASH FLOWS  
(In thousands)

	Year Ended June 30,	
	1991	1990
Cash flows from operating activities .....	\$ —	\$ —
Cash flows from investing activities:		
Interest received on investments .....	43,929	
Payment for interest on long-term debt .....	(44,720)	
Purchases of investments .....	(2,993)	(603,796)
Proceeds from sale of investments .....	3,784	
Net cash used for investing activities .....	<u>—</u>	<u>(603,796)</u>
Cash flows from capital and related financing activities:		
Proceeds from sale of bonds and accrued interest .....	—	603,796
Net cash provided by capital and related financing activities .....	<u>—</u>	<u>603,796</u>
Net increase in cash and cash equivalents .....	<u>—</u>	<u>—</u>
Cash and cash equivalents at beginning of year .....	<u>—</u>	<u>—</u>
Cash and cash equivalents at end of year .....	<u>\$ —</u>	<u>\$ —</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest (net of amount capitalized) .....	<u>\$ —</u>	<u>\$ —</u>

See Notes to Financial Statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
MULTIPLE PROJECT FUND  
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE  
YEAR ENDED JUNE 30, 1991  
(In thousands)

	<i>Proceeds Account</i>	<i>Debt Service Account</i>	<i>Earnings Account</i>	<i>Total</i>
Balance at June 30, 1990 .....	\$ 600,012	\$ 3,784	\$ —	\$ 603,796
Additions:				
Investment earnings .....	43,856	73		43,929
Distribution of investment earnings .....	(43,856)	21,805	22,051	—
Transfer for interest payment .....		19,058	(19,058)	—
Total .....	—	40,936	2,993	43,929
Deductions:				
Interest paid .....		(44,720)		(44,720)
Balance at June 30, 1991 .....	\$ 600,012	\$ —	\$ 2,993	\$ 603,005

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable of \$22,160 and \$21,943 at June 30, 1991 and 1990, respectively.

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