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AUTH. NAME      AUTHOR AFFILIATION

STEWART, W.L.      Arizona Public Service Co. (formerly Arizona Nuclear Power

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SUBJECT: Forwards projected 1995 cash flow statements for PVNGS.

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NOTES: STANDARDIZED PLANT

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WILLIAM L. STEWART  
EXECUTIVE VICE PRESIDENT  
NUCLEAR

102-03379-WLS/SAB/JRP  
June 1, 1995

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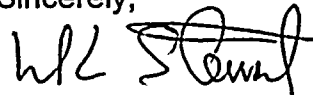
Dear Sirs:

**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, for itself and on behalf of the PVNGS participants, herewith submits the projected 1995 cash flow statements.

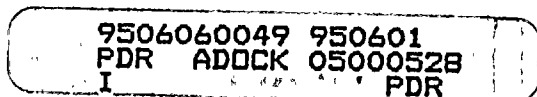
Should you have any questions, please contact Scott A. Bauer at (602) 393-5978.

Sincerely,



WLS/SAB/JRP/rv  
Enclosure

cc: L. J. Callan  
K. E. Perkins  
B. E. Holian  
K. E. Johnston



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

(000's)

	<u>1994 Actual</u>	<u>1995 Estimate</u>
1. Net Income After Taxes	\$ 243,486	\$ 234,720
Less:		
2. Dividends Paid on Preferred Stock	26,232	26,520
3. Dividends Paid on Common Stock	<u>170,000</u>	<u>170,000</u>
4. Retained Earnings	47,254	38,200
Adjustments:		
5. Palo Verde Accretion Income (Pretax) (1)	(33,596)	
6. In-Lieu Refund/Obligation Revenues (Pretax) (1)	(9,308)	
7. Palo Verde Depreciation Reversal (2)	(20,279)	
8. Depreciation and Amortization (3)	268,672	276,053
9. Deferred Income Taxes	83,249	36,429
10. Deferred ITC (Net)	(6,825)	(27,641)
11. Allowance for Funds Used During Construction (Equity & Borrowed)	(9,383)	(10,744)
12. Decommissioning	<u>(10,296)</u>	<u>(11,444)</u>
13. Total Adjustments	262,234	262,653
14. Internal Cash Flow (Line 4 + Line 13)	309,488	300,853
15. Average Quarterly Cash Flow (Line 14/4)	77,372	75,213

**NOTES:**

\*\* Percentage Ownership in All Nuclear Units:

Unit 1 - 29.1%

Unit 2 - 29.1% (4)

Unit 3 - 29.1%


(1) Related to 12/91 ACC settlement agreement.

(2) Related to 5/94 ACC settlement agreement.

(3) Includes Nuclear Fuel Amortization.

(4) Includes the leased portion of Palo Verde Unit 2.

I, Barb Gomez, Manager of Business Services of Arizona Public Service Company certify that these cashflow calculations utilize the Company's approach to estimating cash flows for internal management reports and planning purposes. The 1994 cashflows agree as appropriate with the Company's 1994 Audited Annual Report. The 1995 estimate of cashflows is based on the 1995 Company Budget. The 1995 estimate does not reflect actual results to date, as the Budget is not revised to reflect changing conditions.

  
Barb Gomez  
Manager, Business Services, APS



**SOUTHERN CALIFORNIA EDISON COMPANY**  
**1995 Internal Cash Flow Projection**  
(Dollars in Thousands)

	1994 <u>Actual</u>	1995 <u>Projected</u>
Net Income After Taxes	\$638,531	*
Dividends Paid	\$588,917	*
Retained Earnings	\$49,664	*
Adjustments:		
Depreciation & Decommissioning	\$890,656	\$847,000
Net Deferred Taxes & ITC	(\$102,179)	(\$68,000)
Allowance for Funds Used During Construction	(\$28,788)	(\$41,000)
Total Adjustments	\$759,689	\$738,000
Internal Cash Flow	\$809,353	*
Average Quarterly Cash Flow	\$202,338	*

**Percentage Ownership in All Nuclear Units:**

San Onofre Nuclear Generating Station Unit 1	
Southern California Edison Company	80.00%
San Diego Gas & Electric Company	20.00%
San Onofre Nuclear Generating Station Units 2&3	
Southern California Edison Company	75.05%
San Diego Gas & Electric Company	20.00%
City of Anaheim	3.16%
City of Riverside	1.79%
Palo Verde Nuclear Generating Station Units 1, 2, & 3	15.80%

**Maximum Total Contingent Liability:**

San Onofre Nuclear Generating Station Unit 1	\$10,000
San Onofre Nuclear Generating Station Unit 2	\$10,000
San Onofre Nuclear Generating Station Unit 3	\$10,000
Palo Verde Nuclear Generating Station Unit 1	\$1,580
Palo Verde Nuclear Generating Station Unit 2	\$1,580
Palo Verde Nuclear Generating Station Unit 3	\$1,580
	<u>\$34,740</u>

\* Company policy prohibits disclosure of financial data which will enable unauthorized persons to forecasts earnings or dividends, unless assured confidentiality. The Net Estimated Cash Flow for 1995 is expected to be comparable to the Actual Cash Flow for 1994.



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**SOUTHERN CALIFORNIA  
PUBLIC POWER AUTHORITY**

**REPORT AND FINANCIAL STATEMENTS  
AND SUPPLEMENTAL  
FINANCIAL INFORMATION**

**JUNE 30, 1994 AND 1993**



29



*Price Waterhouse LLP*



**REPORT OF INDEPENDENT ACCOUNTANTS**

September 2, 1994

To the Board of Directors of the  
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, 1994 and 1993, 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 audit 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, Mead-Adelanto Project, Multiple Project Fund and San Juan Project and the separate statements of operations of the Authority's Palo Verde Project, Southern Transmission System Project, Hoover Upgrading Project and San Juan Project present fairly, in all material respects, the financial position of each of the Projects at June 30, 1994, and their cash flows, and the results of operations of the Authority's Palo Verde Project, Southern Transmission System Project, Hoover Upgrading Project and San Juan Project for the year 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



The Board of Directors  
September 2, 1994  
Page 2

accordance with generally accepted auditing standards which require that we plan and perform the audit 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.

Our audits were conducted 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 LLP*

66



## SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

COMBINED BALANCE SHEET

(In thousands)

	June 30, 1994								June 30, 1993
<u>Assets</u>	<u>Palo Verde Project</u>	<u>Southern Transmission System Project</u>	<u>Hoover Upgrading Project</u>	<u>Mead-Phoenix Project</u>	<u>Mead-Adelanto Project</u>	<u>Multiple Project Fund</u>	<u>San Juan Project</u>	<u>Total</u>	<u>Total</u>
Utility plant:									
Production	\$ 609,308						\$ 183,309	\$ 792,617	\$ 606,728
Transmission	14,146	\$ 675,301						689,447	688,918
General	<u>2,633</u>	<u>18,893</u>					<u>7,681</u>	<u>29,207</u>	<u>21,280</u>
	626,087	694,194					190,990	1,511,271	1,316,926
Less - Accumulated depreciation	<u>188,019</u>	<u>154,656</u>					<u>12,207</u>	<u>354,882</u>	<u>294,048</u>
	438,068	539,538					178,783	1,156,389	1,022,878
Construction work in progress	8,612	897		\$ 16,831	\$ 75,518		627	102,485	39,595
Nuclear fuel, at amortized cost	<u>15,456</u>							<u>15,456</u>	<u>13,876</u>
Net utility plant	<u>462,136</u>	<u>540,435</u>		<u>16,831</u>	<u>75,518</u>		<u>179,410</u>	<u>1,274,330</u>	<u>1,076,349</u>
Special funds:									
Decommissioning fund	23,206							23,206	51,178
Investments	115,609	135,314	\$ 5,616	56,164	155,892	\$ 250,819	26,868	746,282	1,115,379
Advance to Intermountain Power Agency		19,550						19,550	19,550
Advances for capacity and energy, net			13,318					13,318	14,319
Interest receivable	1,350	2,122	80	2,332	6,144	9,218	10	21,256	25,864
Cash and cash equivalents	62,708	48,553	5,451	5			8,639	125,356	73,863
Escrow account - Crossover Series		<u>351,017</u>						<u>351,017</u>	<u>365,757</u>
	<u>202,873</u>	<u>556,556</u>	<u>24,465</u>	<u>58,501</u>	<u>162,036</u>	<u>260,037</u>	<u>35,517</u>	<u>1,299,985</u>	<u>1,665,910</u>
Accounts receivable	1,043	4,409		27	5		1,222	6,706	2,767
Materials and supplies	10,347						5,019	15,366	10,060
Costs recoverable from future billings to participants	184,859	168,594	6,661				12,169	372,283	273,924
Prepaid construction costs				2,589	6,650			9,239	
Unamortized debt expenses, less accumulated amortization of \$104,342 and \$87,907	<u>222,062</u>	<u>181,473</u>	<u>3,730</u>	<u>10,917</u>	<u>31,059</u>		<u>3,834</u>	<u>453,075</u>	<u>421,381</u>
	<u>\$ 1,083,320</u>	<u>\$ 1,451,467</u>	<u>\$ 34,856</u>	<u>\$ 88,865</u>	<u>\$ 275,268</u>	<u>\$ 260,037</u>	<u>\$ 237,171</u>	<u>\$ 3,430,984</u>	<u>\$ 3,450,391</u>
<u>LIABILITIES</u>									
Long-term debt	<u>\$ 1,015,962</u>	<u>\$ 1,053,403</u>	<u>\$ 32,815</u>	<u>\$ 86,119</u>	<u>\$ 267,126</u>	<u>\$ 241,427</u>	<u>\$ 227,871</u>	<u>\$ 2,924,723</u>	<u>\$ 2,937,681</u>
Subordinate Refunding Crossover Series		<u>353,317</u>						<u>353,317</u>	<u>368,312</u>
Arbitrage rebate payable				<u>204</u>	<u>508</u>	<u>3,855</u>		<u>4,567</u>	<u>8,903</u>
Deferred costs						<u>6,499</u>		<u>6,499</u>	
Current liabilities:									
Long-term debt due within one year	22,425	13,615	860					36,900	31,020
Accrued interest	31,404	28,606	518	2,505	7,603	8,256	5,994	84,886	80,494
Accounts payable and accrued expenses	<u>13,529</u>	<u>2,526</u>	<u>663</u>	<u>37</u>	<u>31</u>		<u>3,306</u>	<u>20,092</u>	<u>13,981</u>
	<u>67,358</u>	<u>44,747</u>	<u>2,041</u>	<u>2,542</u>	<u>7,634</u>	<u>8,256</u>	<u>9,300</u>	<u>141,878</u>	<u>125,495</u>
Advances from participants									<u>10,000</u>
Commitments and contingencies									
	<u>\$ 1,083,320</u>	<u>\$ 1,451,467</u>	<u>\$ 34,856</u>	<u>\$ 88,865</u>	<u>\$ 275,268</u>	<u>\$ 260,037</u>	<u>\$ 237,171</u>	<u>\$ 3,430,984</u>	<u>\$ 3,450,391</u>

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



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

COMBINED STATEMENT OF OPERATIONS

(In thousands)

	<u>Year Ended June 30, 1994</u>					<u>Year Ended June 30, 1993</u>
	<u>Palo Verde Project</u>	<u>Southern Transmission System Project</u>	<u>Hoover Upgrading Project</u>	<u>San Juan Project</u>	<u>Total</u>	
Operating revenues:						
Sales of electric energy	\$ 120,388		\$ 2,469	\$ 49,000	\$171,857	\$127,836
Sales of transmission services		\$ 87,756			87,756	88,245
Billing credit (Note 3)	<u>(45,174)</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>(45,174)</u>	<u>          </u>
Total operating revenues	<u>75,214</u>	<u>87,756</u>	<u>2,469</u>	<u>49,000</u>	<u>214,439</u>	<u>216,081</u>
Operating expenses:						
Nuclear fuel	5,510				5,510	7,788
Other operations	27,094	11,243	2,650	381	41,368	41,740
Maintenance	9,327	3,586		37,564	50,477	10,683
Depreciation	19,311	19,691		9,095	48,097	38,621
Decommissioning	13,401			3,112	16,513	12,560
Reimbursement of capacity and energy charges	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>83</u>
Total operating expenses	<u>74,643</u>	<u>34,520</u>	<u>2,650</u>	<u>50,152</u>	<u>161,965</u>	<u>111,475</u>
Operating income (loss)	571	53,236	(181)	(1,152)	52,474	104,606
Investment income	<u>12,182</u>	<u>10,965</u>	<u>500</u>	<u>1,621</u>	<u>25,268</u>	<u>22,207</u>
Income before debt expense	12,753	64,201	319	469	77,742	126,813
Debt expense	<u>79,197</u>	<u>81,842</u>	<u>2,424</u>	<u>12,638</u>	<u>176,101</u>	<u>166,724</u>
Costs recoverable from future billings to participants	<u>(\$ 66,444)</u>	<u>(\$ 17,641)</u>	<u>(\$ 2,105)</u>	<u>(\$ 12,169)</u>	<u>(\$ 98,359)</u>	<u>(\$ 39,911)</u>

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





## COMBINED STATEMENT OF CASH FLOWS

(In thousands)

	Year Ended June 30, 1994							Year Ended June 30, 1993
	Palo Verde Project	Southern Transmission System Project	Hoover Uprating Project	Mead- Phoenix Project	Mead- Adelanto Project	Multiple Project Fund	San Juan Project	Total
								Total
Cash flows from operating activities:								
Costs recoverable from future billings to participants	(\$ 66,444)	(\$ 17,641)	(\$ 2,105)				(\$ 12,169)	(\$ 98,359)
Adjustments to arrive at net cash provided by (used for) operating activities -								
Depreciation	19,311	19,691					9,095	48,097
Decommissioning	13,401						3,112	16,513
Amortization of nuclear fuel	5,510							5,510
Amortization of debt costs	16,389	11,474	292				616	28,771
Changes in assets and liabilities:								
Decommissioning fund	27,972							27,972
Interest receivable	382	549	99				(10)	1,020
Accounts receivable	842	(3,541)					(1,222)	(3,921)
Materials and supplies	(287)						(5,019)	(5,306)
Other assets	(288)	(427)	5				(139)	(849)
Accrued interest	2,990	(1,325)	(24)				5,028	6,669
Accounts payable and accrued expenses	3,670	(105)	622				1,993	6,180
Net cash provided by (used for) operating activities	23,448	8,675	(1,111)				1,285	32,297
Cash flows from investing activities:								
Interest received on investments				\$ 6,655	\$ 17,840	\$ 18,335		42,830
Payments of interest on long-term debt				(6,605)	(18,164)	(16,512)		(41,281)
Payments for construction of facility	(11,856)	339		(12,524)	(56,971)	(1,823)	(627)	(83,462)
Purchase of electric plant							(190,357)	(190,357)
Purchases of investments	(171,311)	(98,844)		(6,665)	(20,733)		(33,817)	(331,370)
Proceeds from sale of investments	206,789	129,049	7,349	18,942	77,934		232,331	672,394
Advances for capacity and energy, net			1,001					1,001
Reimbursement from WAPA				187	60			247
Reimbursement from project manager								14,048
Net cash provided by (used for) investing activities	23,622	30,544	8,350	(10)	(34)	-	7,530	70,002
Cash flows from capital and related financing activities:								
Proceeds from sale of bonds		142,012		76,721	215,628			434,361
Payment for defeasance of revenue bonds		(148,240)	(2,282)	(76,115)	(213,593)			(440,230)
Repayment of principal on long-term debt	(19,825)	(10,290)	(905)					(31,020)
Payment for bond issue costs		(1,144)		(596)	(2,001)		(176)	(3,917)
Transfer of funds from Multiple Project								
Transfer of funds to Mead-Phoenix								
Transfer of funds to Mead-Adelanto								
Repayment of advances from participants							(10,000)	(10,000)
Advances from participants								10,000
Amount deposited in escrow accounts related to crossover bonds								
Net cash (used for) provided by capital and related financing activities	(19,825)	(17,662)	(3,187)	10	34	-	(10,176)	(50,806)
Net increase (decrease) in cash and cash equivalents	27,245	21,557	4,052				(1,361)	51,493
Cash and cash equivalents at beginning of year	35,463	26,996	1,399	5			10,000	73,863
Cash and cash equivalents at end of year	\$ 62,708	\$ 48,553	\$ 5,451	\$ 5	\$ -	\$ -	\$ 8,639	\$ 125,356
Supplemental disclosure of cash flow information:								
Cash paid during the year for interest (net of amount capitalized)	\$ 59,818	\$ 70,994	\$ 2,155	\$ -	\$ -	\$ -	\$ 6,027	\$ 138,994

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 projects at June 30, 1994 and 1993:

<u>Participants</u>	<u>Palo Verde</u>	<u>Southern Transmission System</u>	<u>Hoover Upgrading</u>	<u>Mead-Phoenix</u>	<u>Mead-Adelanto</u>	<u>San Juan</u>
City of Los Angeles	67.0%	59.5%		24.8%	35.7%	
City of Anaheim		17.6	42.6%	24.2	13.5	
City of Riverside	5.4	10.2	31.9	4.0	13.5	
Imperial Irrigation District	6.5					51.0%
City of Vernon	4.9					
City of Azusa	1.0		4.2	1.0	2.2	14.7
City of Banning	1.0		2.1	1.0	1.3	9.8
City of Colton	1.0		3.2	1.0	2.6	14.7
City of Burbank	4.4	4.5	16.0	15.4	11.5	
City of Glendale	4.4	2.3		14.8	11.1	9.8
City of Pasadena	<u>4.4</u>	<u>5.9</u>	<u>      </u>	<u>13.8</u>	<u>8.6</u>	<u>      </u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

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

Mead-Phoenix participation reflects three ownership components.

### Palo Verde Project

The Authority, pursuant to an assignment agreement dated as of August 14, 1981 with the Salt River Project (Salt River), 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).



NOTE 1: (Continued)

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 operations in January and September 1986, and January 1988, respectively.

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 (LADWP), 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 the end of 1996. The Authority will have an 18.68% interest in the contingent capacity of the Hoover Upgrading Project (HU). All seventeen "uprated" generators of the Hoover Upgrading Project have commenced commercial operations.

Mead-Phoenix Project

The Authority entered into an agreement dated as of December 17, 1991 to acquire an interest in the Mead-Phoenix Project (MP), a transmission line extending between the Westwing substation in Arizona and the Marketplace substation in Nevada. The agreement provided the Authority with an 18.31% interest in the Westwing-Mead project component, a 17.76% interest in the Mead Substation project component and a 22.41% interest in the Mead-Marketplace project component. The Authority has entered into transmission service contracts for the entire capability of its interest with nine members of the Authority on a "take or pay" basis. The Authority will have two separate and independent ownership interests in this project: one interest for the Authority's members participating in the project, and one interest for Western Area Power Administration (WAPA); WAPA will provide the funding for the WAPA interest. Construction commenced in November 1993 with an estimated commercial operations commencement date of December 1995. The Authority's share, excluding WAPA's interest, of the construction costs is estimated to be \$53.4 million. Funding was provided by a transfer of funds from the Multiple Project Fund.



NOTE 1: (Continued)

Mead-Adelanto Project

The Authority entered into an agreement dated as of December 17, 1991 to acquire a 67.92% interest in the Mead-Adelanto Project (MA), a transmission line extending between the Adelanto substation in Southern California and the Marketplace substation in Nevada. The Authority has entered into transmission service contracts for the entire capability of its interest with nine members of the Authority on a "take or pay" basis. The Authority will have two separate and independent ownership interests in this project: one interest for the Authority's members participating in the project, and one interest for WAPA; WAPA will provide the funding for the WAPA interest. The Authority's share, excluding WAPA's interest, of the construction costs is expected to be \$169.6 million. Funding was provided by a transfer of funds from the Multiple Project Fund. Construction of the Marketplace substation began in October 1993 and the modifications to the Adelanto substation began in December 1993. The estimated commercial operations date is December 1995. The LADWP serves as both construction and operations manager.

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 were expected to be undertaken within the next five years.

In August 1992, the Authority's Board of Directors approved a resolution authorizing the use of certain proceeds of Multiple Project Revenue Bonds to finance the Authority's ownership interests in the Mead-Phoenix and Mead-Adelanto projects. Transfers made from the Multiple Project Fund are sufficient to provide for the Authority's share of the estimated costs of acquisition and construction of the two projects, including reimbursement of planning, development and other related costs.

San Juan Project

Effective July 1, 1993, the Authority purchased from Century Power Corporation a 41.80% interest in the 488 megawatt Unit 3 and common facilities of the San Juan Generating Station (SJGS), a four-unit coal-fired power generating station in New Mexico, for approximately \$193 million. The Authority allocated the purchase price to the estimated fair value of the utility plant (\$190 million) and to materials and supplies (\$3 million). The purchase has been financed through the issuance of approximately \$237 million (par value) of San Juan Project Revenue Bonds. The Authority has entered into power sales contracts for the entire capability of its interest with five members of the Authority on a "take or pay" basis.





## 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.

The financial statements represent the Authority's share in each jointly-owned project. The Authority's share of direct expenses of jointly-owned projects are included in the corresponding operating expense of the statement of operations. Each owner of the jointly-owned projects is required to provide their own financing.

### Utility Plant

The Authority's share of 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 commences 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, such funds will eventually be utilized to provide for PVNGS' nuclear waste disposal. The Authority records this charge as a current year expense.

The Authority's share of costs associated with STS and SJCS are included as utility plant. Depreciation expense is computed using the straight-line method based on the estimated service lives, principally thirty-five years for STS and twenty-one years for SJCS.

Interest costs incurred in 1994 by the MA and MP projects of \$18,164,000 and \$6,605,000, respectively, are capitalized as construction work in progress as both projects are in the construction stage.

### 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 WAPA billings to participants for energy and capacity. During fiscal 1993, WAPA reimbursed \$83,000 of the advances to the participants in addition to the energy and capacity provided.



NOTE 2: (Continued)

Nuclear Decommissioning

Decommissioning of PVNCS is projected to commence subsequent to the year 2022. Based upon an updated study performed by an independent engineering firm, the Authority's share of the estimated decommissioning costs is \$79.3 million in 1992 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 which amounted to \$13.4 million in 1994 and \$12.6 million in 1993. The decommissioning liability is included as a component of accumulated depreciation and was \$62.2 million and \$48.8 million at June 30, 1994 and 1993, respectively.

A Decommissioning Fund has been established and partially funded at \$23 million at June 30, 1994.

Demolition and Site Reclamation

Demolition and site reclamation of SJCS, which involves restoring the site to a "green" condition which existed prior to SJCS construction, is projected to commence subsequent to the year 2014. Based upon a study performed by an independent engineering firm, the Authority's share of the estimated demolition costs is \$18.7 million in 1992 dollars. The Authority is providing for its share of the estimated future demolition costs over the life of the power plant through annual charges to expense of \$3.1 million. The demolition liability is included as a component of accumulated depreciation.

As of June 30, 1994, a demolition fund has not been established by the Authority.

Unamortized Debt Expenses

Unamortized debt issue costs, including the loss on refundings, are amortized over the terms of the respective issues and are reported net of accumulated amortization. Total deferred loss on refundings, net of accumulated amortization, was \$449,680,000 and \$380,774,000 at June 30, 1994 and 1993, respectively.

Investments

Investments include United States Government and governmental agency securities and repurchase agreements which are collateralized by such securities. Additionally, the Mead-Adelanto Project, the Mead-Phoenix Project and the Multiple Project Fund's investments are comprised of 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 and 1992 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. 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.



NOTE 2: (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash and all investments with original maturities less than 90 days. Included in cash and cash equivalents at June 30, 1993 is \$10,000,000 of cash in escrow deposited by participants in connection with the purchase of the San Juan Project.

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 Expense

Debt expense includes 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. The first rebate payment to the IRS is due in fiscal year 1995.

Reclassifications

Certain reclassifications have been made in the fiscal year 1993 financial statements to conform to the fiscal year 1994 presentation.

NOTE 3 - SPECIAL FUNDS:

The Bond Indentures for the six 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:

<u>Fund</u>	<u>Purpose</u>
Construction	To disburse funds for the acquisition and construction of the Project
Debt Service	To pay interest and principal related to the Revenue Bonds



NOTE 3: (Continued)

<u>Fund</u>	<u>Purpose</u>
Revenue	To initially receive all revenues and disburse them to other funds
Operating	To pay operating expenses
Reserve and Contingency	To pay capital improvements and make up deficiencies in other funds
General Reserve	To make up any deficiencies in other funds
Advance Payments	To disburse funds for the cost of acquisition of capacity
Proceeds Account	To initially receive the proceeds of the sale of the Multiple Project Revenue Bonds
Earnings Account	To receive investment earnings on the Multiple Project Revenue Bonds
Revolving Fund	To pay the Authority's operating expenses
Decommissioning Fund	To accumulate estimated future decommissioning costs of PVNGS
Issue Fund	To initially receive pledged revenues associated with the applicable subordinated refunding series' Indenture of Trust and pay the related interest and principal
Cost of Issuance Fund	To pay a portion of the costs of issuance of the 1993 Special Obligation Crossover Series Bonds
Escrow account - Subordinate Refunding Crossover Series	To initially receive pledged revenues associated with the components 2 and 3 of the 1993 Subordinate Refunding Crossover Series' Indenture of Trust and pay the related interest and principal
Acquisition Account	To disburse funds for the acquisition and construction of the Mead-Phoenix, Mead-Adelanto and San Juan projects

All of the funds listed above, except for the Revolving Fund, are held by the respective trustees.





NOTE 3: (Continued)

Special funds, in thousands, were as follows:

	June 30,			
	1994		1993	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Palo Verde Project	\$ 202,873	\$ 200,495	\$ 239,460	\$ 244,574
Southern Transmission System Project	556,556	563,230	565,753	567,116
Hoover Uprating Project	24,465	24,422	28,862	29,038
Mead-Phoenix Project	58,501	58,377	91,443	91,443
Mead-Adelanto Project	162,036	161,516	246,862	246,862
Multiple Project Fund	260,037	260,037	258,148	258,148
San Juan Project	35,517	35,517	235,382	235,382
	<u>\$1,299,985</u>	<u>\$ 1,303,594</u>	<u>\$ 1,665,910</u>	<u>\$ 1,672,563</u>

Palo Verde Project

The special funds required by the Bond Indenture contain balances, in thousands, as follows:

	June 30,	
	1994	1993
Construction Fund-Initial Facilities Account		\$ 13,333
Debt Service Fund -		
Debt Service Account	\$ 52,142	48,102
Debt Service Reserve Account	81,007	80,888
Cost of Issuance Fund		27
Revenue Fund		2
Operating Fund	25,543	27,522
Reserve and Contingency Fund	8,428	7,041
Decommissioning Trust Fund	23,206	51,178
Issue Fund	12,494	11,314
Revolving Fund	<u>53</u>	<u>53</u>
	<u>\$202,873</u>	<u>\$239,460</u>

During fiscal 1994, the Authority used \$45.1 million of excess funds from the decommissioning and construction funds to pay current year debt service, thus reducing current year billings to participants. This amount was charged to operating revenues as a billing credit in recognition of reduced debt service on the Palo Verde Project.



NOTE 3: (Continued)

Southern Transmission System Project

The special funds required by the Bond Indenture contain balances, in thousands, as follows:

	<u>June 30,</u>	
	<u>1994</u>	<u>1993</u>
Construction Fund - Initial Facilities Account	\$ 3	\$ 76
Debt Service Fund -		
Debt Service Account	22,148	37,913
Debt Service Reserve Account	75,670	89,879
Operating Fund	6,553	7,351
General Reserve Fund	6,815	10,335
Issue Fund	74,790	34,882
Escrow Account - Subordinate Refunding Crossover Series	351,017	365,757
Revolving Fund	<u>10</u>	<u>10</u>
	<u>\$537,006</u>	<u>\$546,203</u>

In addition, at June 30, 1994 and 1993, 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:

	<u>June 30,</u>	
	<u>1994</u>	<u>1993</u>
Advance Payments Fund	\$ 2,906	\$ 9,502
Operating-Working Capital Fund	576	573
Debt Service Fund -		
Debt Service Account	1,380	1,363
Debt Service Reserve Account	3,087	3,097
General Reserve Fund	3,190	
Revolving Fund	<u>8</u>	<u>8</u>
	<u>\$ 11,147</u>	<u>\$ 14,543</u>

In addition, at June 30, 1994 and 1993, the Authority had advances to USBR of \$13,318,000 and \$14,319,000, respectively.



NOTE 3: (Continued)

Mead-Phoenix Project

The special funds required by the Bond Indenture contain balances, in thousands, as follows:

	<u>June 30,</u>	
	<u>1994</u>	<u>1993</u>
Acquisition Account	\$ 38,897	\$ 60,930
Debt Service Fund -		
Debt Service Account	6,268	21,216
Debt Service Reserve Account	6,168	9,292
Issue Fund	7,163	
Revolving Fund	<u>5</u>	<u>5</u>
	<u>\$ 58,501</u>	<u>\$ 91,443</u>

Mead-Adelanto Project

The special funds required by the Bond Indenture contain balances, in thousands, as follows:

	<u>June 30,</u>	
	<u>1994</u>	<u>1993</u>
Acquisition Account	\$103,805	\$162,968.
Debt Service Fund		
Debt Service Account	16,989	58,342
Debt Service Reserve Account	17,211	25,552
Issue Fund	<u>24,031</u>	<u>      </u>
	<u>\$162,036</u>	<u>\$246,862</u>

Multiple Project Fund

The special funds required by the Bond Indenture contain balances, in thousands, as follows:

	<u>June 30,</u>	
	<u>1994</u>	<u>1993</u>
Multiple Project Fund -		
Proceeds Account	\$256,831	\$256,831
Earnings Account	<u>3,206</u>	<u>1,317</u>
	<u>\$260,037</u>	<u>\$258,148</u>



NOTE 3: (Continued)

San Juan Project

The special funds required by the Bond Indenture contain balances, in thousands, as follows:

	<u>June 30,</u>	
	<u>1994</u>	<u>1993</u>
Operating Reserve	\$ 557	\$ 4,000
Operating Revenue Fund	1,838	
Acquisition Account	29	194,890
Debt Service Fund -		
Debt Service Account	6,008	966
Debt Service Reserve Account	18,025	18,026
Reserve and Contingency	<u>9,060</u>	<u>7,500</u>
	<u>\$ 35,517</u>	<u>\$225,382</u>

In addition, at June 30, 1993, the Authority held in an escrow account advances from participants of \$10,000,000 which were repaid during fiscal year 1994.

NOTE 4 - LONG-TERM DEBT:

Reference is made below to the Combined Schedule of Long-Term Debt at June 30, 1994 for details related to all of the Authority's outstanding bonds.

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 (Senior Indenture), as amended and supplemented. The Authority also has issued and has outstanding Power Project Subordinated Refunding Series Bonds issued under an Indenture of Trust dated as of January 1, 1993 (Subordinated Indenture). The Subordinated Refunding Bonds were issued to advance refund certain bonds previously issued under the Senior Indenture.

The bond indentures provide that the Revenue Bonds and Subordinated Refunding 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 6) 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 Power Project Revenue Bonds and Subordinated Refunding Term Bonds, at the option of the Authority, are subject to redemption prior to maturity.





NOTE 4: (Continued)

The Bond Indenture requires mandatory sinking fund installments to be made beginning in fiscal year 2003 (1986 Series A Bonds and 1987 Series A Bonds), 2005 (1989 Series A Bonds) and 2010 (1993 Series A Bonds). Scheduled principal maturities for the Palo Verde Project during the five fiscal years following June 30, 1994 are \$22,425,000 in 1995, \$23,855,000 in 1996, \$25,580,000 in 1997, \$27,415,000 in 1998, and \$29,175,000 in 1999. The average interest rate on outstanding debt during fiscal year 1994 and 1993 was 6.0% and 6.4%, respectively.

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 (Senior Indenture), as amended and supplemented. The Authority also has issued and has outstanding Transmission Project Revenue Bonds 1991 Subordinated Refunding Series and 1992 Subordinated Refunding Series issued under Indenture of Trusts dated as of March 1, 1991 and June 1, 1992, respectively. The 1991 subordinated bonds and the 1992 subordinated bonds were issued to advance refund certain bonds previously issued under the Senior Indenture.

The bond indentures provide that the Revenue Bonds and the Subordinated Refunding Series 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 6) 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 and Refunding 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 2003 (for the 1986 Series A Bonds), 2002 (1986 Series B Bonds) and 2007 (1988 Series A Bonds). Scheduled principal maturities for STS during the five fiscal years following June 30, 1994 are \$13,615,000 in 1995, \$14,325,000 in 1996, \$12,620,000 in 1997, \$24,045,000 in 1998, and \$23,310,000 in 1999. The average interest rate on outstanding debt during fiscal year 1994 and 1993 was 6.6% and a 6.9%, respectively.

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).

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 6), (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 Payments Fund).



NOTE 4: (Continued)

All outstanding Hydroelectric Power Project Revenue 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 2007 for the 1981 Series A Bonds maturing on October 1, 2010 and fiscal year 2011 for the 1991 Series A bonds. Scheduled principal maturities for the Hoover Upgrading Project during the five fiscal years following June 30, 1994 are \$860,000 in 1995, \$610,000 in 1996, \$1,085,000 in 1997, \$1,130,000 in 1998, and \$1,235,000 in 1999. The average interest rate on outstanding debt during fiscal year 1994 and 1993 was 5.7% and 5.2%, respectively.

During the fiscal year, the Authority repurchased \$2.9 million of outstanding Hydroelectric Power Project Revenue Bonds with excess funds in the Advance Payments Fund. The loss on early extinguishment of debt (\$577,000) is included in unamortized debt expense and is amortized over the original life of the bond.

The Authority estimates that the total financing requirements for its interest in the Hoover Upgrading Project will approximate \$31.8 million, substantially all of which will be expended for the acquisition of entitlement to capacity.

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.

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.

In October 1992, \$285,010,000 and \$103,640,000 of the Multiple Project Revenue Bonds were transferred to the Mead-Adelanto Project and the Mead-Phoenix Project, respectively, to finance the estimated costs of acquisition and construction of the projects.

A total of \$153,500,000 of the outstanding Multiple Project Revenue Bonds 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 Revenue Bonds is \$13,500,000 in 1999. The average interest rate on outstanding debt during fiscal year 1994 and 1993 was 6.9%.



NOTE 4: (Continued)

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 LADWP advanced \$7,219,000 to the Authority for the payment of the costs. The advance plus 7.09% interest was repaid in fiscal year 1993 to the LADWP after the first transfer of bond proceeds by the Authority from the Multiple Project Fund to the Mead-Adelanto Project and the Mead-Phoenix Project.

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 participants advanced monies to the Authority to retire the note. During the fiscal year 1993, Salt River, project manager of the Mead-Phoenix Project, reimbursed the participants for their advances to the Authority.

To finance the Authority's ownership interest in the estimated cost of the project, \$103,640,000 of the Multiple Project Revenue Bonds were transferred to the Mead-Phoenix Project in October 1992. In March 1994, the Authority issued and has outstanding \$51,835,000 of Mead-Phoenix Revenue Bonds under an Indenture of Trust dated as of January 1, 1994 (Bond Indenture). The proceeds from the Revenue Bonds, together with drawdowns from the Debt Service Fund and Project Acquisition Fund, were used to advance refund \$64,840,000 of the Multiple Project Revenue Bonds previously transferred to the Mead-Phoenix Project.

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 Mead-Phoenix (see Note 6) and interest on all moneys or securities and (3) all funds established by the Bond Indenture.

All outstanding Mead-Phoenix Revenue 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 2018 for the 1994 Series Bonds. The first scheduled principal maturity for the Mead-Phoenix Revenue Bonds is \$3,040,000 in 2006. The average interest rate on outstanding debt during fiscal year 1994 and 1993 was 6.7% and 6.9%, respectively.

Mead-Adelanto Project

To finance the Authority's ownership interest in the estimated cost of the project, \$285,010,000 of the Multiple Project Revenue Bonds were transferred to the Mead-Adelanto Project in October 1992. In March 1994, the Authority issued and has outstanding \$173,955,000 of Mead-Adelanto Revenue Bonds under an Indenture of Trust dated as of January 1, 1994 (Bond Indenture). The proceeds of the Revenue Bonds, together with drawdowns from the Debt Service Fund and Project Acquisition Fund, were used to advance refund \$178,310,000 of the Multiple Project Revenue Bonds previously transferred to the Mead-Adelanto Project.



NOTE 4: (Continued)

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 Mead-Adelanto (see Note 6) and interest on all moneys or securities and (3) all funds established by the Bond Indenture.

All outstanding Mead-Adelanto Revenue 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 2018 for the 1994 Series Bonds. The first scheduled principal maturity for the Mead-Adelanto Revenue Bonds is \$10,135,000 in 2006. The average interest rate on outstanding debt during fiscal year 1994 and 1993 was 6.5% and 6.9%, respectively.

San Juan Project

To finance the costs of acquisition of an ownership interest in Unit 3 of the San Juan Project, the Authority issued San Juan Project Revenue Bonds pursuant to the Authority's Indenture of Trust dated as of January 1, 1993 (Bond Indenture).

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 San Juan (see Note 6) and interest on all moneys or securities and (3) all funds established by the Bond Indenture.

All outstanding San Juan Project Revenue 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 2012 for the 1993 Series A Bonds. The first scheduled principal maturity for the San Juan Project Revenue Bonds is \$6,065,000 in 1997. The average interest rate on outstanding debt during fiscal year 1994 and 1993 was 5.6%.

Refunding Bonds

In March 1994, the Authority issued \$173,955,000 of Mead-Adelanto Project Revenue Bonds and \$51,835,000 of Mead-Phoenix Project Revenue Bonds to refund \$243,150,000 of previously issued Multiple Project Revenue Bonds which were transferred to the Mead-Adelanto and Mead-Phoenix projects during fiscal year 1993. The refunding is expected to reduce total debt service payments over the next 21 years by approximately \$41,529,000 (the difference between the debt service payments on the old and new debt) and is expected to result in a net present value savings of approximately \$18,119,000.

In July 1993, the Authority issued \$150,010,000 of Transmission Project Revenue Refunding Bonds to refund \$123,890,000 of previously issued bonds of the Southern Transmission System Project. The refunding is expected to reduce total debt service payments over the next 30 years by approximately \$16,947,000 (the difference between the debt service payments on the old and new debt) and is expected to result in an overall net present value savings of approximately \$7,478,000.





NOTE 4: (Continued)

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 sheet and the cost of refunding the debt is included in unamortized debt expense.

In July 1992, the Authority issued \$475,000,000 of Southern Transmission Project Revenue Bonds to refund \$385,385,000 of previously issued bonds. Principal and interest with respect to the 1992 bonds are allocated into four separate components. Each of components 1, 2 and 3 is secured by and payable from investments in its escrow fund until scheduled crossover dates. Component 4 proceeds of \$14,100,000 were used to advance refund approximately \$9,000,000 of bonds in fiscal year 1993. On the Component 1 Crossover date (January 1, 1994), Component 1 proceeds of \$13,959,000 were used to advance refund \$13,455,000 of previously issued bonds in fiscal year 1994. Proceeds from components 2 and 3 of \$357,132,000 were placed in an irrevocable trust and will be used to redeem \$318,385,000 of bonds currently included within long-term debt at scheduled call dates. The combined refunding is expected to reduce total debt service payments over the next 25 years by approximately \$52,585,000 and is expected to result in an overall net present value savings of approximately \$25,060,000.

Until the bonds to be refunded by components 2 and 3 are called, interest on the bonds is payable from interest earned on investments with a financial institution under a specific investment agreement purchased out of the proceeds of the sales and held in bank escrow accounts. After the monies in the escrow accounts are applied to redeem the bonds to be called, primarily through 1996, interest on the bonds will be payable from revenues. The trust account assets (\$351,017,000 in escrow accounts and \$2,300,000 in unamortized debt expense at June 30, 1994) and liabilities (\$353,317,000, net of bond discounts, at June 30, 1994) for components 2 and 3 are included in the Authority's financial statements. The revenue bonds to be refunded are also included in the financial statements until the scheduled call dates, at which time the refunded bonds and related trust account assets will be removed from the balance sheet and the cost of refunding the debt will be included in unamortized debt expenses. Interest earnings on investments in the escrow accounts are presented net of an equal amount of interest expense on the Subordinate Refunding Crossover Series Bonds in the Authority's financial statements. In addition, interest receivable for the escrow accounts is offset by accrued interest payable at fiscal year end and is included in the escrow cash account in the financial statements.

In January 1992, \$70,680,000 of Palo Verde Special Obligation Crossover Series Bonds were issued, the proceeds of which were placed in an irrevocable trust and will be used to redeem \$69,125,000 of bonds currently included within long term debt at scheduled call dates.

Until the bonds to be refunded by the Palo Verde Special Obligation Crossover Series Bonds are called, interest on the Palo Verde Special Obligation Crossover Series Bonds is payable from interest earned on securities of the United States Government purchased out of the proceeds of the sales and held in bank escrow accounts. After the monies in the escrow accounts are applied to redeem the bonds to be called, primarily through 1996, interest on the Palo Verde Special Obligation Crossover Series Bonds will be payable from revenues. The trust account assets and the liability for the Palo Verde Special Obligation Crossover Series Bonds are not included in the Authority's financial statements. At June 30, 1994 and 1993, \$73,399,000 and \$72,975,000, respectively, of these trust assets have been offset against the Palo Verde Special Obligation Crossover Series Bonds.



NOTE 4: (Continued)

At June 30, 1994 and 1993, the aggregate amount of debt considered to be extinguished was \$3,300,050,000 and \$2,919,555,000, respectively.

Interest Rate Swap

In fiscal year 1991, 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 Transmission Project Revenue Bonds, 1991 Subordinate Refunding Series as variable rate obligations. The notional amount of the Swap Agreement is equal to the par value of the bond (\$292,900,000 at June 30, 1994). 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 (2.1% at June 30, 1994). The bonds mature in 2019.



## NOTE 4: (Continued)

## COMBINED SCHEDULE OF LONG-TERM DEBT

AT JUNE 30, 1994

(In thousands)

<u>Project</u>	<u>Series</u>	<u>Date of Sale</u>	<u>Effective Interest Rate</u>	<u>Maturity on July 1</u>	<u>Total</u>
Principal:					
Palo Verde Project Revenue and Refunding Bonds	1983A	04/08/83	8.8%	1994	\$ 1,825
	1984A	07/18/84	10.3%	1994 to 1995	3,960
	1985A	05/22/85	8.7%	1994 to 1999	6,780
	1985B	07/02/85	9.1%	1994 to 2000	18,920
	1986A	03/13/86	8.2%	1994 to 2006	73,840
	1986B	12/16/86	7.2%	1994 to 2017	117,640
	1987A	02/11/87	6.9%	1994 to 2017	253,965
	1989A	02/15/89	7.2%	1994 to 2015	292,280
	1992A	01/01/92	6.0%	1994 to 2010	25,265
	1993A	03/01/93	5.5%	1994 to 2017	<u>370,765</u>
					1,165,240
Southern Transmission System Project Revenue and Refunding Bonds	1984B	10/17/84	10.2%	1994 to 1997	3,775
	1985A	08/15/85	8.9%	1994 to 1999	1,560
	1986A	03/18/86	8.0%	1994 to 2021	107,300
	1986B	04/29/86	7.5%	1994 to 2023	401,570
	1988A	11/22/88	7.2%	1994 to 2015	154,085
	1991A	4/17/91	6.4%	2019	292,900
	1992 Comp 1, 4	7/20/92	6.1%	1994 to 2021	35,866
	1992 Comp 2, 3	7/20/92	6.1%	1997 to 2021	439,134
	1993A	7/01/93	5.4%	1994 to 2023	<u>150,010</u>
					1,586,200
Hoover Upgrading Project Revenue and Refunding Bonds	1986A	08/13/86	8.1%	1994 to 2017	5,170
	1991	08/01/91	6.2%	1994 to 2017	<u>32,295</u>
					37,465
Multiple Project Revenue Bonds					
Mead-Phoenix Project	1989	01/04/90	6.9%	1999 to 2020	38,800
Mead-Adelanto Project	1989	01/04/90	6.9%	1999 to 2020	106,700
Multiple Project	1989	01/04/90	6.9%	1999 to 2020	<u>259,100</u>
					404,600
Mead-Phoenix Project Revenue Bonds	1994A	03/01/94	5.3%	2006 to 2015	51,835
Mead-Adelanto Project Revenue Bonds	1994A	03/01/94	5.3%	2006 to 2015	173,955
San Juan Project Revenue Bonds	1993	06/01/93	5.6%	1997 to 2020	<u>237,375</u>
					3,656,670
Total principal amount					
Unamortized bond discount:					
Palo Verde Project					(126,853)
Southern Transmission System Project					(165,865)
Hoover Upgrading Project					(3,790)
Mead-Phoenix Project					(4,516)
Mead-Adelanto Project					(13,529)
Multiple Project Fund					(17,673)
San Juan Project					<u>(9,504)</u>
					(341,730)
Total unamortized bond discount					3,314,940
Long-term debt due within one year					<u>(36,900)</u>
Total long-term debt, net					\$ 3,278,040

Bonds which have been refunded are excluded from this schedule.



## NOTE 5 - DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS:

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

### Cash and cash equivalents/Escrow account - Subordinate Refunding Crossover Series

The carrying value approximates fair value because of the short maturity of those instruments.

### Investments/Decommissioning trust fund/Crossover escrow accounts

The fair values of investments are estimated based on quoted market prices for those or similar investments.

### Long-term debt/Special Obligation Crossover Series Bonds/Subordinate Refunding Crossover Series

The fair value of the Authority's debt is estimated based on the quoted market prices for the same or similar issues or on the current average rates offered to the Authority for debt of approximately the same remaining maturities, net of the effect of a related interest rate swap agreement.

The estimated fair values of the Authority's financial instruments are as follows (in thousands):

	June 30.			
	1994		1993.	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Cash and cash equivalents	\$ 125,356	\$ 125,400	\$ 73,863	\$ 73,900
Escrow account - Subordinate Refunding Crossover Series	351,017	349,700	365,757	365,800
Decommissioning trust fund	23,206	22,600	51,178	53,900
Investments	746,282	741,500	1,115,379	1,118,900
Long-term debt	2,961,623	3,159,600	2,968,701	3,398,500
Subordinate Refunding Crossover Series	353,317	364,300	368,312	403,300
Unrecognized financial instruments:				
Special Obligation Crossover Series Bonds	70,680	74,000	70,680	72,700
Crossover escrow accounts	73,399	73,000	72,975	75,800





NOTE 6 - POWER SALES AND TRANSMISSION SERVICE CONTRACTS:

The Authority has power sales contracts with ten participants of the Palo Verde Project (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. 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 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. 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.

In August 1992, the Authority entered into transmission service contracts with nine participants of the Mead-Phoenix Project (see Note 1). Under the terms of the contracts, the participants are entitled to transmission service utilizing the Mead-Phoenix 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 the Multiple Project Revenue Bonds and other debt, whether or not the Mead-Phoenix Project or any part thereof has been completed, is operating and operable, or its service is suspended, interfered with, reduced or curtailed or terminated in whole or in part. The contracts expire in 2030 and, as long as any Multiple 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 August 1992, the Authority entered into transmission service contracts with nine participants of the Mead-Adelanto Project (see Note 1). Under the terms of the contracts, the participants are entitled to transmission service utilizing the Mead-Adelanto 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 the Multiple Project Revenue Bonds and other debt, whether or not the Mead-Adelanto Project or any part thereof has been completed, is operating and operable, or its service is suspended, interfered with, reduced or curtailed or terminated in whole or in part. The contracts expire in 2030 and, as long as any Multiple 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: (Continued)

In January 1993, the Authority entered into power sales contracts with five participants of Unit 3 of the San Juan Project (see Note 1). Under the terms of the contracts, the participants are entitled to power output of the San Juan 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 the San Juan Revenue Bonds and other debt, whether or not the Unit 3 of the San Juan Project or any part thereof is operating or operable, or its service is suspended, interfered with, reduced or curtailed or terminated in whole or in part. The contracts expire in 2030 and, as long as any San Juan Revenue Bonds are outstanding, cannot be terminated or amended in any manner which will impair or adversely affect the rights of the bondholders.

NOTE 7 - 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:

	Balance June 30, <u>1993</u>	Fiscal 1994 <u>Activity</u>	Balance June 30, <u>1994</u>
GAAP items not included in billings to participants:			
Depreciation of plant	\$252,256	\$ 48,097	\$300,353
Amortization of bond discount, debt issue costs, and cost of refunding	148,648	28,773	177,421
Nuclear fuel amortization	15,563	1,247	16,810
Decommissioning expense	42,207	16,513	58,720
Interest expense	5,110		5,110
Bond requirements included in billings to participants:			
Operations and maintenance, net of investment income	(45,503)	443	(45,060)
Costs of acquisition of capacity - STS	(18,350)		(18,350)
Reduction in debt service billings due to transfer of excess funds	40,999	45,174	86,173
Principal repayments	(147,005)	(36,945)	(183,950)
Other	<u>(20,001)</u>	<u>(4,943)</u>	<u>(24,944)</u>
	<u>\$273,924</u>	<u>\$ 98,359</u>	<u>\$372,283</u>



#### NOTE 8 - COMMITMENTS AND CONTINGENCIES:

As a participant in the PVNCS, the Authority could be subject to assessment of retroactive insurance premium adjustments in the event of a nuclear incident at the PVNCS 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.

##### Palo Verde

In March 1993, a tube ruptured in the steam generator at Palo Verde Unit 2 and resulted in an outage of the unit until September 1993. Upon further investigation of all three units, the operating level was reduced to approximately 86% of capacity in October 1993 to mitigate further tube degradation during assessment of the damage. The operator implemented several remedial actions and returned Units 1 and 3 to near 100% capacity during July 1994. It is anticipated that Unit 2 will be returned to full power by the end of 1994.

Under the Palo Verde Nuclear Generating Station ("PVNCS") Participation Agreement, if an owner defaults in the performance of its obligation, non-defaulting owners shall (in proportion to their generation entitlement shares) remedy the default, either by advancing the necessary funds and/or commencing to render the necessary performance. On January 8, 1992, an owner of a portion of PVNCS filed for protection under Chapter 11 of the Federal Bankruptcy Code in the United States Bankruptcy Court. Subsequent to the Chapter 11 filing, the owner is under a court order to continue making payments to PVNCS. Pre-petition general unsecured claims that remained unpaid as of June 30, 1993 were approximately \$9.3 million (the Authority's share was \$550,000). During fiscal 1994, a reorganization plan was proposed by the defaulting owner and PVNCS collected the \$9.3 million. However, the \$9.3 million, including SCPPA's share, must be repaid back to the defaulting owner if the proposed reorganization is not completed.

The Authority is unable to predict (i) how long the Bankruptcy court order will continue to remain in effect, (ii) the impact the Chapter 11 proceedings will have on the owner's performance of obligations with respect to PVNCS generally, or (iii) what costs will be incurred by the Authority and the other owners of PVNCS if the owner fails to perform obligations with respect to PVNCS.



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SUPPLEMENTAL FINANCIAL INFORMATION

INDEX

Palo Verde Project

Supplemental Balance Sheet at June 30, 1994 and 1993  
Supplemental Statement of Operations for the Years Ended June 30, 1994 and 1993  
Supplemental Statement of Cash Flows for the Years Ended June 30, 1994 and 1993  
Supplemental Schedule of Receipts and Disbursements in Funds Required by the Bond  
Indenture for the Year Ended June 30, 1994

Southern Transmission System Project

Supplemental Balance Sheet at June 30, 1994 and 1993  
Supplemental Statement of Operations for the Years Ended June 30, 1994 and 1993  
Supplemental Statement of Cash Flows for the Years Ended June 30, 1994 and 1993  
Supplemental Schedule of Receipts and Disbursements in Funds Required by the Bond  
Indenture for the Year Ended June 30, 1994

Hoover Upgrading Project

Supplemental Balance Sheet at June 30, 1994 and 1993  
Supplemental Statement of Operations for the Years Ended June 30, 1994 and 1993  
Supplemental Statement of Cash Flows for the Years Ended June 30, 1994 and 1993  
Supplemental Schedule of Receipts and Disbursements in Funds Required by the Bond  
Indenture for the Year Ended June 30, 1994

Mead-Phoenix Project

Supplemental Balance Sheet at June 30, 1994 and 1993  
Supplemental Statement of Cash Flows for the Years Ended June 30, 1994 and 1993  
Supplemental Schedule of Receipts and Disbursements in Funds Required by the Bond  
Indenture for the Year Ended June 30, 1994

Mead-Adelanto Project

Supplemental Balance Sheet at June 30, 1994 and 1993  
Supplemental Statement of Cash Flows for the Years Ended June 30, 1994 and 1993  
Supplemental Schedule of Receipts and Disbursements in Funds Required by the Bond  
Indenture for the Year Ended June 30, 1994

Multiple Project Fund

Supplemental Balance Sheet at June 30, 1994 and 1993  
Supplemental Statement of Cash Flows for the Years Ended June 30, 1994 and 1993  
Supplemental Schedule of Receipts and Disbursements in Funds Required by the Bond  
Indenture for the Year Ended June 30, 1994

San Juan Project

Supplemental Balance Sheet at June 30, 1994 and 1993  
Supplemental Statement of Operations for the Year Ended June 30, 1994  
Supplemental Statement of Cash Flows for the Years Ended June 30, 1994 and 1993  
Supplemental Schedule of Receipts and Disbursements in Funds Required by the Bond  
Indenture for the Year Ended June 30, 1994





## SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

## PALO VERDE PROJECT

SUPPLEMENTAL BALANCE SHEET

(In thousands)

	<u>June 30,</u>	
	<u>1994</u>	<u>1993</u>
<u>ASSETS</u>		
Utility plant:		
Production	\$ 609,308	\$ 606,728
Transmission	14,146	14,140
General	<u>2,633</u>	<u>2,387</u>
	626,087	623,255
Less - Accumulated depreciation	<u>188,019</u>	<u>159,082</u>
	438,068	464,173
Construction work in progress	8,612	10,453
Nuclear fuel, at amortized cost	<u>15,456</u>	<u>13,876</u>
Net utility plant	<u>462,136</u>	<u>488,502</u>
Special funds:		
Decommissioning fund	23,206	51,178
Investments	115,609	151,087
Interest receivable	1,350	1,732
Cash and cash equivalents	<u>62,708</u>	<u>35,463</u>
	<u>202,873</u>	<u>239,460</u>
Accounts receivable	1,043	1,885
Materials and supplies	10,347	10,060
Costs recoverable from future billings to participants	184,859	118,415
Unamortized debt expenses, less accumulated amortization of \$59,661 and \$47,672	<u>222,062</u>	<u>234,146</u>
	<u>\$ 1,083,320</u>	<u>\$ 1,092,468</u>
<u>LIABILITIES</u>		
Long-term debt	<u>\$ 1,015,962</u>	<u>\$ 1,034,370</u>
Current liabilities:		
Long-term debt due within one year	22,425	19,825
Accrued interest	31,404	28,414
Accounts payable and accrued expenses	<u>13,529</u>	<u>9,859</u>
	<u>67,358</u>	<u>58,098</u>
Commitments and contingencies		
	<u>\$ 1,083,320</u>	<u>\$ 1,092,468</u>

See notes to financial statements.



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

PALO VERDE PROJECT

SUPPLEMENTAL STATEMENT OF OPERATIONS

(In thousands)

	<u>Year Ended June 30.</u>	
	<u>1994</u>	<u>1993</u>
Operating revenue:		
Sales of electric energy	\$ 120,388	\$ 124,914
Billing credit (Note 3)	<u>(45,174)</u>	<u>          </u>
	<u>75,214</u>	<u>124,914</u>
Operating expenses:		
Nuclear fuel	5,510	7,788
Other operations	27,094	28,561
Maintenance	9,327	7,673
Depreciation	19,311	19,046
Decommissioning	<u>13,401</u>	<u>12,560</u>
Total operating expenses	<u>74,643</u>	<u>75,628</u>
Operating income	571	49,286
Investment income	<u>12,182</u>	<u>12,129</u>
Income before debt expense	12,753	61,415
Debt expense	<u>79,197</u>	<u>81,058</u>
Costs recoverable from future billings to participants	<u>(\$ 66,444)</u>	<u>(\$ 19,643)</u>

See notes to financial statements.



## SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

## PALO VERDE PROJECT

SUPPLEMENTAL STATEMENT OF CASH FLOWS

(In thousands)

	<u>Year Ended June 30,</u>	
	<u>1994</u>	<u>1993</u>
Cash flows from operating activities:		
Costs recoverable from future billings to participants	(\$ 66,444)	(\$ 19,643)
Adjustments to arrive at net cash provided by (used for) operating activities -		
Depreciation	19,311	19,046
Decommissioning	13,401	12,560
Amortization of nuclear fuel	5,510	7,788
Amortization of debt costs	16,389	14,478
Changes in assets and liabilities:		
Decommissioning fund	27,972	(3,138)
Interest receivable	382	(427)
Accounts receivable	842	405
Materials and supplies	(287)	2,948
Other assets	(288)	111
Accrued interest	2,990	(5,971)
Accounts payable and accrued expenses	<u>3,670</u>	<u>(1,183)</u>
Net cash provided by operating activities	<u>23,448</u>	<u>26,974</u>
Cash flows from investing activities:		
Payments for construction of facility	(11,856)	(13,364)
Purchases of investments	(171,311)	(148,259)
Proceeds from sale of investments	<u>206,789</u>	<u>119,825</u>
Net cash used for investing activities	<u>23,622</u>	<u>(41,798)</u>
Cash flows from capital and related financing activities:		
Proceeds from sale of bonds		353,142
Payment for defeasance of revenue bonds		(346,824)
Repayment of principal on long-term debt	(19,825)	(17,735)
Payment for bond issue costs		(4,100)
Amount deposited in escrow accounts and offset against refunding bonds		
Net cash used for capital and related financing activities	<u>(19,825)</u>	<u>(15,517)</u>
Net increase (decrease) in cash and cash equivalents	27,245	(30,341)
Cash and cash equivalents at beginning of year	<u>35,463</u>	<u>65,804</u>
Cash and cash equivalents at end of year	<u>\$ 62,708</u>	<u>\$ 35,463</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest (net of amount capitalized)	<u>\$ 59,818</u>	<u>\$ 68,099</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  
FOR THE YEAR ENDED JUNE 30, 1994  
(In thousands)

	Construction Fund Initial Facilities Account	Debt Service Fund	Cost of Issuance Fund	Revenue Fund	Operating Fund	Reserve & Contingency Fund	1994 Issue Fund	Decommissioning Funds I & II	Total
Balance at June 30, 1993	\$ 13,165	\$ 127,665	\$ 27	\$ -	\$ 27,244	\$ 6,962	\$ 11,166	\$ 51,003	\$ 237,232
Additions:									
Investment earnings	257	8,334		66	1,092	272	743	2,017	12,811
Distribution of investment earnings		(8,207)		10,265	(1,043)	(272)	(743)		
Revenue from power sales				78,826	111	7			78,944
Distribution of revenues		36,577		(89,107)	41,232	5,974	5,324		
Distribution of investments	(12,831)	42,760						(29,929)	
Transfer from escrow for principal and interest payments		237,220							237,220
Miscellaneous	(413)	484	(27)	122				(71)	95
Total	(12,987)	317,168	(27)	172	41,392	5,981	5,324	(27,953)	329,070
Deductions:									
Construction expenditures	178					4,605			4,783
Operating expenditures					36,000				36,000
Fuel costs					7,159				7,159
Payment of principal		19,825							19,825
Interest paid		59,818							59,818
Payment of principal and interest on escrow bonds		233,212					4,008		237,220
Interest paid on investment purchases		84			24		1		109
Miscellaneous		172						5	177
Total	178	313,111	-	-	43,183	4,605	4,009	5	365,091
Balance at June 30, 1994	\$ -	\$ 131,722	\$ -	\$ 172	\$ 25,453	\$ 8,338	\$ 12,481	\$ 23,045	\$ 201,211

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 \$1,350 and \$1,732 and Decommissioning Fund accrued interest receivable of \$142 and \$396 at June 30, 1994 and 1993, respectively, nor do they include total amortized net investment discounts of \$170 and \$100 at June 30, 1994 and 1993, respectively.





## SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

## SOUTHERN TRANSMISSION SYSTEM PROJECT

SUPPLEMENTAL BALANCE SHEET

(In thousands)

	<u>June 30,</u>	
	<u>1994</u>	<u>1993</u>
<b><u>ASSETS</u></b>		
Utility plant:		
Transmission	\$ 675,301	\$ 674,778
General	<u>18,893</u>	<u>18,893</u>
	694,194	693,671
Less - Accumulated depreciation	<u>154,656</u>	<u>134,966</u>
	539,538	558,705
Construction work in progress	<u>897</u>	<u>1,236</u>
Net utility plant	<u>540,435</u>	<u>559,941</u>
Special funds:		
Investments	135,314	150,779
Advance to Intermountain Power Agency	19,550	19,550
Interest receivable	2,122	2,671
Cash and cash equivalents	48,553	26,996
Escrow account - Subordinate Refunding Crossover Series	<u>351,017</u>	<u>365,757</u>
	<u>556,556</u>	<u>565,753</u>
Accounts receivable	4,409	868
Costs recoverable from future billings to participants	168,594	150,953
Unamortized debt expenses, less accumulated amortization of \$42,918 and \$39,515	<u>181,473</u>	<u>171,390</u>
	<u>\$1,451,467</u>	<u>\$ 1,448,905</u>
<b><u>LIABILITIES</u></b>		
Long-term debt	<u>\$1,053,403</u>	<u>\$ 1,037,741</u>
Subordinate Refunding Crossover Series	<u>353,317</u>	<u>368,312</u>
Current liabilities:		
Long-term debt due within one year	13,615	10,290
Accrued interest	28,606	29,931
Accounts payable and accrued expenses	<u>2,526</u>	<u>2,631</u>
	<u>44,747</u>	<u>42,852</u>
Commitments and contingencies		
	<u>\$1,451,467</u>	<u>\$ 1,448,905</u>

See notes to financial statements.



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SOUTHERN TRANSMISSION SYSTEM PROJECT

SUPPLEMENTAL STATEMENT OF OPERATIONS

(In thousands)

	<u>Year Ended June 30,</u>	
	<u>1994</u>	<u>1993</u>
Operating revenue:		
Sales of transmission services	\$ 87,756	\$ 88,245
Operating expenses:		
Other operations	11,243	11,062
Maintenance	3,586	3,010
Depreciation	<u>19,691</u>	<u>19,575</u>
Total operating expenses	<u>34,520</u>	<u>33,647</u>
Operating income	53,236	54,598
Investment income	<u>10,965</u>	<u>9,346</u>
Income before debt expense	64,201	63,944
Debt expense	<u>81,842</u>	<u>83,203</u>
Costs recoverable from future billings to participants	<u>(\$ 17,641)</u>	<u>(\$ 19,259)</u>

See notes to financial statements.



## SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

## SOUTHERN TRANSMISSION SYSTEM PROJECT

SUPPLEMENTAL STATEMENT OF CASH FLOWS

(In thousands)

	<u>Year Ended June 30,</u>	
	<u>1994</u>	<u>1993</u>
Cash flows from operating activities:		
Costs recoverable from future billings to participants	(\$ 17,641)	(\$ 19,259)
Adjustments to arrive at net cash provided by (used for) operating activities -		
Depreciation	19,691	19,575
Amortization of debt costs	11,474	10,148
Changes in assets and liabilities:		
Interest receivable	549	471
Accounts receivable	(3,541)	724
Other assets	(427)	(22)
Accrued interest	(1,325)	(699)
Accounts payable and accrued expenses	<u>(105)</u>	<u>274</u>
Net cash provided by operating activities	<u>8,675</u>	<u>11,212</u>
Cash flows from investing activities:		
Payments for construction of facility	339	(1,145)
Purchases of investments	(98,844)	(89,450)
Proceeds from sale of investments	<u>129,049</u>	<u>84,600</u>
Net cash provided by (used for) investing activities	<u>30,544</u>	<u>(5,995)</u>
Cash flows from capital and related financing activities:		
Proceeds from sale of bonds	142,012	381,994
Payment for defeasance of revenue bonds	(148,240)	(15,245)
Repayment of principal on long-term debt	(10,290)	(11,795)
Payment for bond issue costs	(1,144)	(104)
Amount deposited in escrow accounts related to crossover bonds	<u>          </u>	<u>(365,757)</u>
Net cash used for capital and related financing activities	<u>(17,662)</u>	<u>(10,907)</u>
Net increase (decrease) in cash and cash equivalents	21,557	(5,690)
Cash and cash equivalents at beginning of year	<u>26,996</u>	<u>32,686</u>
Cash and cash equivalents at end of year	<u>\$ 48,553</u>	<u>\$ 26,996</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest (net of amount capitalized)	<u>\$ 70,994</u>	<u>\$ 73,882</u>

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, 1994  
(In thousands)

	Construction Fund-Initial Facilities Account	Debt Service Fund	Revenue Fund	Operating Fund	General Reserve Fund	Issue Fund	Escrow Fund	Total
Balance at June 30, 1993	\$ 76	\$ 125,562	\$ -	\$ 7,339	\$ 10,276	\$ 34,673	\$ 364,603	\$ 542,529
Additions:								
Bond Proceeds						13,838		13,838
Investment earnings	1	6,477	101	229	524	3,201	19,260	29,793
Distribution of investment earnings		(6,349)	10,263	(229)	(485)	(3,200)		
Revenue from transmission sales			84,388					84,388
Distribution of revenue		43,806	(95,340)	14,414	37,120			
Transfer from escrow for principal and interest payments		718,917				21,497		740,414
Other transfers			588		(40,590)	49,391	(9,389)	
Total	1	762,851	-	14,414	(3,431)	84,727	9,871	868,433
Deductions:								
Bond issue costs		1,144						1,144
Payments-in-aid of construction	73							73
Operating expenditures				15,203		250		15,453
Payment of principal		9,790				500		10,290
Interest paid		48,025				33,335	10,397	91,757
Payment of principal and interest on escrow bonds		728,206				10,958		739,164
Premium and interest paid on investment purchases		175			44			219
Transfer to escrow account for refunding issues		4,464					14,319	18,783
Total	73	791,804	-	15,203	44	45,043	24,716	876,883
Balance at June 30, 1994	\$ 4	\$ 96,609	\$ -	\$ 6,550	\$ 6,801	\$ 74,357	\$ 349,758	\$ 534,079

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 \$2,122 and \$2,671 at June 30, 1994 and 1993, respectively, nor do they include total amortized net investment discount of \$805 and \$1,003 at June 30, 1994 and 1993, respectively.





SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

HOOVER UPRATING PROJECT

SUPPLEMENTAL BALANCE SHEET

(In thousands)

	<u>June 30,</u>	
	<u>1994</u>	<u>1993</u>
<u>ASSETS</u>		
Special funds:		
Investments	\$ 5,616	\$ 12,965
Advances for capacity and energy, net	13,318	14,319
Interest receivable	80	179
Cash and cash equivalents	<u>5,451</u>	<u>1,399</u>
	<u>24,465</u>	<u>28,862</u>
Accounts receivable		
Costs recoverable from future billings to participants	6,661	4,556
Unamortized debt expenses, less accumulated amortization of \$615 and \$487	<u>3,730</u>	<u>3,599</u>
	<u>\$34,856</u>	<u>\$37,017</u>
<u>LIABILITIES</u>		
Long-term debt	<u>\$32,815</u>	<u>\$35,529</u>
Current liabilities:		
Long-term debt due within one year	860	905
Accrued interest	518	542
Accounts payable and accrued expenses	<u>663</u>	<u>41</u>
	<u>2,041</u>	<u>1,488</u>
Commitments and contingencies		
	<u>\$34,856</u>	<u>\$37,017</u>

See notes to financial statements.



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

HOOVER UPRATING PROJECT

SUPPLEMENTAL STATEMENT OF OPERATIONS

(In thousands)

	<u>Year Ended June 30,</u>	
	<u>1994</u>	<u>1993</u>
Operating revenue:		
Sales of electric energy	<u>\$ 2,469</u>	<u>\$ 2,922</u>
Operating expenses:		
Capacity charges	1,345	1,130
Energy charges	964	697
Other operations	341	290
Reimbursement of advances for capacity and energy	<u>          </u>	<u>83</u>
Total operating expenses	<u>2,650</u>	<u>2,200</u>
Operating income	(181)	722
Investment income	<u>500</u>	<u>732</u>
Income before debt expense	319	1,454
Debt expense	<u>2,424</u>	<u>2,463</u>
Costs recoverable from future billings to participants	<u>(\$ 2,105)</u>	<u>(\$1,009)</u>

See notes to financial statements.



## SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

## HOOVER UPRATING PROJECT

SUPPLEMENTAL STATEMENT OF CASH FLOWS

(In thousands)

	<u>Year Ended June 30,</u>	
	<u>1994</u>	<u>1993</u>
Cash flows from operating activities:		
Costs recoverable from future billings to participants	(\$2,105)	(\$1,009)
Adjustments to arrive at net cash used for operating activities -		
Amortization of debt costs	292	292
Changes in assets and liabilities:		
Interest receivable	99	55
Accounts receivable		1
Other assets	5	5
Accrued interest	(24)	(3)
Accounts payable and accrued expenses	<u>622</u>	<u>(1)</u>
Net cash used for operating activities	<u>(1,111)</u>	<u>(660)</u>
Cash flows from investing activities:		
Purchases of investments		(10,680)
Proceeds from sale of investments	7,349	11,010
Advances for capacity and energy, net	<u>1,001</u>	<u>41</u>
Net cash provided by investing activities	<u>8,350</u>	<u>371</u>
Cash flows from capital and related financing activities:		
Proceeds from sale of refunding bonds		
Payment for defeasance of revenue bonds	(2,282)	
Payment for bond issue costs		
Repayment of principal on long-term debt	<u>(905)</u>	<u>(310)</u>
Net cash used for capital and related financing activities	<u>(3,187)</u>	<u>(310)</u>
Net increase (decrease) in cash and cash equivalents	4,052	(599)
Cash and cash equivalents at beginning of year	<u>1,399</u>	<u>1,998</u>
Cash and cash equivalents at end of year	<u>\$ 5,451</u>	<u>\$ 1,399</u>
Supplemental disclosure of cash flow information:		
Cash paid during year for interest (net of amount capitalized)	<u>\$ 2,155</u>	<u>\$ 2,174</u>

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, 1994  
(In thousands)

	<u>Advance Payments Fund</u>	<u>Interim Advance Payments Fund</u>	<u>Revenue Fund</u>	<u>Operating Working Capital Fund</u>	<u>Debt Service Account</u>	<u>Debt Service Reserve Account</u>	<u>General Reserve Account</u>	<u>Total</u>
Balance at June 30, 1993	\$ 8,815	\$ 561	\$ -	\$ 560	\$ 1,357	\$ 3,083	\$ -	\$14,376
Additions:								
Investment earnings	357	22	1	31	11	156	21	599
Discount on investment purchases	7				20		5	32
Distribution of investment earnings	267	(22)	(1)	(31)	(31)	(156)	(26)	
Revenue from power sales			3,078					3,078
Distribution of revenues			(3,078)		3,078			
Transfer for interest payment					2,315			2,315
Miscellaneous transfers	(6,658)	1,196			(11)		5,473	
Total	(6,027)	1,196	-	-	5,382	-	5,473	6,024
Deductions:								
Advances for capacity and energy		1,308						1,308
Administrative expenditures	335							335
Interest paid					4,470			4,470
Payment of principal					905		2,272	3,177
Total	335	1,308	-	-	5,375	-	2,272	9,290
Balance at June 30, 1994	\$ 2,453	\$ 449	\$ -	\$ 560	\$ 1,364	\$ 3,083	\$ 3,201	\$11,110

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 \$80 and \$179 at June 30, 1994 and 1993, respectively, nor do they include total amortized net investment premiums of \$43 and \$12 at June 30, 1994 and 1993, respectively.





## SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

## MEAD-PHOENIX PROJECT

SUPPLEMENTAL BALANCE SHEET

(In thousands)

	<u>June 30,</u>	
	<u>1994</u>	<u>1993</u>
<u>ASSETS</u>		
Utility plant:		
Construction work in progress	\$ 16,831	\$ 6,076
Special funds:		
Investments	56,164	88,178
Interest receivable	2,332	3,260
Cash	<u>5</u>	<u>5</u>
	<u>58,501</u>	<u>91,443</u>
Accounts receivable	27	13
Prepaid construction	2,589	
Unamortized debt expenses, less accumulated amortization of \$218 and \$62	<u>10,917</u>	<u>2,246</u>
	<u>\$ 88,865</u>	<u>\$ 99,778</u>
<u>LIABILITIES</u>		
Long-term debt	\$ 86,119	\$ 96,395
Arbitrage rebate payable	<u>204</u>	<u>      </u>
Current liabilities:		
Accrued interest	2,505	3,303
Accounts payable	<u>37</u>	<u>80</u>
Total current liabilities	<u>2,542</u>	<u>3,383</u>
Commitments and contingencies	<u>      </u>	<u>      </u>
	<u>\$ 88,865</u>	<u>\$ 99,778</u>

See notes to financial statements.



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

MEAD-PHOENIX PROJECT

SUPPLEMENTAL STATEMENT OF CASH FLOWS

(In thousands)

	<u>Year Ended June 30,</u>	
	<u>1994</u>	<u>1993</u>
Cash flows from operating activities	\$ -	\$ -
Cash flows from investing activities:		
Interest received on investments	6,655	1,657
Payment of interest on long-term debt	(6,605)	(1,651)
Payments for construction of facility	(12,524)	(5,322)
Payments for feasibility study		
Purchases of investments	(6,665)	(97,384)
Proceeds from sale of investments	18,942	7,831
Reimbursement from WAPA	187	
Reimbursement from project manager		14,048
Net cash used for investing activities	(10)	(80,821)
Cash flows from capital and related financing activities:		
Proceeds from sale of bonds	76,721	
Payment for defeasance of revenue bond	(76,115)	
Transfer of funds from Multiple Project Fund		97,373
Payment for bond issue costs	(596)	(2,303)
Proceeds from advances from participants		(14,249)
Net cash provided by capital and related financing activities	10	80,821
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	5	5
Cash and cash equivalents at end of year	\$ 5	\$ 5

See notes to financial statements.



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

MEAD-PHOENIX PROJECT

SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
IN FUNDS REQUIRED BY THE BOND INDENTURE  
FOR THE YEAR ENDED JUNE 30, 1994  
(In thousands)

	<u>Acquisition Account</u>	<u>Debt Service Account</u>	<u>Debt Service Reserve Account</u>	<u>Issue Fund</u>	<u>Total</u>
Balance at June 30, 1993	<u>\$ 58,757</u>	<u>\$20,463</u>	<u>\$ 8,963</u>	<u>\$ -</u>	<u>\$88,183</u>
Additions:					
Bond proceeds				7,667	7,667
Investment earnings	4,397	1,411	670	177	6,655
Transfer of investments		832	(832)		
Reimbursement from WAPA	<u>187</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>187</u>
Total	<u>4,584</u>	<u>2,243</u>	<u>(162)</u>	<u>7,844</u>	<u>14,509</u>
Deductions:					
Construction expenditures	12,524				12,524
Interest paid		6,605			6,605
Transfer to escrow accounts	13,643	10,176	2,885		26,704
Premium and interest paid on investment purchases				69	69
Bond issue costs	<u>          </u>	<u>          </u>	<u>          </u>	<u>596</u>	<u>596</u>
Total	<u>26,167</u>	<u>16,781</u>	<u>2,885</u>	<u>665</u>	<u>46,498</u>
Balance at June 30, 1994	<u>\$ 37,174</u>	<u>\$ 5,925</u>	<u>\$ 5,916</u>	<u>\$ 7,179</u>	<u>\$56,194</u>

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 \$2,332 and \$3,260 at June 30, 1994 and 1993, respectively, nor do they include total amortized net investment premiums of \$25 at June 30, 1994.



## SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

## MEAD-ADELANTO PROJECT

SUPPLEMENTAL BALANCE SHEET

(In thousands)

	<u>June 30,</u>	
	<u>1994</u>	<u>1993</u>
<u>ASSETS</u>		
Utility plant:		
Construction work in progress	\$ <u>75,518</u>	\$ <u>21,197</u>
Special funds:		
Investments	155,892	237,991
Interest receivable	<u>6,144</u>	<u>8,871</u>
	<u>162,036</u>	<u>246,862</u>
Accounts receivable	5	1
Prepaid construction	6,650	
Unamortized debt expenses, less accumulated amortization of \$616 and \$171	<u>31,059</u>	<u>6,167</u>
	<u>\$ 275,268</u>	<u>\$ 274,227</u>
<u>LIABILITIES</u>		
Long-term debt	\$ <u>267,126</u>	\$ <u>265,088</u>
Arbitrage rebate payable	<u>508</u>	
Current liabilities:		
Accrued interest	7,603	9,082
Accounts payable	<u>31</u>	<u>57</u>
Total current liabilities	<u>7,634</u>	<u>9,139</u>
Commitments and contingencies		
	<u>\$ 275,268</u>	<u>\$ 274,227</u>

See notes to financial statements.





SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

MEAD-ADELANTO PROJECT

SUPPLEMENTAL STATEMENT OF CASH FLOWS

(In thousands)

	<u>June 30,</u>	
	<u>1994</u>	<u>1993</u>
Cash flows from operating activities	\$ -	\$ -
Cash flows from investing activities:		
Interest received on investments	17,840	4,547
Payments of interest on long-term debt	(18,164)	(4,540)
Payments for construction of facility	(56,971)	(19,688)
Purchases of investments	(20,733)	(267,782)
Proceeds from sale of investments	77,934	26,020
Reimbursement from WAPA	<u>60</u>	<u>          </u>
Net cash used for investing activities	<u>(34)</u>	<u>(261,443)</u>
Cash flows from capital and related financing activities:		
Proceeds from sale of bonds	215,628	
Payment for defeasance of revenue bonds	(213,593)	
Payment for bond issue costs	(2,001)	(6,332)
Transfer of funds from Multiple Project Fund	<u>          </u>	<u>267,775</u>
Net cash provided by capital and related financing activities	<u>34</u>	<u>261,443</u>
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

MEAD-ADELANTO PROJECT

SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
IN FUNDS REQUIRED BY THE BOND INDENTURE  
FOR THE YEAR ENDED JUNE 30, 1994  
(In thousands)

	<u>Acquisition Account</u>	<u>Debt Service Account</u>	<u>Debt Service Reserve Account</u>	<u>Issue Fund</u>	<u>Total</u>
Balance at June 30, 1993	<u>\$157,072</u>	<u>\$ 56,272</u>	<u>\$24,647</u>	<u>\$ -</u>	<u>\$ 237,991</u>
Additions:					
Bond proceeds				25,732	25,732
Investment earnings	11,530	3,880	1,844	586	17,840
Transfer of investments		2,289	(2,289)		
Reimbursement from WAPA	<u>60</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>60</u>
Total	<u>11,590</u>	<u>6,169</u>	<u>(445)</u>	<u>26,318</u>	<u>43,632</u>
Deductions					
Construction expenditures	56,971				56,971
Interest paid		18,164			18,164
Transfer to escrow accounts	12,361	27,983	7,935		48,279
Premium and interest paid on investment purchases				233	233
Bond issue costs	<u>      </u>	<u>      </u>	<u>      </u>	<u>2,001</u>	<u>2,001</u>
Total	<u>69,332</u>	<u>46,147</u>	<u>7,935</u>	<u>2,234</u>	<u>125,648</u>
Balance at June 30, 1994	<u>\$ 99,330</u>	<u>\$ 16,294</u>	<u>\$16,267</u>	<u>\$24,084</u>	<u>\$ 155,975</u>

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 \$6,144 and \$8,871 at June 30, 1994 and 1993, respectively, nor do they include total amortized net investment premiums of \$83 at June 30, 1994.



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

MULTIPLE PROJECT FUND

SUPPLEMENTAL BALANCE SHEET

(In thousands)

	<u>June 30.</u>	
	<u>1994</u>	<u>1993</u>
<u>ASSETS</u>		
Special funds:		
Investments	\$ 250,819	\$ 248,997
Interest receivable	<u>9,218</u>	<u>9,151</u>
	<u>\$ 260,037</u>	<u>\$ 258,148</u>
<u>LIABILITIES</u>		
Long-term debt	<u>\$ 241,427</u>	<u>\$ 240,989</u>
Arbitrage rebate payable	<u>3,855</u>	<u>8,903</u>
Deferred costs	<u>6,499</u>	<u>          </u>
Current liabilities:		
Accrued interest	<u>8,256</u>	<u>8,256</u>
Commitments and contingencies	<u>          </u>	<u>          </u>
	<u>\$ 260,037</u>	<u>\$ 258,148</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,	
	<u>1994</u>	<u>1993</u>
Cash flows from operating activities	\$ -	\$ -
Cash flows from investing activities:		
Interest received on investments	18,335	37,991
Payments of interest on long-term debt	(16,512)	(35,088)
Purchases of investments	(1,823)	(2,904)
Proceeds from sale of investments		<u>365,149</u>
Net cash provided by investing activities	-	<u>365,148</u>
Cash flows from capital and related financing activities:		
Transfer of funds to Mead-Adelanto Project		(267,775)
Transfer of funds to Mead-Phoenix Project		<u>(97,373)</u>
Net cash used for capital and financing activities	-	<u>(365,148)</u>
Net increase in cash and cash equivalents	\$ -	\$ -

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  
FOR THE YEAR ENDED JUNE 30, 1994  
(In thousands)

	<u>Proceeds Account</u>	<u>Debt Service Account</u>	<u>Earnings Account</u>	<u>Total</u>
Balance at June 30, 1993	<u>\$ 247,727</u>	<u>\$ -</u>	<u>\$ 1,270</u>	<u>\$248,997</u>
Additions:				
Investment earnings	18,208		126	18,334
Transfer to earnings account	(18,208)		18,208	
Transfer to debt service account		<u>16,512</u>	<u>(16,512)</u>	
Total	<u>-</u>	<u>16,512</u>	<u>1,822</u>	<u>18,334</u>
Deductions:				
Interest paid		<u>(16,512)</u>		<u>(16,512)</u>
Total	<u>-</u>	<u>(16,512)</u>	<u>-</u>	<u>(16,512)</u>
Balance at June 30, 1994	<u>\$ 247,727</u>	<u>\$ -</u>	<u>\$ 3,092</u>	<u>\$250,819</u>

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 \$9,218 and \$9,151 at June 30, 1994 and 1993, respectively.



## SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

## SAN JUAN PROJECT

SUPPLEMENTAL BALANCE SHEET

(In thousands)

	<u>June 30,</u>	
	<u>1994</u>	<u>1993</u>
<b><u>ASSETS</u></b>		
Utility plant:		
Production	\$ 183,309	
General	<u>7,681</u>	
	190,990	
Less - Accumulated depreciation	<u>12,207</u>	
	178,783	
Construction work in process	<u>627</u>	\$ <u>633</u>
Net utility plant	<u>179,410</u>	<u>633</u>
Special funds:		
Investments	26,868	225,382
Interest receivable	10	
Cash and cash equivalents	<u>8,639</u>	<u>10,000</u>
	<u>35,517</u>	<u>235,382</u>
Accounts receivable	1,222	
Materials and supplies	5,019	
Costs recoverable from future billings to participants	12,169	
Unamortized debt expenses, less accumulated amortization of \$314 in 1994	<u>3,834</u>	<u>3,833</u>
Total assets	<u>\$ 237,171</u>	<u>\$ 239,848</u>
<b><u>LIABILITIES</u></b>		
Long-term debt	<u>\$ 227,871</u>	<u>\$ 227,569</u>
Current liabilities:		
Accrued interest	5,994	966
Accounts payable	<u>3,306</u>	<u>1,313</u>
Total current liabilities	<u>9,300</u>	<u>2,279</u>
Advances from participants		<u>10,000</u>
Commitments and contingencies		
Total liabilities	<u>\$ 237,171</u>	<u>\$ 239,848</u>

See notes to financial statements.



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SAN JUAN PROJECT

SUPPLEMENTAL STATEMENT OF OPERATIONS

FOR THE YEAR ENDED JUNE 30, 1994

(In thousands)

Operating revenue:	
Sales of electric energy	<u>\$ 49,000</u>
Operating expenses:	
Other operation	381
Maintenance	37,564
Depreciation	9,095
Decommissioning	<u>3,112</u>
Total operating expenses	<u>50,152</u>
Operating loss	(1,152)
Investment income	<u>1,621</u>
Income before debt expense	469
Debt expense	<u>12,638</u>
Costs recoverable from future billings to participants	<u>(\$12,169)</u>

See notes to financial statements.



## SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

## SAN JUAN PROJECT

SUPPLEMENTAL STATEMENT OF CASH FLOWS

(In thousands)

	Year Ended	
	<u>June 30,</u>	
	<u>1994</u>	<u>1993</u>
Cash flows from operating activities:		
Costs recoverable from future billings to participants	(\$ 12,169)	
Adjustments to arrive at net cash provided by (used for) operating activities -		
Depreciation	9,095	
Decommissioning	3,112	
Amortization of debt costs	616	
Changes in assets and liabilities:		
Interest receivable	(10)	
Accounts receivable	(1,222)	
Materials and supplies	(5,019)	
Other assets	(139)	
Accrued interest	5,028	
Accounts payable and accrued expenses	<u>1,993</u>	
Net cash provided by operating activities	<u>1,285</u>	
Cash flows from investing activities:		
Payments for construction of facility	(627)	
Purchase of electric plant	(190,357)	
Purchases of investments	(33,817)	(\$ 225,382)
Proceeds from sale of investments	<u>232,331</u>	
Net cash provided by (used for) investing activities	<u>7,530</u>	<u>(225,382)</u>
Cash flows from capital and related financing activities:		
Proceeds from sale of bonds		226,667
Payment of bond issue costs	(176)	(1,285)
(Repayment to) advances from participants	<u>(10,000)</u>	<u>10,000</u>
Net cash (used for) provided by capital and related financing activities	<u>(10,176)</u>	<u>235,382</u>
Net (decrease) increase in cash and cash equivalents	(1,361)	10,000
Cash and cash equivalents at beginning of year	<u>10,000</u>	<u>-</u>
Cash and cash equivalents at end of year	<u>\$ 8,639</u>	<u>\$ 10,000</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest (net of amount capitalized)	<u>\$ 6,027</u>	<u>\$ -</u>

See notes to financial statements.





## SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

## SAN JUAN PROJECT

SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
IN FUNDS REQUIRED BY THE BOND INDENTURE  
FOR THE YEAR ENDED JUNE 30, 1994  
(In thousands)

	Revenue Fund	Operating Fund	Project Fund	Reserve & Revenue Contingency	Operating Reserve	Debt Service Reserve	Debt Service	Total
Balance at June 30, 1993	\$ -	\$ -	\$194,891	\$ 7,500	\$ 4,000	\$18,025	\$ 966	\$225,382
Additions:								
Investment earnings	19	41	25	368	27	1,006	27	1,513
Discount on investment purchases	4	3	2	12	12		56	89
Distribution of investment earnings	1,552	(44)		(380)	(39)	(1,006)	(83)	
Revenue from power sales	47,836							47,836
Distribution of revenues	(15,848)	13,670					2,178	
Transfer of investments		(440)					440	
Miscellaneous transfers	(33,563)	25,972	75	1,557	(3,444)		9,403	
Total	-	39,202	102	1,557	(3,444)	-	12,021	49,438
Deductions:								
Bond issue costs			857					857
Administrative expenditures		36,823						36,823
Payments for utility plant		544	194,106					194,650
Interest paid							6,993	6,993
Total	-	37,367	194,963	-	-	-	6,993	239,323
Balance at June 30, 1994	\$ -	\$ 1,835	\$ 30	\$ 9,057	\$ 556	\$18,025	\$ 5,994	\$ 35,497

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. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable of \$10 at June 30, 1994, nor do they include total amortized net investment discount of \$10 at June 30, 1994.

