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Generating Station

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102-04593-SAB/TNW/CJJ  
July 31, 2001

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

Dear Sir:

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

Pursuant to the requirements of 10 CFR 140.21(e), Arizona Public Service Company (APS), for itself and on behalf of the PVNGS Participants, has enclosed projected cash flow statements for each participant. Please note that the projected cash flow statement for the El Paso Electric Company is considered a confidential document, for which an affidavit is provided. The affidavit sets forth the basis on which the Commission may withhold the information from public disclosure. Accordingly, it is requested that the El Paso Electric Company projected cash flow statement be withheld from public disclosure.

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

Sincerely,

Enclosure

cc: Document Control Desk (all w/o enclosure)  
E. W. Merschoff  
L. R. Wharton  
J. H. Moorman

1004

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

(\$000)

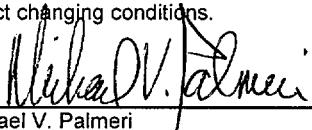
	<u>1999</u> <u>Actual</u>	<u>2000</u> <u>Actual</u>	<u>2001</u> <u>Estimate</u>
1. Net Income After Taxes - Continuing Operations	\$268,322	\$306,594	(4)
Less:			
2. Non-Cash Extraordinary Charge After Deferred Income Tax	139,885	-	-
3. Dividends Paid on Preferred Stock	1,393	-	(4)
4. Dividends Paid on Common Stock	170,000	170,000	(4)
5. Retained Earnings	(42,956)	136,594	(4)
Adjustments:			
6. Non-Cash Extraordinary Charge After Deferred Income Tax	139,885	-	-
7. Amortization of Regulatory Assets (1)	164,000	158,000	145,000
8. Depreciation and Amortization (2)	249,428	260,743	318,840
9. Deferred income Taxes	(29,654)	(35,805)	(75,662)
10. Deferred ITC (Net)	(27,626)	(269)	(267)
11. Allowance for Funds Used During Construction (Equity & Borrowed)	(6,679)	(10,894)	(11,163)
12. Decommissioning	(11,444)	(11,444)	(11,444)
13. Deferred Expenses (Direct Access)	(5,375)	(5,211)	(5,457)
14. Total Adjustments	472,535	355,120	359,847
15. Internal Cash Flow (Line 5 + Line 14) *	429,579	491,714	(4)
16. Average Quarterly Cash Flow (Line 15/4)	107,395	122,929	(4)

NOTES: \*\* Percentage Ownership in All Nuclear Units:

Unit 1 - 29.1%  
Unit 2 - 29.1% (3)  
Unit 3 - 29.1%

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

I, Michael V. Palmeri, Vice President, Finance of APS, certify that these cashflow calculations utilize the Company's approach to estimating cash flows for internal management reports and planning purposes. The 1999 and 2000 cashflows agree as appropriate with the Company's Audited Annual Reports. The 2001 estimate of cashflows is based on the 2001 Company Budget. The 2001 estimate does not reflect actual results to date, as the Budget is not revised to reflect changing conditions.

  
\_\_\_\_\_  
Michael V. Palmeri  
Vice President, Finance, APS

**INTERNAL CASH FLOW PROJECTION OF SALT RIVER PROJECT  
(JOINT OWNER OF PALO VERDE NUCLEAR GENERATING STATION)  
FOR FISCAL YEARS ENDED APRIL 30, 2001 AND 2000  
(\$000)**

	<b>2001 ACTUAL</b>	<b>2000 ACTUAL</b>
Net Income After Taxes	\$ 309,696	\$ 118,680
Less Dividends Paid:		
Preferred Dividend Requirements		
Dividends on common Stock		
Retained Earnings	309,696	118,680
Adjustments:		
Depreciation and Amortization	473,288	367,970
Deferred Income Taxes and Investment Tax Credits		
Allowance for Funds Used During Construction	6,532	5,656
Total Adjustments	479,820	373,626
Internal Cash Flow	789,516	492,306
Average Quarterly Cash Flow	\$ 197,379	\$ 123,077
Percentage Ownership in all Nuclear Units		
Unit 1	17.49%	17.49%
Unit 2	17.49%	17.49%
Unit 3	17.49%	17.49%

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



Scott Farmer

2001 PRO FORMA CASH FLOW STATEMENT  
FOR PUBLIC SERVICE COMPANY OF NEW MEXICO  
(EXCLUDING NON-UTILITY SUBSIDIARIES)

	<u>2000 Actual</u> (In Thousands)	<u>2001 Projected</u>
Net Income After Taxes	(1)	(1)
Less Dividends Paid	(1)	(1)
Earnings Retained	(1)	(1)
Adjustments:		
Depreciation & Amortization	98,596	105,242
Deferred Income Taxes & ADITC	(9,100)	(2,117)
AFUDC	0	0
Other, net	<u>14,494</u>	<u>( 9,338)</u>
Total adjustments	103,990	112,463
 INTERNAL CASH FLOW	 (1)	 (1)
 Average Quarterly Cash Flow	 (1)	 (1)

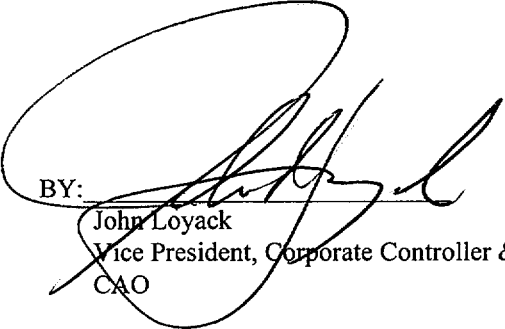
(1) Financial forecast data which will enable earnings or dividend forecasts by unauthorized persons is not provided.

Percentage Entitlement in all Nuclear Units:

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

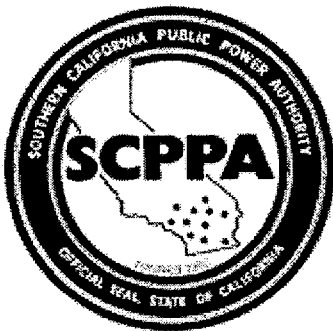
I, John Loyack, Vice President and Controller, Public Service Company of New Mexico certify that these cashflow calculations utilize the Company's approach to estimating cash flows for internal management reports and planning purposes.

BY:

  
John Loyack  
Vice President, Corporate Controller &  
CAO

**LOS ANGELES DEPARTMENT OF WATER & POWER**  
**2001 Internal Cash Flow Projection**  
**For Palo Verde Nuclear Power Station**

	<i>in thousands</i>	<b>1999-00 Actual</b>	<b>2000-01 Projection</b>
Net Income		\$ 402,078	\$ 398,065
Transfer to the City		(112,000)	(119,800)
		<u>290,078</u>	<u>278,265</u>
Adjustments:			
Depreciation & amortization		272,311	298,788
Allowance for funds used during construction		(1,809)	(361)
Total Adjustments		<u>270,502</u>	<u>298,427</u>
Internal Cash Flow		<u>\$ 560,580</u>	<u>\$ 576,692</u>



# **SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**

## **FINANCIAL STATEMENTS**

**December 31, 2000**

**Southern California Public Power Authority**  
**Quarterly Financial Reports**  
**December 31, 2000**

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# Southern California Public Power Authority

## Combined Balance Sheet

(Amounts in thousands)

(Unaudited)

December 31, 2000									
	Palo Verde Project	Southern Transmission System Project	Hoover Uprating Project	Mead-Phoenix Project	Mead-Adelanto Project	Multiple Project Fund	San Juan Unit 3 Project	Projects' Stabilization Funds	Total
<b>ASSETS</b>									
Utility Plant:									
Production	\$ 613,813	\$ -	\$ -	\$ -	\$ -	\$ -	\$175,965	\$ -	\$ 789,778
Transmission	14,146	674,606	-	50,846	170,895	-	-	-	910,493
General	2,538	18,911	21	2,646	341	-	8,113	-	32,570
	630,497	693,517	21	53,492	171,236	-	184,078	-	1,732,841
Less - Accumulated depreciation	396,511	282,652	11	7,111	21,499	-	71,645	-	779,429
	233,986	410,865	10	46,381	149,737	-	112,433	-	953,412
Construction work in progress	13,542	-	-	-	-	-	830	-	14,372
Nuclear fuel, at amortized cost	15,409	-	-	-	-	-	-	-	15,409
Net utility plant	262,937	410,865	10	46,381	149,737	-	113,263	-	983,193
Special Funds:									
Investments									
Escrow accounts	175,843	19,504	-	-	-	-	-	-	195,347
Decommissioning fund	83,741	-	-	-	-	-	-	-	83,741
Other funds	129,768	89,162	5,860	8,694	28,783	249,713	7,690	192,337	712,007
	389,352	108,666	5,860	8,694	28,783	249,713	7,690	192,337	991,095
Cash and cash equivalents	45,343	27,752	1,408	3,349	5,434	17	36,147	19,241	138,691
Interest receivable	2,911	251	61	325	1,023	9,179	161	806	14,717
	437,606	136,669	7,329	12,368	35,240	258,909	43,998	212,384	1,144,503
Accounts receivable	1,525	794	5	-	-	-	459	-	2,783
Due from other project	-	-	-	2,827	7,776	-	-	-	10,603
Advance to IPA	-	11,550	-	-	-	-	-	-	11,550
Advances for capacity and energy, net	-	-	22,486	-	-	-	-	-	22,486
Materials and supplies	6,677	-	-	-	-	-	3,317	-	9,994
Other assets	-	-	2	-	-	-	-	-	2
Cost recoverable from (in excess of) future billings to participants	26,439	306,263	(5,550)	3,909	16,601	-	50,744	-	398,406
Unamortized debt expenses, less accumulated amortization of \$16,489	4,878	8,310	248	1,187	3,953	-	2,007	-	20,583
	<u>\$ 740,062</u>	<u>\$ 874,451</u>	<u>\$ 24,530</u>	<u>\$ 66,672</u>	<u>\$ 213,307</u>	<u>\$ 258,909</u>	<u>\$213,788</u>	<u>\$212,384</u>	<u>\$2,604,103</u>
<b>LIABILITIES</b>									
Long-term debt	\$ 652,203	\$ 835,042	\$ 23,278	\$ 62,048	\$ 201,141	\$ 228,445	\$197,229	\$ -	\$2,199,386
Current Liabilities:									
Debt due within one year	45,105	19,210	650	1,710	3,895	6,200	7,140	-	83,910
Accrued interest	9,750	16,843	369	2,002	6,248	7,878	5,441	-	48,531
Accounts payable & accruals	30,630	3,356	233	324	772	-	3,384	-	38,699
Accrued property tax	2,374	-	-	588	1,251	-	594	-	4,807
Due to other projects	-	-	-	-	-	10,601	-	-	10,601
Funds due to participants	-	-	-	-	-	-	-	212,384	212,384
Total current liabilities	87,859	39,409	1,252	4,624	12,166	24,679	16,559	212,384	398,932
Deferred credits	-	-	-	-	-	5,785	-	-	5,785
	<u>\$ 740,062</u>	<u>\$ 874,451</u>	<u>\$ 24,530</u>	<u>\$ 66,672</u>	<u>\$ 213,307</u>	<u>\$ 258,909</u>	<u>\$213,788</u>	<u>\$212,384</u>	<u>\$2,604,103</u>

These unaudited financial statements should be read in conjunction with the notes to the audited financial statements for the 1999-00 fiscal year.



# Southern California Public Power Authority

## Combined Balance Sheet

(Amounts in thousands)

(Unaudited)

December 31, 1999

	Palo Verde Project	Southern Transmission System Project	Hoover Upgrading Project	Mead-Phoenix Project	Mead-Adelanto Project	Multiple Project Fund	San Juan Unit 3 Project	Projects' Stabilization Funds	Total
<b>ASSETS</b>									
Utility Plant:									
Production	\$ 615,925	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,125	\$ -	\$ 799,050
Transmission	14,146	674,606	-	50,846	170,895	-	-	-	910,493
General	2,512	18,911	21	2,642	341	-	7,890	-	32,317
	632,583	693,517	21	53,488	171,236	-	191,015	-	1,741,860
Less - Accumulated depreciation	362,370	251,095	8	5,704	17,021	-	74,400	-	710,598
	270,213	442,422	13	47,784	154,215	-	116,615	-	1,031,262
Construction work in progress	11,536	-	-	-	-	-	8,693	-	20,229
Nuclear fuel, at amortized cost	15,258	-	-	-	-	-	-	-	15,258
Net utility plant	297,007	442,422	13	47,784	154,215	-	125,308	-	1,066,749
Special Funds:									
Investments									
Escrow accounts	99,174	18,918	-	13,288	37,397	-	-	-	168,777
Decommissioning fund	69,961	-	-	-	-	-	-	-	69,961
Other funds	106,421	100,870	5,219	8,089	26,991	253,019	1,950	20,002	522,561
	275,556	119,788	5,219	21,377	64,388	253,019	1,950	20,002	761,299
Cash and cash equivalents	55,627	36,573	2,082	4,099	8,380	14	42,885	12,090	161,750
Interest receivable	2,867	300	53	342	1,553	9,299	44	472	14,930
	334,050	156,661	7,354	25,818	74,321	262,332	44,879	32,564	937,979
Accounts receivable	1,596	-	-	-	-	-	500	-	2,096
Due from other project	-	-	-	2,506	7,070	-	-	-	9,576
Advance to IPA	-	11,550	-	-	-	-	-	-	11,550
Advances for capacity and energy, net	-	-	23,113	-	-	-	-	-	23,113
Materials and supplies	6,840	-	-	-	-	-	3,317	-	10,157
Other assets	-	-	3	-	-	-	-	-	3
Cost recoverable from (in excess of) future billings to participants	107,955	275,066	(5,784)	3,915	14,850	-	45,336	-	441,338
Unamortized debt expenses, less accumulated amortization of \$14,767	5,773	7,740	276	1,296	4,214	-	2,196	-	21,495
	<u>\$ 753,221</u>	<u>\$ 893,439</u>	<u>\$24,975</u>	<u>\$ 81,319</u>	<u>\$254,670</u>	<u>\$ 262,332</u>	<u>\$ 221,536</u>	<u>\$ 32,564</u>	<u>\$ 2,524,056</u>
<b>LIABILITIES</b>									
Long-term debt	\$ 681,237	\$ 846,886	\$23,655	\$ 63,150	\$203,327	\$ 233,965	\$ 204,000	\$ -	\$ 2,256,220
Current Liabilities:									
Debt due within one year	43,675	24,555	615	14,850	41,645	5,800	6,825	-	137,965
Accrued interest	10,467	19,622	378	2,515	7,684	8,074	5,598	-	54,338
Accounts payable & accruals	15,475	2,376	327	232	877	-	4,489	-	23,776
Accrued property tax	2,367	-	-	572	1,137	-	624	-	4,700
Due to other projects	-	-	-	-	-	9,444	-	-	9,444
Funds due to participants	-	-	-	-	-	-	-	32,564	32,564
Total current liabilities	71,984	46,553	1,320	18,169	51,343	23,318	17,536	32,564	262,787
Deferred credits	-	-	-	-	-	5,049	-	-	5,049
	<u>\$ 753,221</u>	<u>\$ 893,439</u>	<u>\$24,975</u>	<u>\$ 81,319</u>	<u>\$254,670</u>	<u>\$ 262,332</u>	<u>\$ 221,536</u>	<u>\$ 32,564</u>	<u>\$ 2,524,056</u>

These unaudited financial statements should be read in conjunction with the notes to the audited financial statements for the 1999-00 fiscal year.

# Southern California Public Power Authority

## Combined Statement of Operations

(Amounts in thousands)

(Unaudited)

Six Months Ended December 31, 2000

	Palo Verde Project	Southern Transmission System Project	Hoover Upgrading Project	Mead Phoenix Project	Mead Adelanto Project	Multiple Project Fund	San Juan Unit 3 Project	Projects' Stabilization Fund	Total
Operating Revenues:									
Sales of electric energy	\$ 86,534	\$ -	\$ 994	\$ -	\$ -	\$ -	\$ 29,168	\$ -	\$ 116,696
Sales of transmission services	-	36,283	-	3,071	8,588	-	-	-	47,942
Total operating revenues	86,534	36,283	994	3,071	8,588	-	29,168	-	164,638
Operating Expenses:									
Amortization of nuclear fuel	4,209	-	-	-	-	-	-	-	4,209
Operations and maintenance	12,938	5,843	1,047	558	1,397	-	21,244	-	43,027
Depreciation	13,333	9,819	1	705	2,239	-	4,989	-	31,086
Decommissioning	6,179	-	-	-	-	-	1,556	-	7,735
Total operating expenses	36,659	15,662	1,048	1,263	3,636	-	27,789	-	86,057
Operating income	49,875	20,621	(54)	1,808	4,952	-	1,379	-	78,581
Investment income	29,783	4,395	242	399	1,099	9,181	1,380	6,451	52,930
Income before debt expense	79,658	25,016	188	2,207	6,051	9,181	2,759	6,451	131,511
Debt expense	29,599	33,538	322	2,596	7,940	8,218	5,740	-	87,953
	<u>\$ 50,059</u>	<u>\$ (8,522)</u>	<u>\$ (134)</u>	<u>\$ (389)</u>	<u>\$ (1,889)</u>	<u>\$ 963</u>	<u>\$ (2,981)</u>	<u>\$ 6,451</u>	<u>\$ 43,558</u>

*These financial statements should be read in conjunction with the notes to the audited financial statements for the 1999-00 fiscal year.*

# Southern California Public Power Authority

## Combined Statement of Operations

(Amounts in thousands)

(Unaudited)

Six Months Ended December 31, 1999

	Palo Verde Project	Southern Transmission System Project	Hoover Upgrading Project	Mead Phoenix Project	Mead Adelanto Project	Multiple Project Fund	San Juan Unit 3 Project	Projects' Stabilization Fund	Total
Operating Revenues:									
Sales of electric energy	\$ 89,426	\$ -	\$ 993	\$ -	\$ -	\$ -	\$ 27,952	\$ -	\$ 118,371
Sales of transmission services	-	41,116	-	3,757	10,644	-	-	-	55,517
Total operating revenues	89,426	41,116	993	3,757	10,644	-	27,952	-	173,888
Operating Expenses:									
Amortization of nuclear fuel	4,211	-	-	-	-	-	-	-	4,211
Operations and maintenance	12,036	7,356	1,009	614	632	-	19,268	-	40,915
Depreciation	13,369	9,819	2	709	2,239	-	4,719	-	30,857
Decommissioning	6,179	-	-	-	-	-	1,556	-	7,735
Total operating expenses	35,795	17,175	1,011	1,323	2,871	-	25,543	-	83,718
Operating income	53,631	23,941	(18)	2,434	7,773	-	2,409	-	90,170
Investment income	(1,320)	4,240	171	724	2,505	9,312	1,038	593	17,263
Income before debt expense	52,311	28,181	153	3,158	10,278	9,312	3,447	593	107,433
Debt expense	31,989	35,579	313	2,856	8,666	8,414	5,899	-	93,716
	<u>\$ 20,322</u>	<u>\$ (7,398)</u>	<u>\$ (160)</u>	<u>\$ 302</u>	<u>\$ 1,612</u>	<u>\$ 898</u>	<u>\$ (2,452)</u>	<u>\$ 593</u>	<u>\$ 13,717</u>

*These financial statements should be read in conjunction with the notes to the audited financial statements for the 1999-00 fiscal year.*

# Southern California Public Power Authority

## Combined Statement of Cash Flows

(Amounts in thousands)

(Unaudited)

Six Months Ended December 31, 2000

	Palo Verde Project	Southern Transmission System Project	Hoover Upgrading Project	Mead- Phoenix Project	Mead- Adelanto Project	Multiple Project Fund	San Juan Unit 3 Project	Projects' Stabilization Fund	Total
Cash flows from operating activities:									
Operating income (loss)	\$ 49,875	\$ 20,621	\$ (54)	\$ 1,808	\$ 4,952	\$ -	\$ 1,379	\$ -	\$ 78,581
Adjustments to reconcile operating income to net cash provided by operating activities -									
Depreciation	13,333	9,819	2	704	2,239	-	4,989	-	31,086
Decommissioning	6,179	-	-	-	-	-	1,556	-	7,735
Advances for capacity and energy		-	896	-	-	-	-	-	896
Amortization of nuclear fuel	4,209	-	-	-	-	-	-	-	4,209
Changes in assets and liabilities:									
Accounts receivable	(75)	(707)	(6)	-	-	-	(97)	-	(885)
Accounts payable and accruals	8,339	(2,317)	77	(108)	(1,136)	-	(327)	-	4,528
Other	105	-	(2)	-	-	-	(100)	-	3
Net cash provided by operating activities	<u>81,965</u>	<u>27,416</u>	<u>913</u>	<u>2,404</u>	<u>6,055</u>	<u>-</u>	<u>7,400</u>	<u>-</u>	<u>126,153</u>
Cash flows from noncapital financing activities:									
Advances from participants	-	-	-	-	-	-	-	170,351	170,351
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,351</u>	<u>170,351</u>
Cash flows from capital and related financing activities:									
Additions to plant, net	(7,451)	-	-	-	-	-	(119)	-	(7,570)
Debt interest payments	(21,566)	(24,468)	(756)	(2,765)	(8,389)	(8,074)	(5,440)	-	(71,458)
Principal payments on debt	(43,675)	(24,555)	(615)	(2,320)	(6,380)	(5,800)	-	-	(83,345)
Payment for defeasance of revenue bonds	-	-	-	(12,530)	(35,265)	-	-	-	(47,795)
Decommissioning fund	(6,242)	-	-	-	-	-	-	-	(6,242)
Net cash used for capital and related financing activities	<u>(78,934)</u>	<u>(49,023)</u>	<u>(1,371)</u>	<u>(17,615)</u>	<u>(50,034)</u>	<u>(13,874)</u>	<u>(5,559)</u>	<u>-</u>	<u>(216,410)</u>
Cash flows from investing activities									
Interest received on investments	5,094	3,998	173	381	1,099	9,346	1,255	5,726	27,072
Purchases of investments	(60,398)	(9,032)	(560)	(27,860)	(82,680)	(4,128)	(5,636)	(189,379)	(379,673)
Proceeds from sale/maturity of investments	<u>50,137</u>	<u>16,643</u>	<u>1,276</u>	<u>42,266</u>	<u>124,469</u>	<u>8,658</u>	<u>2,728</u>	<u>27,281</u>	<u>273,458</u>
Net cash provided by (used for) investing activities	<u>(5,167)</u>	<u>11,609</u>	<u>889</u>	<u>14,787</u>	<u>42,888</u>	<u>13,876</u>	<u>(1,653)</u>	<u>(156,372)</u>	<u>(79,143)</u>
Net increase (decrease) in cash and cash equivalents	(2,136)	(9,998)	431	(424)	(1,091)	2	188	13,979	951
Cash and cash equivalents at beginning of year	<u>47,479</u>	<u>37,750</u>	<u>977</u>	<u>3,773</u>	<u>6,525</u>	<u>15</u>	<u>35,959</u>	<u>5,262</u>	<u>137,740</u>
Cash and cash equivalents at end of year	<u>\$ 45,343</u>	<u>\$ 27,752</u>	<u>\$ 1,408</u>	<u>\$ 3,349</u>	<u>\$ 5,434</u>	<u>\$ 17</u>	<u>\$ 36,147</u>	<u>\$ 19,241</u>	<u>\$ 138,691</u>

These financial statements should be read in conjunction with the notes to the audited financial statements for the 1999-00 fiscal year.

# Southern California Public Power Authority

## Combined Statement of Cash Flows

(Amounts in thousands)

(Unaudited)

Six Months Ended December 31, 1999

	Palo Verde Project	Southern Transmission System Project	Hoover Uprating Project	Mead- Phoenix Project	Mead- Adelanto Project	Multiple Project Fund	San Juan Unit 3 Project	Projects' Stabilization Fund	Total
Cash flows from operating activities:									
Operating income (loss)	\$ 53,631	\$ 23,941	\$ (18)	\$ 2,434	\$ 7,773	\$ -	\$ 2,409	\$ -	\$ 90,170
Adjustments to reconcile operating income to net cash provided by operating activities -									
Depreciation	13,369	9,819	2	709	2,239	-	4,719	-	30,857
Decommissioning	6,179	-	-	-	-	-	1,556	-	7,735
Advances for capacity and energy	-	-	895	-	-	-	-	-	895
Amortization of nuclear fuel	4,211	-	-	-	-	-	-	-	4,211
Changes in assets and liabilities:									
Accounts receivable	726	-	-	12	(145)	-	-	-	593
Accounts payable and accruals	2,552	(5,967)	81	(155)	(2,284)	-	1,356	-	(4,417)
Other	(36)	(4)	(3)	-	(1)	-	28	-	(16)
Net cash provided by operating activities	80,632	27,789	957	3,000	7,582	-	10,068	-	130,028
Cash flows from noncapital financing activities:									
Advances from participants	-	-	-	-	-	-	-	7,114	7,114
Net cash provided by noncapital financing activities	-	-	-	-	-	-	-	7,114	7,114
Cash flows from capital and related financing activities:									
Additions to plant, net	(7,141)	-	-	410	-	-	(1,046)	-	(7,777)
Debt interest payments	(21,439)	(26,227)	(773)	(2,588)	(7,884)	(8,256)	(5,598)	-	(72,765)
Principal payments on debt	(40,615)	(23,585)	(580)	(2,160)	(5,940)	(5,400)	-	-	(78,280)
Payment for defeasance of debt	(25,205)	-	-	-	-	-	-	-	(25,205)
Decommissioning fund	(5,788)	-	-	-	-	-	-	-	(5,788)
Net cash used for capital and related financing activities	(100,188)	(49,812)	(1,353)	(4,338)	(13,824)	(13,656)	(6,644)	-	(189,815)
Cash flows from investing activities									
Interest received on investments	4,597	4,543	187	1,060	2,939	9,463	1,204	667	24,660
Purchases of investments	(50,274)	(16,589)	(1,018)	(3,924)	(8,001)	-	(9,237)	(4,689)	(93,732)
Proceeds from sale/maturity of investments	73,429	39,533	2,293	3,388	10,027	4,127	33,177	623	166,597
Net cash provided by (used for) investing activities	27,752	27,487	1,462	524	4,965	13,590	25,144	(3,399)	97,525
Net increase (decrease) in cash and cash equivalents	8,196	5,464	1,066	(814)	(1,277)	(66)	28,568	3,715	44,852
Cash and cash equivalents at beginning of period	47,431	31,109	1,016	4,913	9,657	80	14,317	8,375	116,898
Cash and cash equivalents at end of period	\$ 55,627	\$ 36,573	\$ 2,082	\$ 4,099	\$ 8,380	\$ 14	\$ 42,885	\$ 12,090	\$ 161,750

These financial statements should be read in conjunction with the notes to the audited financial statements for the 1999-00 fiscal year.

**SOUTHERN CALIFORNIA EDISON COMPANY****2001 Cash Reserve**  
**(Dollars in Thousands)****Cash Reserves as of March 31, 2001****\$2,027,000****Percentage Ownership in All Nuclear Units:****San Onofre Nuclear Generating Station Units 2 & 3**

o Southern California Edison Company	75.05%
o San Diego Gas & Electric Company	20.00%
o City of Anaheim	3.16%
o 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 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
<b>Total</b>	<b>\$24,740</b>