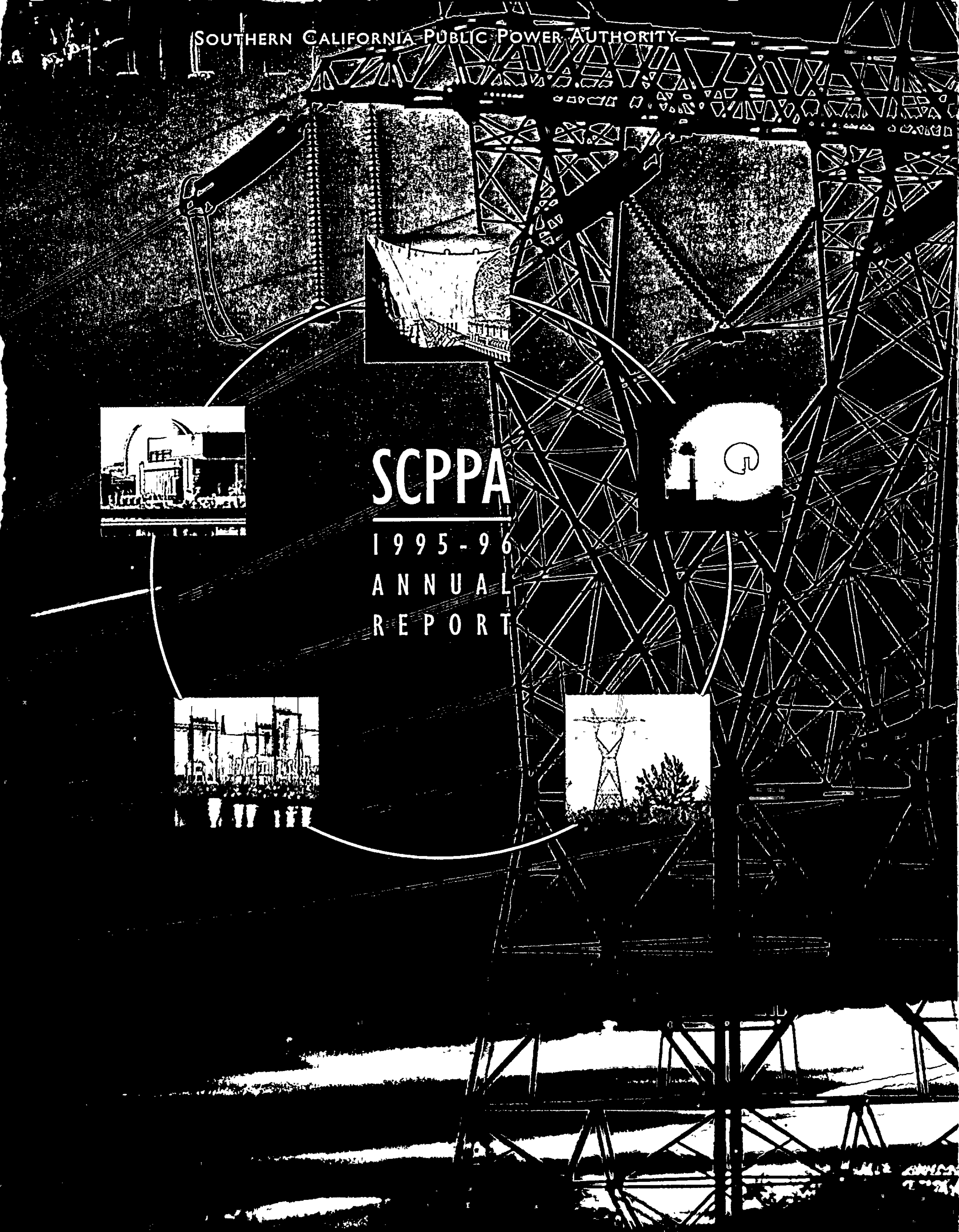
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SCPPA

1995-96 ANNUAL REPORT



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SCPPA BY DEFINITION

The Southern California Public Power Authority (SCPPA) is a joint powers authority formed in 1980 to acquire reliable, cost-efficient electrical generation facilities and transmission systems for its members. The membership includes ten municipal utilities and one irrigation district that deliver electricity to nearly two million customers from northern Los Angeles County to the Mexican border.

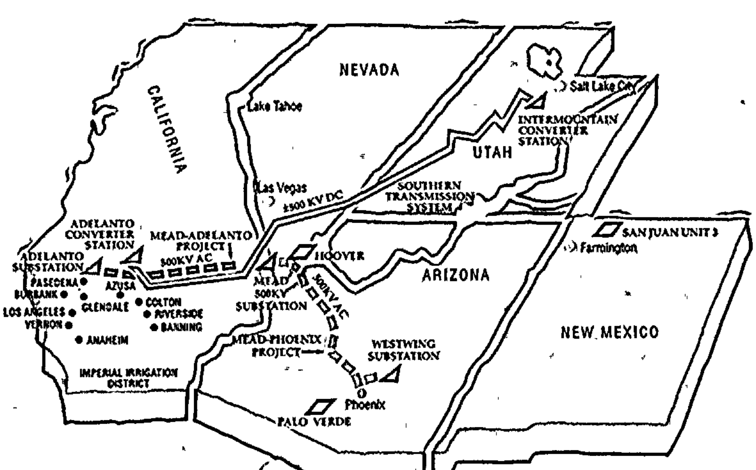
Backed by its members' financial strength, SCPPA has issued $8.2 billion in bonds, notes and refunding bonds since its inception, of which $3.6 billion in principal remains outstanding. With these proceeds the SCPPA members have jointly purchased or refinanced interests in generating and transmission facilities throughout the southwestern United States.

SCPPA's primary role has been to secure financing for these projects, but in light of pending electric industry restructuring, SCPPA has increasingly helped its members become more competitive and provided legislative and regulatory advocacy at the state and federal levels. This advocacy ensures that legislators and regulators will consider the needs of public power providers in this region as they propose sweeping changes in laws and regulations affecting the electric industry.

Today's radically shifting economic and political climates pose major challenges for public power providers. SCPPA's sound financial basis and cooperative approach to industry problem-solving will help its members weather the storm and deliver new benefits to their customers.

SCPPA MEMBERS

City of Anaheim
City of Azusa
City of Banning
City of Burbank
City of Colton
City of Glendale
Imperial Irrigation District
Los Angeles Department of Water And Power
City of Pasadena
City of Riverside
City of Vernon



- Southern Transmission System
- Mead-Phoenix Transmission Project
- Mead-Adelanto Transmission Project
- Palo Verde Nuclear Generating Station
- Hoover Uprating Project
- San Juan Generating Station
- Member Agencies

EXECUTIVE DIRECTOR'S LETTER

In last year's message I predicted that this fiscal year would be a watershed period for the nation's public utilities — and the events that unfolded proved my penchant for understatement. Debate about electric utility restructuring and competition was highly visible on the U.S. congressional agenda, and legislation that would direct states to begin retail customer access choice by the end of the year 2000 was proposed. The Federal Energy Regulatory Commission continued their move to ensure that the nation's transmission system is open to all in a fair, nondiscriminatory fashion.

In California, discussion intensified and the realities of market transformation began to unfold. In a landmark decision in December, the California Public Utilities Commission issued a policy decision setting January 1, 1998 as the beginning of direct access for retail customers of the state's investor-owned utilities. The Deregulation Countdown on page 7 further illustrates the timing of the new market scenario.

During this year SCPPA's staff and its member agencies infused their own considerable energy into representing and protecting public power agencies and their customers in the deregulation continuum. I carried these themes to the U.S. Senate when I testified before its Energy and Natural Resources Committee at a restructuring hearing in March. As SCPPA representatives and I visited with Members of Congress and staff, we provided them a consumer-owned utility perspective on the CPUC decision and its impacts, and on proposed federal legislation. These views took on reality for congressional staff members as they toured several SCPPA facilities in April.

Back at home the SCPPA staff worked to reduce project and overhead costs, and to restructure project debt including a move to increased variable rate debt, thereby lowering project costs.

SCPPA members spent this year in high gear, delivering reliable power and quality energy services to their customers, while retooling to meet the demands of the coming open market environment. The following pages further describe their strategies to reduce costs, increase efficiency, develop new revenue sources, and communicate with their customers, city administrators, and elected officials. SCPPA has served as a catalyst and resource for these efforts.

Eldon A. Cotton
SECRETARY

Bill D. Carnahan
PRESIDENT

Bernard V. Palk
VICE PRESIDENT

Daniel W. Waters
EXECUTIVE DIRECTOR

Thomas H. McGuinness
ASSISTANT SECRETARY

Despite the current maelstrom of changing times and markets, SCPPA's mission is becoming progressively clearer. We will continue to support our member utilities' economic strength and marketing presence as we enter the new millennium.

Daniel W. Waters
Executive Director

PRESIDENT'S LETTER

In this era of profound change, SCPPA's benefit is its ability to influence the development of a new industry structure, ensuring that its member utilities can compete effectively. Two years ago we set a goal of making SCPPA the voice of the Southern California municipal utilities in national forums, and we have made great progress in this regard. In the past year, SCPPA continued to become more prominent in its spheres of influence at the federal and state levels.

SCPPA projects are critical to its member utilities' ability to compete. Over the past year we member utilities have worked to critically analyze our own operations, with efficiencies and cost reduction as our prime objectives. Our participation in SCPPA-funded projects provides us some of these efficiencies, such as expanding our access to low-cost power sources.

In addition to its advocacy and financial benefits, SCPPA helps member agencies develop common strategies, including how to establish Competition Transition Charges. SCPPA serves as a forum for identifying interactive issues and ferreting out solutions.

Aided by our SCPPA membership, our customers will continue to reap the benefits of local control of public utilities. We know our customers, operate our own generation and transmission system, and can provide more opportunities for value-added energy services. These attributes will make the crucial difference as we head into the coming market environment.

Bill D. Carnahan
PRESIDENT

In March 1896, an enterprising businessman bought a franchise from the City of Los Angeles for $100, permitting the operation of a power system within the city. He and his partners had built a small generating plant outside the city limits the previous December that would supply the proposed system. Since this franchise was to expire within two weeks, he and his three partners, along with their four employees, put on their overalls and feverishly strung wire through the streets and over rooftops of the city. At 4:55 p.m. on April 14, 1896, the first electric lights lit up the City Hall tower.

This tiny company owned the exclusive right to sell power to its customers, along with the exclusive responsibility to maintain near-perfect service and develop new power supplies to support the explosive growth to come.

This scenario was repeated in burgeoning cities throughout Southern California in the 1890s. Small companies built and operated generation resources and transmission infrastructure, and kept up with the insatiable thirst for power of a population fresh off the new trains from the east.

Some of these cities later bought the electrical systems within their boundaries, acquiring the same exclusive rights and responsibilities to their customers. To purchase the new generation and transmission systems they needed, they would subsequently pool their financial resources in the Southern California Public Power Authority.

THE COMPETITION TRANSITION CHARGE (CTC)

Reconciling the Past with the Future

Under the proposed CTC, consumers who choose to change electricity suppliers would pay a monthly surcharge on their electricity bill. The purpose of this surcharge is to ensure that the cost of retiring the debt on existing power infrastructure does not shift to the customers who remain with their utility. In many cases, the remaining customers are likely to be residential and small business customers, while the ones who change suppliers will be the large commercial/industrial customers.

In March 1996, descendants of private companies like that first private partnership filed to divest themselves of their generating plants voluntarily. This followed on the decision the previous December by the California Public Utilities Commission to open market access to the power infrastructure initiated 100 years ago. A few weeks later, in April 1996, these private power companies filed to create a Power Exchange, into which they would sell their generation, and an Independent System Operator to operate and manage the state's transmission system.

EDWARD K. AGHJAYAN

CITY OF ANAHEIM As the City's sole power provider for more that 100 years, the Anaheim Public Utilities Department has now positioned itself for deregulation and competition. In March 1996, commercial and industrial customers saw a rate decrease of up to five percent. Residential rates remained stable, already set approximately 25 percent lower than those in neighboring communities. Taking advantage of a unique opportunity, the Department entered into a landmark public/private partnership to utilize its fiber optic cable. This partnership will provide the community with access to a Universal Telecommunications System in 1997.

Custome Served:	104,805
Power Generated and Purchased (in Megawatt-Hours)	
Self-generated	880,715
Purchased	1,973,110
Total	2,853,825
Transmission (in miles)	1,417
Total Revenues (000's)	$ 246,479
Operating Costs (000's)	$ 197,895

The municipal power companies, although not directly regulated by the CPUC, will participate and compete in this market-based environment . . . a whole new world.

WHY DEREGULATE? Historically, the regulatory compact provided exclusive service territories and rates sufficient to cover utilities' costs. In the 1970s, utilities were facing demand growth of seven percent per year, and were forbidden by federal law from burning natural gas in utility boilers. This led to investments in nuclear and coal fueled generating plants.

In recent years the California government mandated investment in renewable energy sources and promotion of energy efficiency. In this era the utilities provided a complete electric system. They also had the obligation to plan and develop facilities to cover future electric needs and were accountable for near-perfect service to all customers. As a result of the move to protect the environment and promote renewable resources, investor-owned utility (IOU) rates in California were 50 percent higher than the national average. The rates of consumer-owned utilities like the SCPPA member agencies were generally 15 to 30 percent lower than those of the IOUs. These high rates are driving the move to deregulation in California.

New technology enables new projects to generate electricity at lower cost using relatively inexpensive natural gas. At the same time, global economic forces are pressuring California's industries to become more competitive. These customers want the immediate benefit of the new generation technology and lower electricity bills.

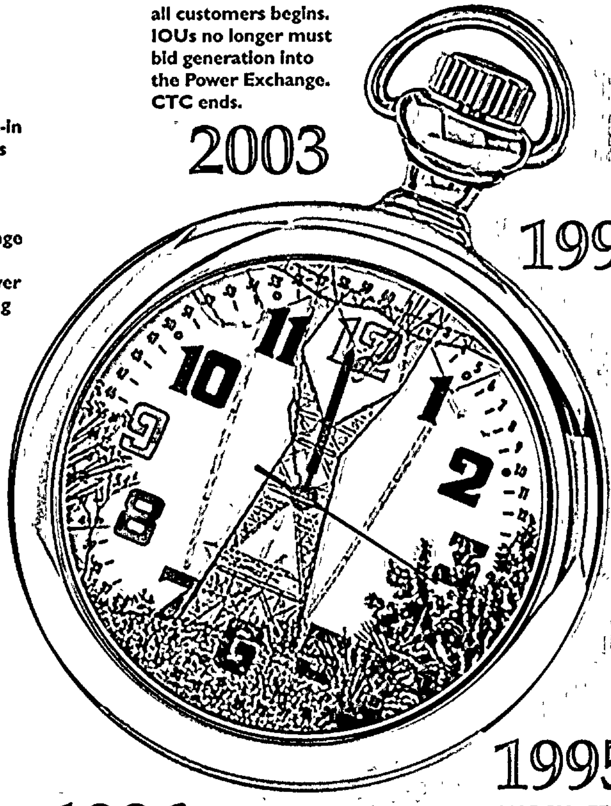
In the new world of deregulated power supply, industrial customers will have access to an open market in which they can buy electricity from the lowest bidder.

MEMBER AGENCIES IN ACTION The eleven SCPPA member agencies have been planning for the new market transformation for the last few years. This past fiscal year has seen the most active

DEREGULATION COUNTDOWN

Direct retail access for all customers begins. IOUs no longer must bid generation into the Power Exchange. CTC ends.

2003



NUARY 1: Five-year phase-in lirect retail access for IOUs ins: Large customers may ose alternate generation pliers. IOUs must bid all eration into Power Exchange l satisfy customers' energy ds by buying from the Power hange. Customers choosing rnate suppliers pay CTC.

1998

C to rove porate

1997

ructuring/functional undling. IOUs to file lications to transfer ts. CPUC to ensure al consumer protection sures are in place.

1992

National Energy Policy Act gives FERC authority to order open transmission access.

1994

APRIL: CPUC issues draft rulemaking envisioning future where customers choose among competing generation providers, and performance-based ratemaking replaces traditional cost-of-service ratemaking.

1996

MARCH: IOUs apply for voluntary divestiture of 50 percent of fossil generation.

APRIL: Draft of ISO/Power Exchange filing available to stakeholders. IOUs file proposals to establish ISO and Power Exchange.

JULY: IOUs apply for performance-based ratemaking.

1995

MARCH: FERC issues Notice of Proposed Rulemaking (NOPR) proposing significant changes in transmission service regulation. Goal: to deny transmission facility owners unfair advantage over competitors.

MAY: CPUC issues proposal that electric generators should sell power to independent system operator (ISO), which would distribute power to Californians at lower price than currently paying. A new Power Exchange would create a wholesale power pool where all suppliers could sell electricity according to established competitive bidding procedures.

DECEMBER: CPUC adopts final policy which includes the following: Creates a Power Exchange starting Jan. 1, 1998. Initiates direct access for retail customers with five-year phase-in and proposes competition transition charge (CTC). Creates ISO for the transmission grid. Develops performance-based ratemaking for IOUs. Requires real-time rate and time-of-use rate options.

PASSWORDS TO A NEW ERA

AGGREGATORS – Brokers who seek to bring together customers to create a "load" so that they can buy power in bulk, making a profit on the sale.

COMPETITION TRANSITION CHARGE (CTC) – A non-bypassable fee paid by retail customers to their former power supplier when taking service from an alternative supplier. This fee reflects the difference between a stranded asset's market price and its cost. The purpose is to avoid cost shifting, and to enable utilities to retire debt and compete fairly.

COST-BASED RATEMAKING – Regulated rates based on costs expended.

COST SHIFTING – Moving cost increases or decreases to classes of customers, e.g. to residential from industrial or to commercial from residential.

DIRECT ACCESS – Ability of a power producer to sell directly to the retail customer.

INDEPENDENT SYSTEM OPERATOR (ISO) – Independent manager of transmission lines which assures safe and fair transfer of electricity from generators to distribution companies.

INTEGRATED UTILITY – A company that provides a complete electric system, generation transmission and distribution services, for its customers.

PERFORMANCE BASED RATEMAKING (PBR) – Regulated rates based on performance objectives, not on actual costs.

POWER EXCHANGE (PX) – A spot price market for electricity into which power generators could sell their electricity and from which retail and wholesale customers could buy.

RESTRUCTURING – Reconfiguring the market structure by eliminating the monopoly on the essential functions of an electric company.

RETAIL WHEELING – The ability of generation companies or brokers to sell directly to retail customers, utilizing regulated transmission lines and the distribution services of existing utility companies.

STRANDED INVESTMENT OR STRANDED ASSETS – Generation facilities, owned by existing utility companies, that produce electricity at above-market marginal prices.

UNBUNDLED RATES – Separate itemized charges for generation, transmission, distribution, and other services.

UNBUNDLED SERVICES – Customer can select which services they want and which company provides them

WHOLESALE WHEELING – Selling electricity to wholesale buyers for resale to retail customers fulfillment of their transformation plans to date. The agencies have put significant time and effort into many of these activities:

- Communicating with city councils, utility boards, and major customers about the deregulation process, its implications, and the member agencies' preparation for it.
- Downsizing and reorganizing staff.
- Transforming from engineering-based to customer-focused corporate culture.
- Becoming more familiar with customer needs and planning new products and services.
- Aggressively cutting costs while maintaining service reliability.
- Preparing new unbundled and time-of-use rate structures.
- Working on reducing transfers to their cities' general funds.
- Renegotiating power contracts to cut costs.
- Meeting off-balance sheet debt obligations.
- Pursuing revenue enhancement opportunities, such as leasing poles and conduit for fiber optics and other telecommunications activities.
- Adopting a Competition Transition Charge.
- Reducing project operating and maintenance costs.
- Renegotiating fuel contracts.
- Reducing debt service by refinancing at lower interest rates.
- Moving to more variable rate debt.
- Pursuing aggressive legislative advocacy.

JOSEPH F. HSU

CITY OF AZUSA The city's electric u was established in 1898, and for most history Azusa purchased electricity w sale from Southern California Ed Since the mid-1980s, through succ litigation against Edison on transmi access, Azusa began to obtain short- long-term contracts with other utiliti well as from SCPPA, by participati Palo Verde Nuclear Generating Sta Hoover Hydroelectric Plant, and San Generating Station Unit #3. By havin ability to diversify its power supply o tions, Azusa has maintained its retail at the 1983 level. These competitive will help the city make a less stressful sition toward the deregulated ma environment.

Customers Served:	14
Power Generated and Purchased (In Megawatt-Hours)	
Self-generated:	
Purchased:	422
Sales	
Retail:	220
Wholesale:	202
Total Revenues (000s):	$ 23
Operating Costs (000s):	$ 20

*Unaudited

SCPPA IN ACTION The last three items above are the particular expertise and benefit that SCPPA brought its member agencies during this fiscal year. Moreover, SCPPA staff members have adopted the new streamlined business atmosphere of the member agencies by "doing more with less" in all aspects of operations. It has been a year of unprecedented energy and accomplishment.

OPERATIONS AND FINANCIALS

As of October 31, 1996	*Estimated Weighted Average Cost of Capital*[6] *(Percentage)*	*Bond Ratings*	
SCPPA BONDS		*Moody's Investor Service*	*Standard & Poor's*
Hoover Uprating Project	6.11	Aa	AA-
Southern Transmission System Project	4.32		
Senior Lien Bonds		Aa	AA-
Subordinate Lien Bonds[1]		Aaa/VMIG1	AAA/A-1+
Palo Verde Project	4.77		
Senior Lien Bonds		A1	AA-
1992 Subordinate Lien Bonds[2]		Aaa	AAA
Subordinate Lien Bonds[2]		Aaa/VMIG1	AAA/A-1+
Mead-Adelanto Transmission Project	5.40		
Insured Refunding Bonds[3]		Aaa	AAA
Nonrefunded Bonds[4]		A	A
Mead-Phoenix Transmission Project	5.48		
Insured Refunding Bonds[3]		Aaa	AAA
Nonrefunded Bonds[4]		A	A
Multiple Project[4]	6.21	A	A
San Juan Unit 3 Project[5]	5.12	Aaa	AAA

[1] *Insured: 1991 Subordinate Variable Rate Bonds (AMBAC); 1996 Subordinate Series A Bonds (MBIA); 1996 Subordinate Variable Rate Series B Bonds (FSA).*
[2] *Insured: 1992 Senior Lien Bonds (AMBAC); 1993 Subordinate Bonds (FGIC); 1996 Subordinate Series A Bonds (AMBAC); 1996 Subordinate Variable Rate Series B and C Bonds (AMBAC).*
[3] *Insured: 1994 Series A Bonds (AMBAC).*
[4] *Uncommitted bond proceeds secured by a guaranteed rate investment contract.*
[5] *Insured: 1993 Series A Bonds (MBIA).*
[6] *All generation bonds: 4.86%; all transmission bonds: 5.12%; combined generation and transmission: 5.00%.*

During the fiscal year, SCPPA continued to monitor the financial markets and address opportunities to reduce its fixed interest costs.

SCPPA refunded $222.2 million in Palo Verde Project bonds which were originally issued in 1986 and 1987. The 1996 refunding bonds consisted of sales of $152.9 million in Series A fixed rate bonds in February, and $58.9 million in Series B variable rate obligations in April. These insured revenue bonds will produce estimated present value savings of $29.5 million, or 14 percent of the refunding bonds.

As the fiscal year ended, SCPPA was working on a similar two-part refunding for the Southern Transmission System, and an additional variable rate issue for Palo Verde.

Following is a status report on SCPPA's generating and transmission projects.

PALO VERDE OPERATIONS — PALO VERDE NUCLEAR GENERATING STATION (PVNGS) Ten SCPPA members (all but the City of Anaheim) share a 5.91 percent interest in the three units of PVNGS, entitling them to 225 megawatts of power. SCPPA continues to

1995-96 OPERATIONS

	Generation (Millions of MWHs)	Capacity Utilization (%)
Unit 1	9.8	90.6
Unit 2	9.2	85.6
Unit 3	9.3	86.3
Aggregate	28.3	87.5
Industry average		69.9

PAUL TOOR

CITY OF BANNING

Established in 1913, the Banning electrical system now serves an area of approximately 21 square miles. The city owns a portion of San Juan Unit 3 and a portion of Mead-Adelanto and Mead-Phoenix transmission lines. In addition, the city owns a distribution system and four substations to serve the customers. Being a full service city, Banning's load mix is strengthened by industrial customers, with more industrial projects on the way. Major distribution system improvements are also in progress.

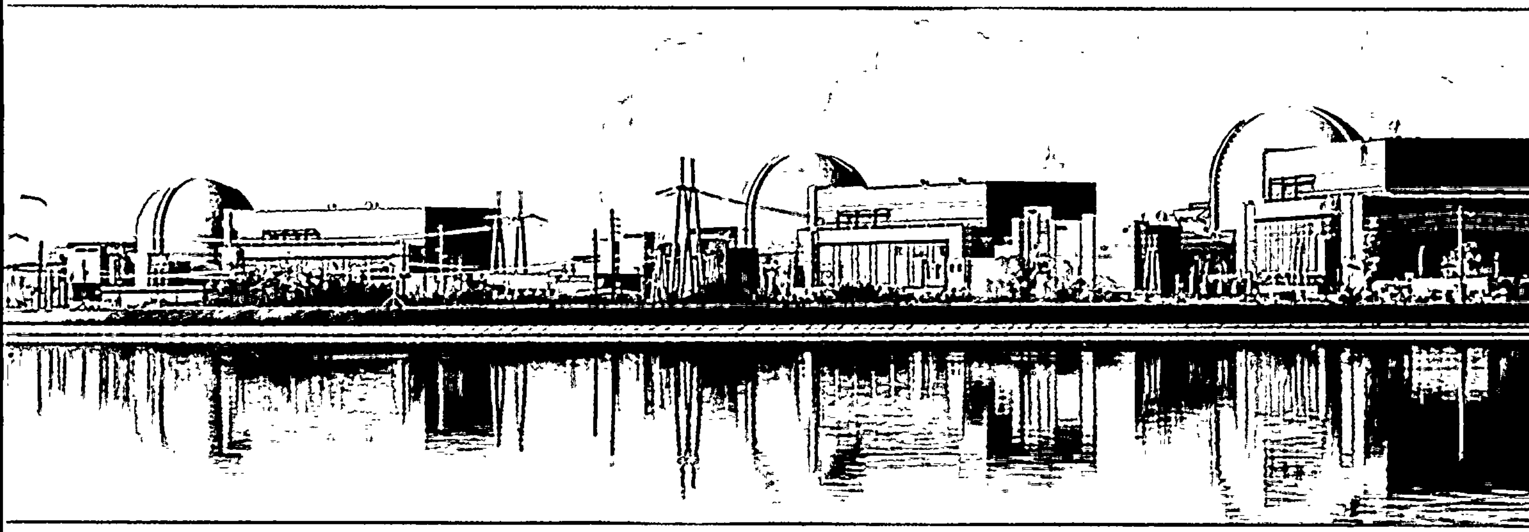
Customers Served:	**9,050**
Power Generated and Purchased (in Megawatt-Hours)	
Self-generated:	**0**
Purchased:	**117,879**
Total	**117,871**
Transmission (in miles)	**122**
Total Revenues (000s):	**$ 13,230**
Operating Costs (000s):	**$ 12,750**

work with the operating agent, Arizona Public Service (APS), to increase output and lower costs in order to make Palo Verde a competitive and dependable resource.

Palo Verde began a reengineering of work processes and organization in September 1993. Thus far, the reengineering effort has yielded lower costs, higher output, higher ratings by the Nuclear Regulatory Commission (NRC) and the Institute of Nuclear Power Operations (INPO), shorter refueling outages, and better teamwork and morale.

PRODUCTION COST
(Operation and Maintenance plus Nuclear Fuel)

Calendar Year	Cents per kWh
1993	2.02
1994	1.93
1995	1.61



Palo Verde's Spring 1996 refueling outage for Unit 2 was completed in a record 49 days.

INPO conducted a two-week evaluation of PVNGS in October 1995 and issued its first "1" rating, indicating that PVNGS achieved the highest level of excellence in nuclear plant operation. The high rating is expected to reduce PVNGS' insurance costs by nearly $1 million per year.

The NRC's latest Systematic Assessment of Licensee Performance (SALP) report gave PVNGS ratings of "1" in Operations, Maintenance, and Engineering, and "2" in Plant Support. "1" is the highest rating, and represents superior safety performance which exceeds NRC standards. In the previous assessment period, PVNGS received "2" ratings in all four categories. The NRC noted that APS has established new programs and processes necessary to achieve and sustain superior performance.

RONALD V. STASSI

CITY OF BURBANK Burbank's Public Service Department began serving customers in 1913, and installed on-site generation in response to a surge in industrial and residential growth in the 1940's and 1950's. Today the city receives power from three SCPPA projects, the Bonneville Power Administration, as well as firm and interruptible supplies from other utilities and government agencies.

Customers Served:	50,789
Power Generated and Purchased (In Megawatt-Hours)	
Self-generated	101,078
Purchased	928,011
Total	1,029,098
Transmission (In Miles)	398
Total Revenues (000's)	$ 94,430
Operating Costs (000's)	$ 93,744

Corrective measures implemented following a tube rupture in one of Unit 2's steam generators in 1993 have allowed operation at full capacity, but the operating agent has recommended replacement of unit 2's two steam generators, perhaps within the next ten years, due to safety and economy reasons. If the co-owners of PVNGS decide to replace the steam generators, SCPPA's share of the cost is estimated at approximately $9 million and would be expended over approximately six years.

One owner of PVNGS, El Paso Electric Company, has been under bankruptcy protection since 1992, and filed its Fourth Amended Stand Alone Plan in September 1995. The Bankruptcy Court approved the plan, and El Paso emerged from Chapter 11 bankruptcy on February 12, 1996. All of El Paso's obligations regarding PVNGS during the bankruptcy period have been met.

THOMAS K. CLARKE

CITY OF COLTON The Colton municipal electric utility was established in 1895, eight years after city incorporation. Since 1986, the electric utility has changed from being solely dependent on Southern California Edison for its purchased power to being actively engaged in purchasing power from several different sources, achieving significant cost savings in the process.

Customers Served:	15,932
Power Generated and Purchased (in Megawatt-Hours)	
Self-generated	0
Purchased	241,582
Total	241,582
Transmission (in miles)	2.3
Total Revenues (000's)	$ 26,072*
Operating Costs (000's)	$ 24,601*

*Unaudited

SAN JUAN OPERATIONS San Juan Unit 3 continued to be a dependable resource for the five SCPPA members (Azusa, Banning, Colton, Glendale, and Imperial Irrigation District) who own a 41.8 percent share of the unit through SCPPA.

A second Interim Invoicing Agreement further encouraged high capacity factors and lower per unit fuel costs. Despite the major scheduled maintenance outage in the spring, SCPPA members received nearly 1.5 million MWH from San Juan in FY 1995-96.

Installation of a new limestone scrubber system for the removal of sulfur dioxide was approved late in the fiscal year. Besides improving emissions control, the three-year project will save SCPPA $3 million per year in operating and maintenance costs.

Both the operating agent (Public Service Company of New Mexico) and the

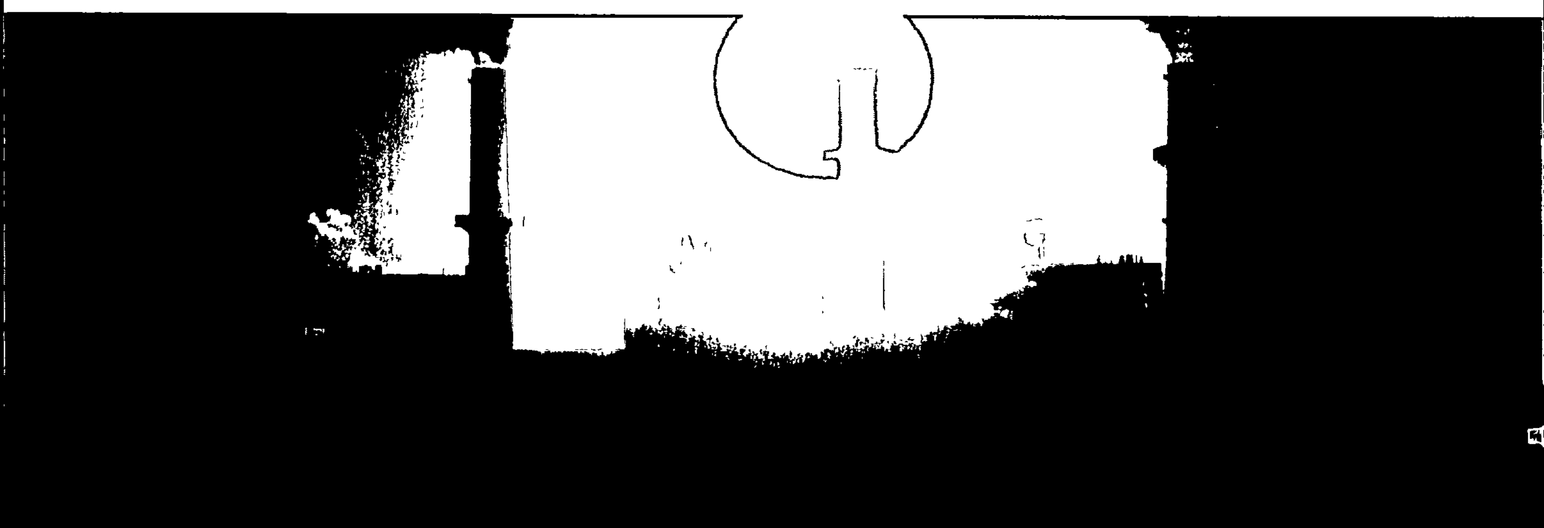
IARD V. PALK

OF GLENDALE Incorporated in 1906, dale purchased its electric utility in , obtaining power from outside sups. It received its first power from ver Dam in 1937 and inaugurated the unit of its own steam generating t in 1941. Now called the Grayson er Plant, this facility today has eight erating units. Glendale continues to hase 85 percent of its power from ide sources.

omers Served:	82,571
er Generated and Purchased legawatt-Hours)	
lf-generated	163,499
rchased	939,096
tal	1,102,595
smission (in miles)	69
l Revenues (000's)	$ 98,020
rating Costs (000's)	$ 85,026

coal supplier are actively exploring other ways to reduce costs and make San Juan Generating Station a competitive resource for its owners

MEAD-PHOENIX/MEAD-ADELANTO TRANSMISSION PROJECTS After more than a decade of planning and two and a half years of construction the Mead-Phoenix and Mead-Adelanto Transmission Lines went into commercial operation in April 1996. These two 500-kV AC transmission lines will carry power between the Phoenix area, the Las Vegas area, and Southern California. Nine



San Juan Generating Station

SCPPA members own roughly one-fifth of Mead-Phoenix and one-third of Mead-Adelanto through SCPPA.

HOOVER UPRATING PROJECT The Hoover Uprating Project, which increased the rated capacity at Hoover Power Plant by 35 percent, was declared complete this year. Nine SCPPA members (Anaheim, Azusa, Banning, Burbank, Colton, Glendale, Pasadena, Riverside, and Vernon) participated in the uprating and have obtained entitlements totaling 127 MW of capacity and approximately 143,000 MWH per year in allocated energy. The cities of Anaheim, Riverside, Burbank, Azusa, Banning, and Colton financed their participation through SCPPA.

Two issues which may affect operations at Hoover are the proposed sale of the Federal Power

Marketing Administrations (PMAs) and possible required mitigation of effects on endangered species in the lower Colorado River area. These issues are discussed under Legislative Advocacy.

SOUTHERN TRANSMISSION SYSTEM As usual, the Southern Transmission System (STS) continued to operate at or above design parameters, transmitting 11.3 million MWH of power over its 488 miles, compared with 12 million MWH in fiscal year 1994-95. The line operated at 70.5 percent of capability, with 99.53 percent availability. STS, a ± 500-kV DC transmission line and associated converter stations, moves power between the Intermountain Converter Station in Utah to the Adelanto Converter Station in Southern California.

KENNETH S. NOLLER

IMPERIAL IRRIGATION DISTRICT

IID entered the power industry in 1936 and today serves a peak load of 640 MW with 790 MW of generating resources. Among IID-owned resources are 24 MW of low head hydro units along the All American Canal, 307 MW of gas-fired steam and combined cycle units, and 162 MW of peaking gas turbines. In addition to IID's share of SCPPA resources comprising 104 MW at San Juan and 14 MW at Palo Verde, IID has 179 MW of other resources under long-term purchase contracts.

Customers Served:	86,870
Power Generated and Purchased (in Megawatt-Hours)	
Self-Generated	774,587
Purchased	1,893,599
Total	2,668,186
Transmission Facilities (in Miles)	1,637
Total Revenues (000's)	$ 197,917
Operating Costs (000's)	$ 177,624

LEGISLATIVE ADVOCACY

In the past year, SCPPA played its most crucial role to date in representing public power issues in Washington, D.C. By year end it had also made plans to maintain a continuous presence in the California legislature. The following examples underscore the value of SCPPA's advocacy in Congress.

ELECTRIC UTILITY INDUSTRY RESTRUCTURING Discussions about electric utility restructuring and ways to increase competition in the industry were prominent on the congressional agenda in 1996. SCPPA was actively involved in this federal restructuring debate. During visits with Members of Congress and staff in Washington, D.C., and an April congressional staff tour of several SCPPA facilities, SCPPA representatives discussed the effects of the California restructuring on municipal utilities, and SCPPA's view that federal legislation would be premature at this time. In addition, Executive Director Dan Waters testified for SCPPA and the American Public Power Association on March 29 at a restructuring hearing held by the Senate Energy and Natural Resources Committee.

A. COTTON

NGELES DEPARTMENT OF WATER AND R In 1916, the City of Los Angeles n distributing electric power pur-ed from the Pasadena Municipal r Plant, and the following year urated its first generating capacity at Francisquito Power Plant No. 1. 22 the city purchased the remaining bution system of Southern California n Company within the city limits. It v the largest municipally owned elec-tility in the nation. During 1995-96 it rwent a major business restructuring ess to prepare for upcoming deregu-n.

omers Served:	1,350,807
r Generated and Purchased egawatt-Hours)	
f-generated	21,848,816
chased	7,079,313
al	28,928,129
mission (in miles)	3,743
Revenues (000's)	$ 1,946,850
ating Costs (000's)	$ 1,625,753

RUFUS HIGHTOWER

CITY OF PASADENA Established in 1906, the city built its first electric generating steam plant in 1907 and took over operation of its municipal street lighting from Edison Electric. In 1909, Pasadena began the extension of its operations to commercial and residential customers that resulted in the replacement of all Edison electric service in the city by 1920. In 1995-96, Pasadena purchased approximately 85 percent of its power needs.

Customers Served:	58,732
Power Generated and Purchased (in Megawatt-Hours)	
Self-generated	185,289
Purchased	984,057
Total	1,169,346
Transmission Facilities (in Miles)	57
Total Revenues (000's)	$110,975
Operating Costs (000's)	$ 95,654

Utility restructuring and consumer choice issues are likely to be at the top of the energy agenda in the 105th Congress. SCPPA will continue to play a role in the development of legislation as the restructuring debate moves forward next year.

THE NUCLEAR WASTE POLICY ACT With a 5.91 percent interest in the Palo Verde Nuclear Generating Facility, SCPPA has a keen interest in pending legislation to reauthorize the Nuclear Waste Policy Act of 1982, with amendments. Passage of these proposed amendments would provide solutions for waste generated at the station at an interim nuclear waste disposal facility by 1998 and later at a permanent disposal site at Yucca Mountain, Nevada. The Senate bill was eventually approved, but a veto threat from President Clinton and strong opposition from the Nevada delegation stopped efforts to pass the legislation this year.

POWER MARKETING ADMINISTRATIONS In its early years the Clinton administration attempted to auction federally owned power marketing administrations (PMAs) for a one-time reduction in the federal deficit. One PMA earmarked for sale was the Western Area Power Administration (WAPA), which provides power to most SCPPA members. This proposed sale would privatize the Hoover hydroelectric project, the Parker and Davis power plants, and their related transmission facilities. Sale of the PMAs would negatively affect public power operations unless the sales are made to existing contractors. Although no serious PMA auction effort surfaced in 1996, the federal power program was carefully scrutinized, and many legislators remain staunch advocates of privatization.

ENDANGERED SPECIES ACT REAUTHORIZATION Republican leaders named reauthorization of the Endangered Species Act as a top legislative priority, but their legislation immediately met opposition from environmental groups, Democrats, and many Republicans. Fearing anti-environmental sentiment for the GOP, its

BILL D. CARNAHAN

CITY OF RIVERSIDE Riverside P Utilities is positioning itself to offer c petitive rates in the new deregul environment. Power and transmis costs constitute the bulk of cha passed on to our customers thro rates. Cost reduction and restructu efforts at SCPPA have had signifi impact on Riverside Public Utili efforts in meeting our lower opera cost targets. Additional efforts, espec at Palo Verde Nuclear Genera Station, will be required for Riversid compete in future years.

Customers Served:	88
Power Generated and Purchased (in Megawatt-Hours)	
Self-generated	299
Purchased	1,390
Total	1,689
Transmission (in miles)	2
Total Revenues (000's)	$172
Operating Costs (000's)	$160

leadership kept the legislation from being brought to the House floor for a vote this year. SCPPA continues to support ongoing voluntary efforts by California, Arizona, Nevada, and the Department of the Interior to protect endangered species in the Lower Colorado River region. These agencies are proceeding on the assumption that there will be no significant changes to the Endangered Species Act in the future.

TAX-EXEMPT FUNDING Concentrated efforts by SCPPA members and the public power community

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to educate Members of Congress and staff of the value of tax-exempt financing provided a needed advantage in 1996. Investor-owned utilities (IOUs) have opposed tax-exemption for public power entities, claiming that this status would give public power an unfair advantage under deregulation. Despite IOU attempts to restrict tax-exempt financing in 1996 budget reconciliation legislation, no such proposals were approved.

RENEWABLE ENERGY PRODUCTION INCENTIVE The Department of Energy's Renewable Energy Production Incentive (REPI) provides incentive payments to

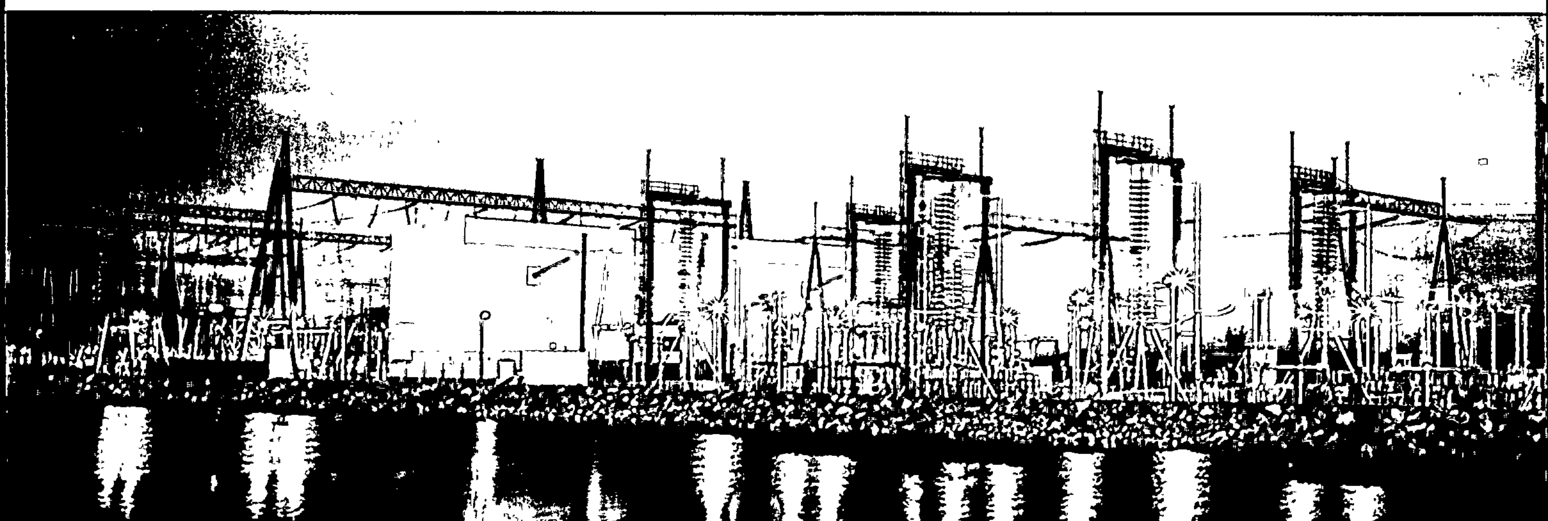
KENNETH J. DE DARIO

CITY OF VERNON Vernon's Light and Power Department began serving industrial customers in 1933, with completion of its diesel generating plant. In addition to its own power from diesel units plus recently installed gas turbines, Vernon now receives power from Palo Verde, Hoover, and various utilities, including APS, CDWR, SRP, BPA and Edison.

Customers Served:	2,040
Power Generated and Purchased (in Megawatt-Hours)	
Self-generated	676
Purchased	1,077,823
Total	1,078,499
Transmission (in miles)	2.4
Total Revenues (000's)	$ 50,199*
Operating Costs (000's)	$ 37,162*

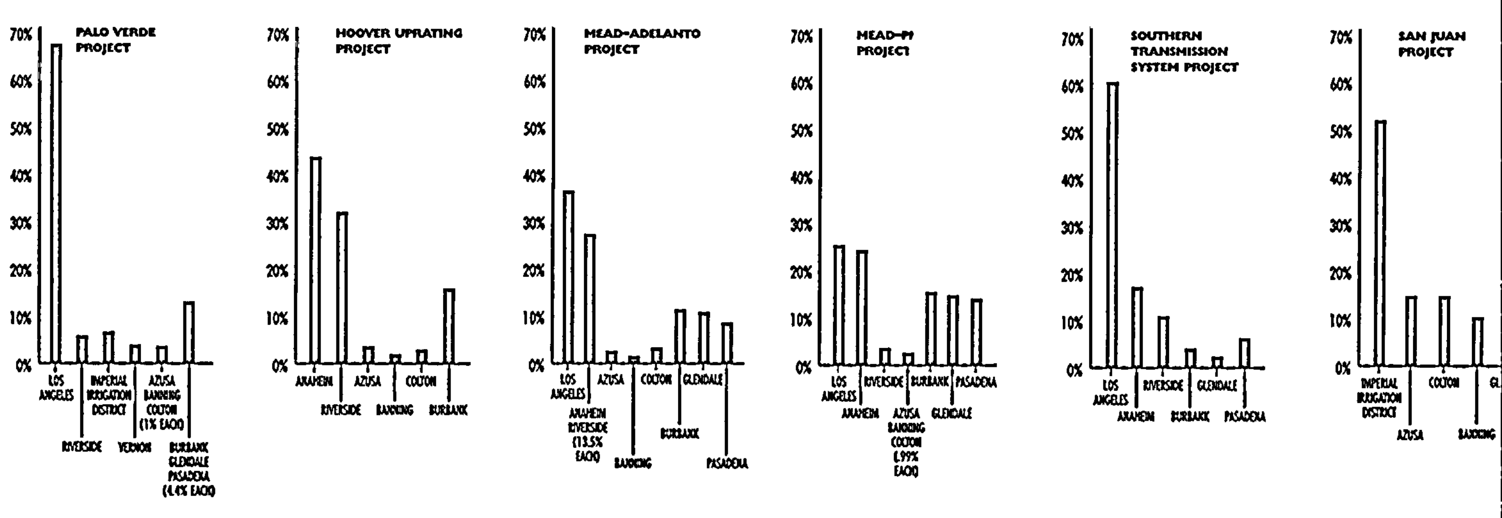
*Unaudited

energy providers who generate energy from such sources as wind, geothermal sources, and landfill gas. SCPPA and other REPI supporters obtained last-minute funding for the program during the fiscal year 1996 appropriations process. SCPPA member City of Glendale received the largest single payment of $946,921 for more than 60 million kilowatt-hours of power generated during 1995 at its Grayson landfill gas-fired facility. Intense efforts by SCPPA and other REPI supporters established fiscal year 1997 incentives as a major bipartisan platform during the appropriations debate.



Adelanto Converter Station is the western terminus of the Southern Tranmission System.

PERCENTAGE OF SCPPA MEMBER PARTICIPATION IN SCPPA'S INTEREST



REPORT OF INDEPENDENT ACCOUNTANTS

September 10, 1996

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, 1996 and 1995, 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 Uprating 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 Uprating Project, Mead-Phoenix Project, Mead-Adelanto Project, and San Juan Project present fairly, in all material respects, the financial position of each of the Projects at June 30, 1996, and their cash flows, and the results of operations of the Authority's Palo Verde Project, Southern Transmission System Project, Hoover Uprating Project, Mead-Phoenix Project, Mead-Adelanto 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 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. This information is the responsibility of the Authority's management. 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

Price Waterhouse LLP
Los Angeles, California

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

	June 30, 1996								
	Palo Verde Project	*Southern Transmission System Project*	*Hoover Uprating Project*	*Mead-Phoenix Project*	*Mead-Adelanto Project*	*Multiple Project Fund*	*San Juan Project*	*Total*	*June 30, 1995 Total*
ASSETS									
Utility plant:									
Production	$ 613,608				$ 171,068		$ 183,309	$ 967,985	$ 795,080
Transmission	14,146	$ 674,606		$ 48,307	164			737,223	689,447
General	2,569	18,893		1,971			8,613	32,046	29,155
	630,323	693,499		50,278	171,232		191,922	1,737,254	1,513,682
Less - Accumulated depreciation	250,021	194,127		846	1,255		36,622	482,871	418,688
	380,302	499,372		49,432	169,977		155,300	1,254,383	1,094,994
Construction work in progress	9,503			3,116			3,501	16,120	206,573
Nuclear fuel, at amortized cost	13,225							13,225	12,716
Net utility plant	403,030	499,372		52,548	169,977		158,801	1,283,728	1,314,283
Special funds:									
Available for sale at fair value (Note 2):									
Decommissioning fund	33,474							33,474	24,503
Investments	115,746	102,842	$ 9,628	21,591	62,562	$ 250,888	34,170	597,427	682,442
Escrow account - Crossover series		343,898						343,898	343,921
Advance to Intermountain Power Agency		19,550						19,550	19,550
Advances for capacity and energy, net			10,119					10,119	11,903
Interest receivable	1,512	2,169	6	841	2,285	9,220	67	16,100	16,541
Cash and cash equivalents	67,879	90,324	1,997	1,548	4,504		7,546	173,798	120,610
	218,611	558,783	21,750	23,980	69,351	260,108	41,783	1,194,366	1,219,470
Accounts receivable	738	2,687	19	1,750	4,741	(6,402)	945	4,478	5,272
Materials and supplies	9,240						3,569	12,809	13,297
Costs recoverable from future billings to participants	204,945	203,787	7,538	1,394	4,383		31,780	453,827	411,031
Unrealized loss on investments in funds available for sale	456	2,865	3	9	28		4	3,365	2,335
Prepaid construction costs									5,536
Prepaid expenses				26	66			92	
Unamortized debt expenses, less accumulated amortization of $132,265 and $127,197 in 1996 and 1995	204,693	164,247	3,307	9,888	28,123		3,090	413,348	429,508
	$ 1,041,713	$ 1,431,741	$ 32,617	$ 89,595	$ 276,669	$ 253,706	$ 239,972	$ 3,366,013	$ 3,400,732
LIABILITIES									
Long-term debt	$ 981,155	$ 1,034,757	$ 30,981	$ 86,417	$ 268,005	$ 242,786	$ 222,444	$ 2,866,545	$ 2,894,471
Subordinate Refunding Crossover Series		347,388						347,388	347,782
Arbitrage rebate payable									77
Deferred credits						2,664		2,664	1,141
Current liabilities:									
Long-term debt due within one year	25,690	10,845	1,085				6,035	43,655	38,790
Accrued interest	24,535	38,436	489	2,588	7,884	8,256	5,994	88,182	95,288
Accounts payable and accrued expenses	10,333	315	62	590	780		5,499	17,579	23,183
Total current liabilities	60,558	49,596	1,636	3,178	8,664	8,256	17,528	149,416	157,261
Commitments and contingencies									
	$ 1,041,713	$ 1,431,741	$ 32,617	$ 89,595	$ 276,669	$ 253,706	$ 239,972	$ 3,366,013	$ 3,400,732

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

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

	Year Ended June 30, 1996							
	Palo Verde Project	Southern Transmission System Project	Hoover Uprating Project	Mead-Phoenix Project	Mead-Adelanto Project	San Juan Project	Total	Year Ended June 30, 1995
Operating revenues:								
Sales of electric energy	$ 135,464		$ 3,349			$ 50,117	$ 188,930	$ 183,603
Sales of transmission services		$ 85,297		$ 226	$ 172		85,695	91,250
Total operating revenues	135,464	85,297	3,349	226	172	50,117	274,625	274,853
Operating expenses:								
Amortization of nuclear fuel	7,949						7,949	8,150
Other operations	25,815	10,192	2,200	213	145	314	38,879	39,873
Maintenance	6,317	5,236		13	27	35,760	47,353	50,834
Depreciation	18,425	20,329		342	1,132	9,095	49,323	47,975
Decommissioning	12,497					3,113	15,610	16,513
Total operating expenses	71,003	35,757	2,200	568	1,304	48,282	159,114	163,345
Operating income (loss)	64,461	49,540	1,149	(342)	(1,132)	1,835	115,511	111,508
Investment income	10,886	28,993	874	410	1,174	2,062	44,399	23,884
Income before debt expense	75,347	78,533	2,023	68	42	3,897	159,910	135,392
Debt expense	82,777	99,166	2,262	1,462	4,425	12,614	202,706	174,140
Costs recoverable from future billings to participants	($ 7,430)	($ 20,633)	($ 239)	($ 1,394)	($ 4,383)	($ 8,717)	($ 42,796)	($ 38,748)

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

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

	Year Ended June 30, 1996								
	Palo Verde Project	*Southern Transmission System Project*	*Hoover Uprating Project*	*Mead-Phoenix Project*	*Mead-Adelanto Project*	*Multiple Project Fund*	*San Juan Project*	*Total*	*Year Ended June 30, 1995 Total*
Cash flows from operating activities:									
Costs recoverable from future billings to participants	($ 7,430)	($ 20,633)	($ 239)	($ 1,394)	($ 4,383)		($ 8,717)	($ 42,796)	($ 38,748)
Adjustments to arrive at net cash provided by (used for) operating activities -									
Depreciation	18,425	20,329		342	1,132		9,095	49,323	47,975
Decommissioning	12,497						3,113	15,610	16,513
Amortization of nuclear fuel	7,949							7,949	8,150
Amortization of debt costs	24,428	11,739	294	167	482		626	37,736	29,050
Write-off of construction work in progress costs		1,313						1,313	
Changes in assets and liabilities:									
Decommissioning fund	(8,971)							(8,971)	(1,297)
Interest receivable	(289)	(362)	20	405	691		2	467	437
Accounts receivable	174	(218)	(19)	213	(72)		946	1,024	1,402
Materials and supplies	378						110	488	2,069
Other assets	55			1,977	3,467		56	5,555	117
Accrued interest	(6,150)	(943)	(11)		(1)			(7,105)	10,036
Accounts payable and accrued expenses	(6,437)	(1,943)	(7)	556	745		1,482	(5,604)	3,090
Net cash provided by operating activities	34,629	9,282	38	2,266	2,061		6,713	54,989	78,794
Cash flows from investing activities:									
Interest received on investments						$ 18,380		18,380	34,037
Arbitrage payment								-	(3,757)
Payments for construction of facilities	(10,892)			(13,208)	(15,652)		(1,938)	(41,690)	(104,088)
Purchases of investments	(154,685)	(154,904)	(22,665)	(3,264)	(9,184)	(1,868)	(14,370)	(360,940)	(230,693)
Proceeds from sale/maturity of investments	182,309	195,593	20,705	14,474	23,000		8,867	444,948	299,265
Advances for capacity and energy, net			1,784					1,784	1,415
Reimbursement from WAPA									111
Net cash provided by (used for) investing activities	16,732	40,689	(176)	(1,998)	(1,836)	16,512	(7,441)	62,482	(3,710)
Cash flows from capital and related financing activities:									
Payments of interest on long-term debt						(16,512)		(16,512)	(37,092)
Proceeds from sale of bonds	229,483							229,483	
Payment for defeasance of revenue bonds	(233,632)							(233,632)	(5,798)
Repayment of principal on long-term debt	(23,855)	(14,325)	(610)					(38,790)	(36,900)
Payment for bond issue costs	(4,832)							(4,832)	(40)
Net cash used for capital and related financing activities	(32,836)	(14,325)	(610)	-	-	(16,512)	-	(64,283)	(79,830)
Net increase (decrease) in cash and cash equivalents	18,525	35,646	(748)	268	225	-	(728)	53,188	(4,746)
Cash and cash equivalents at beginning of year	49,354	54,678	2,745	1,280	4,279	-	8,274	120,610	125,356
Cash and cash equivalents at end of year	$ 67,879	$ 90,324	$ 1,997	$ 1,548	$ 4,504	$ -	$ 7,546	$173,798	$ 120,610
Supplemental disclosure of cash flow information:									
Cash paid during the year for interest (net of amount capitalized)	$ 64,499	$ 88,370	$ 1,978	$ -	$ -	$ 16,512	$ 11,988	$183,347	$ 188,700

The accompanying notes are an integral part of these 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, 1996 and 1995:

Participants	Palo Verde	Southern Transmission System	Hoover Uprating	Mead-Phoenix	Mead-Adelanto	San Juan
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	4.4	5.9		13.8	8.6	
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The members do not currently participate in the Multiple Project Fund.
Mead-Phoenix participation reflects three ownership components (see below).

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).

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 1986, 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 Uprating 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. The USBR has declared that the Project was substantially complete as of September 30, 1995 with minor work scheduled to be completed in the spring of 1997. The Authority has an 18.68% interest in the contingent capacity of the Hoover Uprating Project (HU). All seventeen "uprated" generators of the HU 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 provides 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. In addition, the Authority has administrative responsibility for accounting for the separate ownership interest in the project by Western Area Power Administration (WAPA), who is providing separate funding ($72,874,000 and $58,676,000 at June 30, 1996 and 1995, respectively) for its interest. Commercial operations of MP commenced in April 1996. Funding was provided by a transfer of funds from the Multiple Project Fund (Note 4).

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. In addition, the Authority has administrative responsibility for accounting for the separate ownership interest in the project by WAPA, who is providing separate funding ($17,088,000 and $16,282,000 at June 30, 1996 and 1995, respectively) for its interest. Funding was provided by a transfer of funds from the Multiple Project Fund (Note 4). Commercial operations commenced in April 1996. LADWP serves as both construction manager 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 then unspecified projects for the generation or transmission of electric energy.

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 these two projects, including reimbursement of planning, development and other related costs.

San Juan Project – Effective July 1, 1993, the Authority purchased a 41.80% interest in Unit 3, a 488 megawatt unit and related common facilities, of the San Juan Generating Station (SJGS) from Century Power Corporation. Unit 3 is one unit of a four-unit coal-fired power generating station in New Mexico. The Authority allocated the $193 million 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 regulation by either of these regulatory bodies.

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 construction and betterment 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, by the federal government, on its share of electricity produced by PVNGS, and such funds will eventually be utilized by the federal government to provide for PVNGS' nuclear waste disposal. The Authority records this charge as a current year expense.

The Authority's share of construction and betterment costs associated with STS, MP, MA and SJGS 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, MA and MP and twenty-one years for SJGS.

Interest costs incurred by the MP and MA projects through the date commercial operations commenced (April 1996) are capitalized in utility plant. Total interest costs capitalized were $11,827,000 and $15,769,000 in fiscal 1996 and 1995, respectively, for the MA project and $3,881,000 and $5,175,000 in fiscal 1996 and 1995, respectively, for the MP project.

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 credits on billings to participants for energy and capacity.

Nuclear Decommissioning – Decommissioning of PVNGS 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 $85.5 million in 1995 dollars ($390 million in 2022 dollars assuming a 6% estimated annual inflation rate). The Authority is providing for its share of the estimated future decommissioning costs over the remaining life of the nuclear power plant (25 to 27 years) through annual charges to expense which amounted to $12.5 million and $13.4 million in fiscal 1996 and 1995, respectively. The decommissioning liability is included as a component of accumulated depreciation and was $88.1 million and $75.6 million at June 30, 1996 and 1995, respectively.

A Decommissioning Fund has been established and partially funded at $33.9 million at June 30, 1996. The Decommissioning Fund earned interest income of $700,000 during fiscal 1996.

Demolition and Site Reclamation – Demolition and site reclamation of SJGS, which involves restoring the site to a "green" condition which existed prior to SJGS 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 and site reclamation costs is $18.7 million in

1992 dollars ($65.3 million in 2014 dollars using a 6% estimated annual inflation rate). The Authority is providing for its share of the estimated future demolition costs over the remaining life of the power plant (18 years) through annual charges to expense of $3.1 million. The demolition liability is included as a component of accumulated depreciation and was $9.3 million and $6.2 million at June 30, 1996 and 1995, respectively.

As of June 30, 1996, the Authority has not billed participants for the cost of demolition nor has it established a demolition fund.

Unamortized Debt Expenses – Unamortized debt issue costs, including the loss on refundings, are being 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 $378,070,000 and $393,440,000 at June 30, 1996 and 1995, respectively.

Investments – Investments include United States Government and governmental agency securities and repurchase agreements which are collateralized by such securities. Additionally, the Mead-Phoenix Project, the Mead-Adelanto 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 available for sale are carried at aggregate fair value and changes in unrealized net gains or losses are recorded separately. Investments are reduced to estimated net realizable value when necessary for declines in value considered to be other than temporary. Gains and losses realized on the sale of investments are generally determined using the specific identification method. As discussed in Note 3, all of the investments are restricted as to their use.

Cash and Cash Equivalents – Cash and cash equivalents include cash and all investments with original maturities less than 90 days.

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

Debt Expense – Debt expense includes interest on debt and the amortization of bond discounts, debt issuance expense and loss on 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 Authority made its first rebate payment of $3.8 million during fiscal year 1995. The next rebate payment to the IRS is due in fiscal year 2000.

Reclassifications – Certain reclassifications have been made in the fiscal year 1995 financial statements to conform to the fiscal year 1996 presentation.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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:

Fund	Purpose
Construction	To disburse funds for the acquisition and construction of the Project.
Debt Service	To pay interest and principal related to the Revenue Bonds.
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 funds related to the future decommissioning 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.
Escrow account - Subordinate Refunding Crossover Series	To initially receive pledged revenues associated with Component 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.

Palo Verde Project – The balances of the funds required by the Bond Indenture are as follows, in thousands:

	June 30, 1996 Amortized Cost	June 30, 1996 Fair Value	June 30, 1995 Amortized Cost	June 30, 1995 Fair Value
Debt Service Fund -				
Debt Service Account	$ 51,386	$ 51,394	$ 52,457	$ 52,467
Debt Service Reserve Account	74,420	74,160	81,497	81,077
Revenue Fund	5	5	1	1
Operating Fund	20,130	20,134	31,141	31,026
Reserve and Contingency Fund	25,924	26,107	16,776	17,075
Decommissioning Trust Fund	34,131	33,740	24,503	24,503
Issue Fund	13,026	13,026	12,486	12,486
Revolving Fund	45	45	45	45
	$ 219,067	$ 218,611	$ 218,906	$ 218,680
Contractual maturities:				
Within one year	$ 69,781	$ 69,391		
After one year through five years	136,279	136,148		
After five years through ten years	3,187	3,252		
After ten years	9,820	9,820		
	$ 219,067	$ 218,611		

Southern Transmission System Project – The balances in the special funds required by the Bond Indenture are as follows, in thousands:

	June 30, 1996 Amortized Cost	June 30, 1996 Fair Value	June 30, 1995 Amortized Cost	June 30, 1995 Fair Value
Construction fund -				
Initial Facilities Account	$ 235	$ 235	$ 223	$ 223
Debt Service Fund -				
Debt Service Account	21,921	21,896	31,480	31,491
Debt Service Reserve Account	86,220	86,189	66,672	66,857
Operating Fund	6,015	6,007	5,987	5,987
General Reserve Fund	4,194	4,194	9,533	9,542
Issue Fund	77,024	76,794	77,768	77,579
Escrow Account -				
Subordinate Refunding Crossover Series	346,474	343,903	355,101	353,188
Revolving Fund	15	15	15	15
	$ 542,098	$ 539,233	$ 546,779	$ 544,882
Contractual maturities:				
Within one year	$ 102,008	$ 101,975		
After one year through five years	80,852	80,803		
After five years through ten years	36,972	34,189		
After ten years	322,266	322,266		
	$ 542,098	$ 539,233		

In addition, at June 30, 1996 and 1995, the Authority had non-interest bearing advances outstanding to IPA of $19,550,000.

Hoover Uprating Project – The balances in the special funds required by the Bond Indenture are as follows, in thousands:

	June 30, 1996 Amortized Cost	June 30, 1996 Fair Value	June 30, 1995 Amortized Cost	June 30, 1995 Fair Value
Advance Payments Fund	$ –	$ –	$ 2,437	$ 2,437
Operating-Working Capital Fund	804	804	563	563
Debt Service Fund -				
Debt Service Account	2,390	2,390	1,440	1,429
Debt Service Reserve Account	3,122	3,121	3,078	3,068
General Reserve Fund	5,318	5,316	2,911	2,914
Revolving Fund			13	13
	$ 11,634	$ 11,631	$ 10,442	$ 10,424
Contractual maturities:				
Within one year	$ 2,003	$ 2,003		
After one year through five years	9,631	9,628		
	$ 11,634	$ 11,631		

In addition, at June 30, 1996 and 1995, the Authority had advances to USBR of $10,119,000 and $11,903,000, respectively.

Mead-Phoenix Project – The balances in the special funds required by the Bond Indenture are as follows, in thousands:

	June 30, 1996 Amortized Cost	June 30, 1996 Fair Value	June 30, 1995 Amortized Cost	June 30, 1995 Fair Value
Acquisition Account	$ 12,571	$ 12,571	$ 19,830	$ 19,830
Debt Service Fund -				
Debt Service Account	4,976	4,967	4,444	4,444
Debt Service Reserve Account	6,133	6,133	6,132	6,132
Issue Fund			4,924	4,873
Revenue Fund	64	64		
Operating Fund	239	239		
Revolving Fund	6	6	6	6
	$ 23,989	$ 23,980	$ 35,336	$ 35,285
Contractual maturities:				
Within one year	$ 2,389	$ 2,389		
After one year through five years	1,242	1,233		
After ten years	20,358	20,358		
	$ 23,989	$ 23,980		

Mead-Adelanto Project – The balances in the special funds required by the Bond Indenture are as follows, in thousands:

	June 30, 1996 Amortized Cost	June 30, 1996 Fair Value	June 30, 1995 Amortized Cost	June 30, 1995 Fair Value
Acquisition Account	$ 36,979	$ 36,979	$ 37,745	$ 37,745
Debt Service Fund -				
Debt Service Account	15,194	15,166	12,353	12,353
Debt Service Reserve Account	16,865	16,865	17,040	17,040
Issue Fund			16,517	16,346
Revenue Fund	71	71		
Operating Fund	264	264		
Revolving Fund	6	6	6	6
	$ 69,379	$ 69,351	$ 83,661	$ 83,490
Contractual maturities:				
Within one year	$ 6,794	$ 6,789		
After one year through five years	4,161	4,138		
After ten years	58,424	58,424		
	$ 69,379	$ 69,351		

Multiple Project Fund – The balances in the special funds required by the Bond Indenture are as follows, in thousands:

	June 30, 1996 Amortized Cost	1996 Fair Value	1995 Amortized Cost	1995 Fair Value
Proceeds Account	$ 256,830	$ 256,830	$ 256,830	$ 256,830
Earnings Account	3,278	3,278	1,384	1,384
	$ 260,108	$ 260,108	$ 258,214	$ 258,214
Contractual maturities:				
Within one year	$ 9,220	$ 9,220		
After ten years	250,888	250,888		
	$ 260,108	$ 260,108		

San Juan Project – The balances in the special funds required by the Bond Indenture are as follows, in thousands:

	June 30, 1996 Amortized Cost	1996 Fair Value	1995 Amortized Cost	1995 Fair Value
Operating Account	$ 1,238	$ 1,238	$ 1,618	$ 1,618
Operating Reserve Account	7	7	2	2
Acquisition Account	527	527	112	112
Debt Service Fund -				
Debt Service Account	8,607	8,597	6,017	6,017
Debt Service Reserve Account	18,031	18,031	18,026	18,026
Reserve and Contingency Fund	13,377	13,383	11,224	11,252
Revolving Fund			15	15
	$ 41,787	$ 41,783	$ 37,014	$ 37,042
Contractual maturities:				
Within one year	$ 7,613	$ 7,613		
After one year through five years	16,149	16,145		
After ten years	18,025	18,025		
	$ 41,787	$ 41,783		

Project Investment Sales – There were no proceeds from sales of investments during fiscal 1996 or 1995.

Note 4 — Long-term Debt:

Reference is made below to the Combined Schedule of Long-term Debt at June 30, 1996 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 Subordinate Refunding Series Bonds issued under an Indenture of Trust dated as of January 1, 1993 (Subordinate Indenture). The Subordinate Refunding Bonds were issued to advance refund certain bonds previously issued under the Senior Indenture.

The bond indentures provide that the Revenue Bonds and Subordinate 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.

At the option of the Authority, all outstanding Power Project Revenue Bonds and Subordinate Refunding Term Bonds are subject to redemption prior to maturity, except for the 1996 Subordinate Refunding Series A which is not redeemable.

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), 2010 (1993 Series A Bonds), and 2008 (1996 Subordinate Refunding Series B). Scheduled principal maturities for the Palo Verde Project during the five fiscal years following June 30, 1996 are $25,690,000 in 1997, $22,220,000 in 1998, $23,580,000 in 1999, $25,145,000 in 2000, and $12,860,000 in 2001. The average interest rate on outstanding debt during fiscal year 1996 and 1995 was 5.8% and 6.0%, respectively.

Southern Transmission System Project – To finance payments-in-aid of construction to IPA for construction of the 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 and 1992 Subordinate Refunding Series issued under Indentures of Trust dated as of March 1, 1991 and June 1, 1992, respectively. The 1991 and 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 Subordinate 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, 1996 are $10,845,000 in 1997, $21,565,000 in 1998, $22,790,000 in 1999, $10,200,000 in 2000, and $10,115,000 in 2001. The average interest rate on outstanding debt during fiscal year 1996 and 1995 was 8.3%.

Hoover Uprating Project – To finance advance payments to USBR for application to the costs of the Hoover Uprating 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 Bond Indenture (except for the Interim Advance Payments Account in the Advance Payments Fund).

At the option of the Authority, all outstanding Hydroelectric Power Project Revenue Bonds 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 1991 Series A Bonds maturing on October 1, 2010 and fiscal year 2011 for the 1991 Series A Bonds maturing on October 1, 2017. Scheduled principal maturities for the Hoover Uprating Project during the five fiscal years following June 30, 1996 are $1,085,000 in 1997, $1,130,000 in 1998, $1,230,000 in 1999, $1,285,000 in 2000, and $1,400,000 in 2001. The average interest rate on outstanding debt during fiscal year 1996 and 1995 was 5.8% and 6.1%, respectively.

During fiscal 1995, the Authority repurchased $340,000 of outstanding Hydroelectric Power Project Revenue Bonds with excess funds in the Advance Payments Fund.

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 five years after issuance, 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, $103,640,000 and $285,010,000 of the Multiple Project Revenue Bonds were transferred to the Mead-Phoenix Project and the Mead-Adelanto 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. At the option of the Authority, the balance of the outstanding bonds 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 $8,645,000 in fiscal year 2000. The average interest rate on outstanding debt during fiscal year 1996 and 1995 was 6.8%.

Mead-Phoenix Project – 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.

At the option of the Authority, all outstanding Mead-Phoenix Revenue Bonds 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 $1,295,000 in fiscal year 2000. The average interest rate on outstanding debt during fiscal year 1996 and 1995 was 6.0%.

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.

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.

At the option of the Authority, all outstanding Mead-Adelanto Revenue Bonds 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 1995 Series Bonds. The first scheduled principal maturity for the Mead-Adelanto Revenue Bonds is $3,560,000 in fiscal year 2000. The average interest rate on outstanding debt during fiscal year 1996 and 1995 was 5.9% and 6.0%, respectively.

San Juan Project – To finance the costs of acquisition of an ownership interest in Unit 3 of the SJGS, 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.

At the option of the Authority, all outstanding San Juan Project Revenue Bonds 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 scheduled principal maturities for the San Juan Project Revenue Bonds during the five fiscal years following June 30, 1996 are $6,035,000 in 1998, $6,275,000 in 1999, $6,540,000 in 2000 and $6,825,000 in 2001. The average interest rate on outstanding debt during fiscal year 1996 and 1995 was 5.3%.

Refunding Bonds – In April 1996, the Authority issued $152,905,000 of Palo Verde 1996 Subordinate Refunding Series A Bonds to refund $163,355,000 of previously issued Palo Verde 1987 Refunding Series A Bonds and issued $58,870,000 of Palo Verde 1996 Subordinate Refunding Series B Bonds to refund $18,555,000 and $40,315,000 of previously issued Palo Verde 1986 Refunding Series B and 1987 Refunding Series A Bonds, respectively. The refunding is expected to reduce total debt service payments over the next 13 years by approximately $50,967,000 (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 $29,537,000.

In March 1994, the Authority issued $51,835,000 of Mead-Phoenix Project Revenue Bonds and $173,955,000 of Mead-Adelanto Project Revenue Bonds to refund $243,150,000 of previously issued Multiple Project Revenue Bonds which were transferred to the Mead-Phoenix and Mead-Adelanto projects during fiscal year 1993. The partial refunding of the original issue within five years of its issuance triggered a recalculation of the arbitrage yield. The recalculation resulted in a higher arbitrage yield which reduced the rebate liability of the Authority. At June 30, 1996, cumulative savings due to the rebate calculation amounted to $6,401,924. This amount was allocated $1,707,180 and $4,694,744 to the Mead-Phoenix and Mead-Adelanto Projects, respectively.

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 in fiscal 1994 to advance refund $13,455,000 of previously issued bonds. On the Component 2 Crossover date (January 1, 1995), Component 2 proceeds of $5,519,000 were used in fiscal 1995 to advance refund $5,335,000 of previously issued bonds. Proceeds from Component 3 of $343,921,000 were placed in an irrevocable trust and will be used to redeem $313,050,000 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 Component 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 fiscal 1997, interest on the bonds will be payable from revenues. The trust account assets ($343,898,000 in escrow accounts and $2,410,000 in unamortized debt expense at June 30, 1996) and liabilities ($347,388,000, net of bond discounts, at June 30, 1996) for Component 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 date, 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.

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, 1996 and 1995, $63,849,000 and $70,959,000, respectively, of these trust assets have been offset against the Palo Verde Special Obligation Crossover Series Bonds.

On July 1, 1995, the crossover date for the Palo Verde Special Obligation Bonds Series A, trust assets in escrow of $7,131,000 were used to advance refund $7,125,000 of previously issued bonds.

At June 30, 1996 and 1995, the aggregate amount of debt in all projects considered to be defeased was $3,535,075,000 and $3,305,725,000, 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 ($291,700,000 and $292,000,000 at June 30, 1996 and 1995, respectively). 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 (3.1% and 3.9% at June 30, 1996 and 1995, respectively). The bonds mature in 2019.

COMBINED SCHEDULE OF LONG-TERM DEBT
AT JUNE 30, 1996

(In thousands)

Project	*Series*	*Date of Sale*	*Effective Interest Rate*	*Maturity on July 1*	*Total*
Principal:					
Palo Verde Project Revenue and Refunding Bonds	1985A	05/22/85	9.7%	1996 to 1999	$ 1,070
	1985B	07/02/85	9.1%	1996 to 2000	5,610
	1986A	03/13/86	8.2%	1996 to 2006	71,220
	1986B	12/16/86	7.2%	1996 to 2017	96,450
	1987A	02/11/87	6.9%	1996 to 2017	43,720
	1989A	02/15/89	7.2%	1996 to 2015	287,705
	1992A	01/01/92	6.0%	1996 to 2010	7,265
	1992C	01/01/92	6.0%	1996 to 2010	15,620
	1993Sub	03/01/93	5.5%	1996 to 2017	98,200
	1993A	03/01/93	5.5%	1996 to 2017	270,035
	1996A	02/13/96	4.4%	1996 to 2017	152,905
	1996B	02/29/96	4.4%	1996 to 2017	58,870
					1,108,670
Southern Transmission System Project Revenue and Refunding Bonds	1986A	03/18/86	8.0%	1996 to 2021	107,300
	1986B	04/29/86	7.5%	1996 to 2023	401,570
	1988A	11/22/88	7.2%	1996 to 2015	154,085
	1991A	04/17/91	6.4%	2019	291,700
	1992 Comp 1, 2, 4	07/20/92	6.1%	1996 to 2021	40,639
	1992 Comp 3	07/20/92	6.1%	1996 to 2021	431,766
	1993A	07/01/93	5.4%	1996 to 2023	125,865
					1,552,925
Hoover Uprating Project Revenue and Refunding Bonds	1986A	08/13/86	8.1%	1996 to 2017	4,160
	1991	08/01/91	6.2%	1996 to 2017	31,495
					35,655
Multiple Project Revenue Bonds					
Mead-Phoenix Project	1989	01/04/90	7.1%	1999 to 2020	38,800
Mead-Adelanto Project	1989	01/04/90	7.1%	1999 to 2020	106,700
Multiple Project	1989	01/04/90	7.1%	1999 to 2020	259,100
					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	237,375
Total principal amount					3,565,015
Unamortized bond discount:					
Palo Verde Project					(101,823)
Southern Transmission System Project					(159,935)
Hoover Uprating Project					(3,589)
Mead-Phoenix Project					(4,218)
Mead-Adelanto Project					(12,650)
Multiple Project Fund					(16,313)
San Juan Project					(8,899)
Total unamortized bond discount					(307,427)
Long-term debt due within one year					(43,655)
Total long-term debt, net (including Subordinate Refunding Crossover Series)					$ 3,213,933

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

Investments/Decommissioning fund/Escrow account – Subordinate Refunding Crossover Series/Crossover escrow accounts – The fair values of investments are estimated based on quoted market prices for the same 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 fair values of the Authority's financial instruments are as follows (in thousands):

	June 30,			
	1996		1995	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Assets:				
Cash and cash equivalents	$ 173,798	$ 173,798	$ 120,610	$ 120,610
Escrow account - Subordinate Refunding Crossover Series	346,468	343,898	345,782	343,921
Decommissioning fund	33,865	33,474	24,503	24,503
Investments	597,831	597,427	682,916	682,442
Liabilities:				
Debt	2,910,200	3,210,790	2,933,261	3,198,500
Subordinate Refunding Crossover Series	347,388	385,516	347,782	377,700
Off Balance Sheet Financial Instruments:				
Special Obligation Crossover Series Bonds	63,415	67,739	70,680	75,800
Crossover escrow accounts	63,849	63,849	70,959	70,959

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 PVNGS 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 Uprating Project (see Note 1). Under the terms of the contracts, the participants are entitled to capacity and associated firm energy of the Hoover Uprating 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 Uprating 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 any 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 and Mead-Phoenix 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 and Mead-Phoenix 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 and Mead-Adelanto 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 and Mead-Adelanto Revenue Bonds are outstanding, cannot be terminated or amended in any manner which will impair or adversely affect the rights of the bondholders.

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 their proportionate share of the 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, whether or not 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 when it is intended that they 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, 1995	Fiscal 1996 Activity	Balance June 30, 1996
GAAP items not included in billings to participants:			
Depreciation of plant	$ 348,328	$ 49,323	$ 397,651
Amortization of bond discount, debt issue costs, and cost of refunding	206,470	37,745	244,215
Nuclear fuel amortization	18,650	898	19,548
Decommissioning expense	75,233	7,610	82,843
Interest expense	23,165	22,798	45,963
Bond requirements included in billings to participants:			
Operations and maintenance, net of investment income	(67,253)	(21,062)	(88,315)
Costs of acquisition of capacity - STS	(18,350)		(18,350)
Reduction in debt service billings due to transfer of excess funds	78,658	(11,099)	67,559
Principal repayments	(222,130)	(39,559)	(261,689)
Other	(31,740)	(3,858)	(35,598)
	$ 411,031	$ 42,796	$ 453,827

Note 8 — Commitments and Contingencies:
On August 31, 1996, the California State Legislature approved Bill AB 1890 (Bill) which provides for broad deregulation of the power generation industry in California. The Bill, which is pending approval by the Governor, requires the participation of the state's three investor-owned utilities. Consumer-owned utilities can participate on a voluntary basis but must hold public hearings as part of its decision making process. The Bill, which was supported by the Authority, authorizes the collection of a transition charge for generation when a consumer-owned utility opens its service area to competition and participates in the independent transmission system established by the legislation. The Bill also mandates the collection of a public benefit charge from all electric utility customers in the state. Although these funds (currently estimated at 2.5% of gross revenues) must be spent on renewable resources, conservation, research and development, or low income rate subsidies, the governing authority of each consumer-owned utility will control actual expenditures.

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

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

Note 9 — Subsequent Events:
On July 1, 1996, the crossover date for the Palo Verde Special Obligation Bonds Series B, trust assets held in escrow of $63,415,000 were used to advance refund $62,000,000 of previously issued bonds.

In August 1996, the Authority issued $89,570,000 of Palo Verde 1996 Subordinate Refunding Series C bonds to refund $95,015,000 of 1986 Refunding Series B bonds. The refunding is expected to reduce total debt service payments over the next 20 years by approximately $24,713,000 (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 $16,955,000.

In September 1996, the Authority issued $42,245,000 of Transmission Project Revenue Bonds, 1996 Subordinate Refunding Series A and $121,065,000 of Transmission Project Revenue Bonds, 1996 Subordinate Refunding Series B to refund $68,720,000 and $127,100,000 of the STS 1986 Refunding Series A and B, respectively. The refunding is expected to reduce total debt service payments over the next 10 years by approximately $6,029,000 (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 $3,372,000.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
SUPPLEMENTAL FINANCIAL INFORMATION
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SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
PALO VERDE PROJECT
SUPPLEMENTAL BALANCE SHEET

(In thousands)

	June 30, 1996	June 30, 1995
ASSETS		
Utility plant:		
Production	$ 613,608	$ 611,771
Transmission	14,146	14,146
General	2,569	2,574
	630,323	628,491
Less - Accumulated depreciation	250,021	219,881
	380,302	408,610
Construction work in progress	9,503	9,683
Nuclear fuel, at amortized cost	13,225	12,716
Net utility plant	403,030	431,009
Special funds:		
Available for sale at fair value:		
Decommissioning fund	33,474	24,503
Investments	115,746	143,600
Interest receivable	1,512	1,223
Cash and cash equivalents	67,879	49,354
	218,611	218,680
Accounts receivable	738	912
Materials and supplies	9,240	9,618
Costs recoverable from future billings to participants	204,945	197,515
Unrealized loss on investments in funds available for sale	456	226
Unamortized debt expenses, less accumulated amortization of $65,795 and $71,525	204,693	209,740
Total assets	$ 1,041,713	$ 1,067,700
LIABILITIES		
Long-term debt	$ 981,155	$ 996,390
Current liabilities:		
Long-term debt due within one year	25,690	23,855
Accrued interest	24,535	30,685
Accounts payable and accrued expenses	10,333	16,770
Total current liabilities	60,558	71,310
Commitments and contingencies		
Total liabilities	$ 1,041,713	$ 1,067,700

See notes to financial statements.

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

	Year Ended June 30, 1996	1995
Operating revenue:		
Sales of electric energy	$ 135,464	$ 129,180
Operating expenses:		
Nuclear fuel	7,949	8,150
Other operations	25,815	25,307
Maintenance	6,317	7,825
Depreciation	18,425	19,145
Decommissioning	12,497	13,401
Total operating expenses	71,003	73,828
Operating income	64,461	55,352
Investment income	10,886	9,968
Income before debt expense	75,347	65,320
Debt expense	82,777	77,976
Costs recoverable from future billings to participants	($ 7,430)	($ 12,656)

See notes to financial statements.

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

	Year Ended June 30, 1996	Year Ended June 30, 1995
Cash flows from operating activities:		
Costs recoverable from future billings to participants	($ 7,430)	($ 12,656)
Adjustments to arrive at net cash provided by (used for) operating activities -		
Depreciation	18,425	19,145
Decommissioning	12,497	13,401
Amortization of nuclear fuel	7,949	8,150
Amortization of debt costs	24,428	16,607
Changes in assets and liabilities:		
Decommissioning fund	(8,971)	(1,297)
Interest receivable	(289)	127
Accounts receivable	174	131
Materials and supplies	378	729
Other assets	55	(2)
Accrued interest	(6,150)	(719)
Accounts payable and accrued expenses	(6,437)	3,241
Net cash provided by operating activities	34,629	46,857
Cash flows from investing activities:		
Payments for construction of facility	(10,892)	(9,569)
Purchases of investments	(154,685)	(97,108)
Proceeds from sale/maturity of investments	182,309	68,891
Net cash provided by (used for) investing activities	16,732	(37,786)
Cash flows from capital and related financing activities:		
Payment of principal on long-term debt	(23,855)	(22,425)
Payment of bond issue costs	(4,832)	
Payment for defeasance of revenue bonds	(233,632)	
Proceeds from issuance of refunding bonds	229,483	
Net cash used for capital and related financing activities	(32,836)	(22,425)
Net increase (decrease) in cash and cash equivalents	18,525	(13,354)
Cash and cash equivalents at beginning of period	49,354	62,708
Cash and cash equivalents at end of year	$ 67,879	$ 49,354
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest (net of amount capitalized)	$ 64,499	$ 62,089

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, 1996
(In thousands)

	Debt Service Fund	*Revenue Fund*	*Operating Fund*	*Reserve & Contingency Fund*	*Issue Fund*	*Decommissioning Funds I & II*	*Total*
Balance at June 30, 1995	$ 132,133	$ –	$ 30,948	$ 16,574	$ 12,482	$ 24,490	$ 216,627
Additions:							
Investment earnings	4,409	31	834	1,100	616	749	7,739
Distribution of investment earnings	(5,734)	8,604	(1,213)	(1,000)	(657)		–
Discount on investment purchases	1,971	3	513	336	41	423	3,287
Revenue from power sales	49	129,180	37	6			129,272
Distribution of revenues	81,922	(138,843)	39,603	3,989	5,325	8,004	–
Transfers to escrow for refundings	(10,413)	78	(93)	(2,886)	4,046		(9,268)
Transfer from escrow for principal and interest payments	379,634	951	(11,067)	10,581			380,099
Total	451,838	4	28,614	12,126	9,371	9,176	511,129
Deductions:							
Construction expenditures				3,060			3,060
Operating expenditures			31,041			5	31,046
Fuel costs			8,457				8,457
Bond issue costs					3,173		3,173
Payment of principal	23,855						23,855
Interest paid	55,130				5,663		60,793
Premium and interest paid on investments	202		115	58		131	506
Payment of principal and interest on escrow bonds	380,099						380,099
Total	459,286		39,613	3,118	8,836	136	510,989
Balance at June 30, 1996	$ 124,685	$ 4	$ 19,949	$ 25,582	$ 13,017	$ 33,530	$ 216,767

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 $1,245 and $1,223 and Decommissioning Fund accrued interest receivable of $267 and $138 at June 30, 1996 and 1995, respectively, nor do they include total amortized net investment discounts of $788 and $918 at June 30, 1996 and 1995, respectively. These balances also do not include unrealized loss on investments in funds available for sale of $456 and $226 at June 30, 1996 and 1995, respectively.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
SOUTHERN TRANSMISSION SYSTEM PROJECT
SUPPLEMENTAL BALANCE SHEET

(In thousands)

	June 30, 1996	1995
ASSETS		
Utility plant:		
Transmission	$ 674,606	$ 675,301
General	18,893	18,893
	693,499	694,194
Less - Accumulated depreciation	194,127	174,392
	499,372	519,802
Construction work in progress		1,212
Net utility plant	499,372	521,014
Special funds:		
Available for sale at fair value:		
Investments	102,842	144,476
Escrow account - Subordinate Refunding Crossover Series	343,898	343,921
Advance to Intermountain Power Agency	19,550	19,550
Interest receivable	2,169	1,807
Cash and cash equivalents	90,324	54,678
	558,783	564,432
Accounts receivable	2,687	2,469
Costs recoverable from future billings to participants	203,787	183,154
Unrealized loss on investments in funds available for sale	2,865	1,897
Unamortized debt expenses, less accumulated amortization of $59,752 and $51,415	164,247	172,780
Total assets	$ 1,431,741	$ 1,445,746
LIABILITIES		
Long-term debt	$ 1,034,757	$ 1,042,002
Subordinate Refunding Crossover Series	347,388	347,782
Current liabilities:		
Long-term debt due within one year	10,845	14,325
Accrued interest	38,436	39,379
Accounts payable and accrued expenses	315	2,258
Total current liabilities	49,596	55,962
Commitments and contingencies		
Total liabilities	$ 1,431,741	$ 1,445,746

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
SOUTHERN TRANSMISSION SYSTEM PROJECT
SUPPLEMENTAL STATEMENT OF OPERATIONS

(In thousands)

	Year Ended June 30, 1996	Year Ended June 30, 1995
Operating revenue:		
Sales of transmission services	$ 85,297	$ 91,250
Operating expenses:		
Other operations	10,192	11,839
Maintenance	5,236	4,498
Depreciation	20,329	19,735
Total operating expenses	35,757	36,072
Operating income	49,540	55,178
Investment income	28,993	30,085
Income before debt expense	78,533	85,263
Debt expense	99,166	99,823
Costs recoverable from future billings to participants	($ 20,633)	($ 14,560)

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
SOUTHERN TRANSMISSION SYSTEM PROJECT
SUPPLEMENTAL STATEMENT OF CASH FLOWS

(In thousands)

	Year Ended June 30, 1996	Year Ended June 30, 1995
Cash flows from operating activities:		
Costs recoverable from future billings to participants	($ 20,633)	($ 14,560)
Adjustments to arrive at net cash provided by (used for) operating activities -		
Depreciation	20,329	19,735
Amortization of debt costs	11,739	11,545
Write-off of construction work in progress costs	1,313	
Changes in assets and liabilities:		
Interest receivable	(362)	315
Accounts receivable	(218)	1,940
Other assets		17
Accrued interest	(943)	10,773
Accounts payable and accrued expenses	(1,943)	(268)
Net cash provided by operating activities	9,282	29,497
Cash flows from investing activities:		
Payments for construction of facility		(315)
Purchases of investments	(154,904)	(94,425)
Proceeds from sale/maturity of investments	195,593	90,462
Net cash provided by (used for) investing activities	40,689	(4,278)
Cash flows from capital and related financing activities:		
Payment for defeasance of revenue bonds		(5,479)
Repayment of principal on long-term debt	(14,325)	(13,615)
Net cash used for capital and related financing activities	(14,325)	(19,094)
Net increase in cash and cash equivalents	35,646	6,125
Cash and cash equivalents at beginning of year	54,678	48,553
Cash and cash equivalents at end of year	$ 90,324	$ 54,678
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest (net of amount capitalized)	$ 88,370	$ 96,072

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 FOR THE YEAR ENDED JUNE 30, 1996
(In thousands)

	Construction Fund-Initial Facilities Account	*Debt Service Fund*	*General Operating Fund*	*Reserve Fund*	*Issue Fund*	*Escrow Fund*	*Total*
Balance at June 30, 1995	$ 222	$ 105,959	$ 6,022	$ 9,460	$ 77,128	$ 343,869	$ 542,660
Additions:							
Investment earnings	12	6,485	463	635	3,102	18,567	29,264
Distribution of investment earnings		(5,710)	9,408	(596)	6,182	(9,284)	–
Revenue from transmission sales			83,953				83,953
Distribution of revenue		42,530	(78,891)	(5,303)	50,942	(9,278)	–
Transfer from escrow for principal and interest payments		12,911					12,911
Total	12	56,216	14,933	(5,264)	60,226	5	126,128
Deductions:							
Operating expenses			14,904				14,904
Payment of principal					14,325		14,325
Interest paid		41,576			19,286		60,862
Payment of principal and interest on escrow bonds		12,921			26,575		39,496
Premium and interest paid on investment purchases		1,267		39			1,306
Other					949		949
Total		55,764	14,904	39	61,135		131,842
Balance at June 30, 1996	$ 234	$ 106,411	$ 6,051	$ 4,157	$ 76,219	$ 343,874	$ 536,946

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 $2,169 and $1,807 at June 30, 1996 and 1995, respectively, nor do they include total amortized net investment discounts of $2,983 and $2,312 at June 30, 1996 and 1995, respectively. These balances do not include unrealized loss on investments in funds available for sale of $2,865 and $1,897 at June 30, 1996 and 1995, respectively.

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

	June 30, 1996	June 30, 1995
ASSETS		
Special funds:		
Investments available for sale at fair value	$ 9,628	$ 7,653
Advances for capacity and energy, net	10,119	11,903
Interest receivable	6	26
Cash and cash equivalents	1,997	2,745
	21,750	22,327
Accounts receivable	19	
Costs recoverable from future billings to participants	7,538	7,299
Unrealized loss on investments in funds available for sale	3	18
Unamortized debt expenses, less accumulated amortization of $937 and $795	3,307	3,512
Total assets	$ 32,617	$ 33,156
LIABILITIES		
Long-term debt	$ 30,981	$ 31,977
Current liabilities:		
Long-term debt due within one year	1,085	610
Accrued interest	489	500
Accounts payable and accrued expenses	62	69
Total current liabilities	1,636	1,179
Commitments and contingencies		
Total liabilities	$ 32,617	$ 33,156

See notes to financial statements.

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

	Year Ended June 30, 1996	Year Ended June 30, 1995
Operating revenue:		
Sales of electric energy	$ 3,349	$ 3,569
Operating expenses:		
Capacity charges	1,011	1,207
Energy charges	844	832
Other operations	342	360
Reimbursement of advances for capacity and energy	3	12
Total operating expenses	2,200	2,411
Operating income	1,149	1,158
Investment income	874	514
Income before debt expense	2,023	1,672
Debt expense	2,262	2,310
Costs recoverable from future billings to participants	($ 239)	($ 638)

See notes to financial statements.

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

	Year Ended June 30, 1996	Year Ended June 30, 1995
Cash flows from operating activities:		
Costs recoverable from future billings to participants	($ 239)	($ 638)
Adjustments to arrive at net cash used for operating activities:		
Amortization of debt costs	294	288
Changes in assets and liabilities:		
Interest receivable	20	
Accounts receivable	(19)	54
Other assets		21
Accrued interest	(11)	(18)
Accounts payable and accrued expenses	(7)	(594)
Net cash provided by (used) for operating activities	38	(887)
Cash flows from investing activities:		
Purchases of investments	(22,665)	(11,546)
Proceeds from sale/maturity of investments	20,705	9,491
Advances for capacity and energy, net	1,784	1,415
Net cash used for investing activities	(176)	(640)
Cash flows from capital and related financing activities:		
Payment for defeasance of revenue bonds		(319)
Repayment of principal on long-term debt	(610)	(860)
Net cash used for capital and related financing activities	(610)	(1,179)
Net decrease in cash and cash equivalents	(748)	(2,706)
Cash and cash equivalents at beginning of year	2,745	5,451
Cash and cash equivalents at end of year	$ 1,997	$ 2,745
Supplemental disclosure of cash flow information:		
Cash paid during year for interest (net of amount capitalized)	$ 1,978	$ 2,039

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 FOR THE YEAR ENDED JUNE 30, 1996

(In thousands)

	Advance Payments Fund	*Operating Fund*	*Revenue Fund*	*Working Capital Fund*	*Debt Service Account*	*Debt Service Reserve Account*	*General Reserve Account*	*Total*
Balance at June 30, 1995	$ 2,410	$ –	$ –	$ 560	$ 1,435	$ 3,083	$ 2,876	$ 10,364
Additions:								
Investment earnings	16	2	2	29	33	152	3	237
Distribution of investment earnings	193	(2)	256	(29)	(90)	(115)	(213)	–
Discount on investment purchases	85	43			289		211	628
Revenue from power sales			3,330					3,330
Distribution of revenues		165	(3,342)		3,177			–
Transfer from escrow for principal and interest payments	(2,393)	147	(251)		2,433		2,382	2,318
Total	(2,099)	355	(5)	–	5,842	37	2,383	6,513
Deductions:								
Advances for capacity and energy	75							75
Payment of principal					610			610
Administrative expenditures	236	117	(5)					348
Interest paid					1,978			1,978
Premium on investment purchases						37		37
Payment of principal and interest on escrow bonds					2,318			2,318
Total	311	117	(5)		4,906	37		5,366
Balance at June 30, 1996	$ –	$ 238	$ –	$ 560	$ 2,371	$ 3,083	$ 5,259	$ 11,511

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 and $26 at June 30, 1996 and 1995, respectively, nor do they include total amortized net investment discount of $117 and $52 at June 30, 1996 and 1995, respectively. These balances also do not include unrealized loss on investments in funds available for sale of $3 and $18 at June 30, 1996 and 1995, respectively.

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

	June 30, 1996	June 30, 1995
ASSETS		
Utility plant:		
Transmission	$ 48,307	
General	1,971	
	50,278	
Less: Accumulated depreciation	846	
	49,432	
Construction work in progress	3,116	$ 39,179
Net utility plant	52,548	39,179
Special funds:		
Investments available for sale at fair value	21,591	32,759
Interest receivable	841	1,246
Cash and cash equivalents	1,548	1,280
	23,980	35,285
Accounts receivable	1,750	1,963
Costs recoverable from future billings to participants	1,394	-
Unrealized loss on investments in funds available for sale	9	51
Prepaid expense	26	2,003
Unamortized debt expenses, less accumulated amortization of $1,257 and $736	9,888	10,408
Total assets	$ 89,595	$ 88,889
LIABILITIES		
Long-term debt	$ 86,417	$ 86,267
Current liabilities:		
Accrued interest	2,588	2,588
Accounts payable	590	34
Total current liabilities	3,178	2,622
Commitments and contingencies		
Total liabilities	$ 89,595	$ 88,889

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
MEAD-PHOENIX PROJECT
SUPPLEMENTAL STATEMENT OF OPERATIONS
THREE MONTHS ENDED JUNE 30, 1996*

(In thousands)

Operating revenue:	
Sales of transmission services	$ 226
Operating expenses:	
Other operations	213
Maintenance	13
Depreciation	342
Total operating expenses	568
Operating loss	(342)
Investment income	410
Income before debt expense	68
Debt expense	1,462
Costs recoverable from future billings to participants	($ 1,394)

See notes to financial statements.

*Operations commenced April 1996.

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

	Year Ended June 30, 1996	1995
Cash flows from operating activities:		
Cost recoverable from future billings to participants	($ 1,394)	$ -
Adjustments to arrive at net cash provided by (used for) operating activities:		
Depreciation	342	
Amortization of debt costs	167	
Changes in assets and liabilities:		
Interest receivable	405	
Accounts receivable	213	
Other assets	1,977	
Accounts payable	556	
Net cash provided by operating activities	2,266	-
Cash flows from investing activities:		
Interest received on investments		4,251
Payments for construction of facility	(13,208)	(21,310)
Purchases of investments	(3,264)	(2,725)
Proceeds from sale/maturity of investments	14,474	26,078
Reimbursement from WAPA		83
Net cash (used for) provided by investing activities	(1,998)	6,377
Cash flows from capital and related financing activities:		
Payment of interest on long-term debt		(5,093)
Payment for bond issue costs		(9)
Net cash used for capital and related financing activities	-	(5,102)
Net increase in cash and cash equivalents	268	1,275
Cash and cash equivalents at beginning of year	1,280	5
Cash and cash equivalents at end of year	$ 1,548	$ 1,280
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest (net of amount capitalized)	$ -	$ -

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, 1996

(In thousands)

	Acquisition Account	*Debt Service Account*	*Debt Service Reserve Account*	*Revenue Fund*	*Issue Fund*	*Operating Fund*	*Total*
Balance at June 30, 1995	$ 18,972	$ 4,288	$ 5,916	$ –	$ 4,994	$ –	$ 34,170
Additions:							
Investment earnings	1,564	286	435	2	154		2,441
Transfer of investments		435	(435)				–
Reimbursement from WAPA	80						80
Transmission revenue				360			360
Transfer of monthly transmission costs				(297)		297	–
Total	1,644	721	–	65	154	297	2,881
Deductions:							
Construction expenditures	8,536						8,536
Interest paid		2,642			2,534		5,176
Premium and interest paid on investment purchases					89		89
Operating expenses						60	60
Total	8,536	2,642	–	–	2,623	60	13,861
Balance at June 30, 1996	$ 12,080	$ 2,367	$ 5,916	$ 65	$ 2,525	$ 237	$ 23,190

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 $841 and $1,246 at June 30, 1996 and 1995, respectively, nor do they include total amortized net investment premiums of $42 and $80 at June 30, 1996 and 1995, respectively. These balances do not include unrealized loss on investments in funds available for sale of $9 and $51 at June 30, 1996 and 1995, respectively.

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

	June 30, 1996	June 30, 1995
ASSETS		
Utility plant:		
Transmission	$ 171,068	
General	164	
	171,232	
Less: Accumulated depreciation	1,255	
Construction work in progress		$ 154,011
Net utility plant	169,977	154,011
Special funds:		
Investments available for sale at fair value	62,562	76,235
Interest receivable	2,285	2,976
Cash and cash equivalents	4,504	4,279
	69,351	83,490
Accounts receivable	4,741	4,669
Costs recoverable from future billings to participants	4,383	
Unrealized loss on investments in funds available for sale	28	171
Prepaid expense	66	3,533
Unamortized debt expenses, less accumulated amortization of $3,582 and $2,098	28,123	29,607
Total assets	$ 276,669	$ 275,481
LIABILITIES		
Long-term debt	$ 268,005	$ 267,561
Current liabilities:		
Accrued interest	7,884	7,885
Accounts payable	780	35
Total current liabilities	8,664	7,920
Commitments and contingencies		
Total liabilities	$ 276,669	$ 275,481

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
MEAD-ADELANTO PROJECT
SUPPLEMENTAL STATEMENT OF OPERATIONS
THREE MONTHS ENDED JUNE 30, 1996*
(In thousands)

Operating revenue:	
Sales of transmission services	$ 172
Operating expenses:	
Other operations	145
Maintenance	27
Depreciation	1,132
Total operating expenses	1,304
Operating loss	(1,132)
Investment income	1,174
Income before debt expense	42
Debt expense	4,425
Costs recoverable from future billings to participants	($ 4,383)

See notes to financial statements.
*Operations commenced April 1996.

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

	June 30, 1996	June 30, 1995
Cash flows from operating activities:		
Cost recoverable from future billings to participants	($ 4,383)	$ –
Adjustments to arrive at net cash provided by (used for) operating activities:		
Depreciation	1,132	
Amortization of debt costs	482	
Changes in assets and liabilities:		
Interest receivable	691	
Accounts receivable	(72)	
Prepaid expense	3,467	
Accrued interest	(1)	
Accounts payable	745	
Net cash provided by operating activities	2,061	–
Cash flows from investing activities:		
Interest received on investments		11,316
Payments for construction of facility	(15,652)	(71,033)
Purchases of investments	(9,184)	(4,627)
Proceeds from sale/maturity of investments	23,000	84,113
Reimbursement from WAPA		28
Net cash (used for) provided by investing activities	(1,836)	19,797
Cash flows from capital and related financing activities:		
Payments of interest on long-term debt		(15,487)
Payment for bond issue costs		(31)
Net cash used for capital and related financing activities	–	(15,518)
Net increase in cash and cash equivalents	225	4,279
Cash and cash equivalents at beginning of year	4,279	–
Cash and cash equivalents at end of year	$ 4,504	$ 4,279
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest (net of amount capitalized)	$ –	$ –

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, 1996
(In thousands)

	Acquisition Account	*Debt Service Account*	*Debt Service Reserve Account*	*Operating Fund*	*Issue Fund*	*Revenue Fund*	*Total*
Balance at June 30, 1995	$ 36,134	$ 11,793	$ 16,267	$	$ 16,760	$	$ 80,954
Additions:							
Investment earnings	3,217	772	1,196	1	517	1	5,704
Transfer of investment earnings		1,196	(1,196)				-
Reimbursement from WAPA	13						13
Transfers to operating fund				451		(451)	-
Transmission revenue						521	521
Total	3,230	1,968	-	452	517	71	6,238
Deductions:							
Construction expenditures	3,697						3,697
Interest paid		7,264			8,505		15,769
Premium and interest paid on investment purchases					298		298
Operating expenses	2			189			191
Total	3,699	7,264	-	189	8,803	-	19,955
Balance at June 30, 1996	$ 35,665	$ 6,497	$ 16,267	$ 263	$ 8,474	$ 71	$ 67,237

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 $2,285 and $2,976 at June 30, 1996 and 1995, respectively, nor do they include total amortized net investment premiums of $143 and $269 at June 30, 1996 and 1995, respectively. These balances do not include unrealized loss on investments in funds available for sale of $28 and $171 at June 30, 1996 and 1995, respectively.

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

	June 30, 1996	June 30, 1995
ASSETS		
Special funds:		
Investments available for sale at fair value	$ 250,888	$ 249,020
Interest receivable	9,220	9,194
Total assets	$ 260,108	$ 258,214
LIABILITIES		
Long-term debt	$ 242,786	$ 242,107
Arbitrage rebate payable		77
Accounts payable to Mead-Phoenix Project and Mead-Adelanto Project	6,402	6,632
Deferred credits	2,664	1,141
Current liabilities:		
Accrued interest	8,256	8,257
Commitments and contingencies		
Total liabilities	$ 260,108	$ 258,214

See notes to financial statements.

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

	Year Ended June 30, 1996	Year Ended June 30, 1995
Cash flows from operating activities	$ –	$ –
Cash flows from investing activities:		
Interest received on investments	18,380	18,470
Arbitrage payment		(3,757)
Purchases of investments	(1,868)	(1,958)
Proceeds from sale/maturity of investments		3,757
Net cash provided by investing activities	16,512	16,512
Cash flows from capital and related financing activities:		
Payments of interest on long-term debt	(16,512)	(16,512)
Net cash used for capital and financing activities	(16,512)	(16,512)
Net increase in cash and cash equivalents	–	–
Cash and cash equivalents at beginning of year	–	–
Cash and cash equivalents at end of year	$ –	$ –

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, 1996

(In thousands)

	Proceeds Account	Debt Service Account	Earnings Account	Total
Balance at June 30, 1995	$ 247,727	$ –	$ 1,293	$ 249,020
Additions:				
Investment earnings	18,208		172	18,380
Transfer to earnings account	(16,512)		16,512	–
Transfer to debt service account		16,512	(16,512)	–
Total	1,696	16,512	172	18,380
Deductions:				
Interest paid		16,512		16,512
Total	–	16,512	–	16,512
Balance at June 30, 1996	$ 249,423	$ –	$ 1,465	$ 250,888

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 investments at original cost. These balances do not include accrued interest receivable of $9,220 and $9,194 at June 30, 1996 and 1995, respectively.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
SAN JUAN PROJECT
SUPPLEMENTAL BALANCE SHEET
(In thousands)

	June 30, 1996	June 30, 1995
ASSETS		
Utility plant:		
Production	$ 183,309	$ 183,309
General	8,613	7,688
	191,922	190,997
Less - Accumulated depreciation	36,622	24,415
	155,300	166,582
Construction work in process	3,501	2,488
Net utility plant	158,801	169,070
Special funds:		
Investments available for sale at fair value	34,170	28,699
Interest receivable	67	69
Cash and cash equivalents	7,546	8,274
	41,783	37,042
Accounts receivable	945	1,891
Materials and supplies	3,569	3,679
Costs recoverable from future billings to participants	31,780	23,063
Unrealized loss (gain) on investments in funds available for sale	4	(28)
Unamortized debt expenses, less accumulated amortization of $942 and $628	3,090	3,461
Total assets	$ 239,972	$ 238,178
LIABILITIES		
Long-term debt	$ 222,444	$ 228,167
Current liabilities:		
Long-term debt due within one year	6,035	
Accrued interest	5,994	5,994
Accounts payable	5,499	4,017
Total current liabilities	17,528	10,011
Commitments and contingencies		
Total liabilities	$ 239,972	$ 238,178

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
SAN JUAN PROJECT
SUPPLEMENTAL STATEMENT OF OPERATIONS
(In thousands)

	Year Ended June 30, 1996	1995
Operating revenue:		
Sales of electric energy	$ 50,117	$ 50,854
Operating expenses:		
Other operations	314	316
Maintenance	35,760	38,511
Depreciation	9,095	9,095
Decommissioning	3,113	3,112
Total operating expenses	48,282	51,034
Operating income (loss)	1,835	(180)
Investment income	2,062	1,884
Income before debt expense	3,897	1,704
Debt expense	12,614	12,598
Costs recoverable from future billings to participants	($ 8,717)	($ 10,894)

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
SAN JUAN PROJECT
SUPPLEMENTAL STATEMENT OF CASH FLOWS
(In thousands)

	Year Ended June 30, 1996	Year Ended June 30, 1995
Cash flows from operating activities:		
Costs recoverable from future billings to participants	($ 8,717)	($ 10,894)
Adjustments to arrive at net cash provided by (used for) operating activities -		
Depreciation	9,095	9,095
Decommissioning costs	3,113	3,112
Amortization of debt costs	626	610
Changes in assets and liabilities:		
Interest receivable	2	(59)
Accounts receivable	946	(669)
Materials and supplies	110	1,340
Other assets	56	81
Accounts payable	1,482	711
Net cash provided by operating activities	6,713	3,327
Cash flows from investing activities:		
Payments for construction of facility	(1,938)	(1,861)
Purchases of investments	(14,370)	(12,749)
Proceeds from sale/maturity of investments	8,867	10,918
Net cash used for investing activities	(7,441)	(3,692)
Net decrease in cash and cash equivalents	(728)	(365)
Cash and cash equivalents at beginning of year	8,274	8,639
Cash and cash equivalents at end of year	$ 7,546	$ 8,274
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest (net of amount capitalized)	$ 11,988	$ 11,988

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, 1996
(In thousands)

	Revenue Fund	*Operating Fund*	*Operating Reserve Account*	*Project Fund*	*Debt Service Account*	*Debt Service Reserve Account*	*Reserve & Contingency Fund*	*Total*
Balance at June 30, 1995	$ –	$ 1,633	$ –	$ 112	$ 5,994	$ 18,025	$ 11,179	$ 36,943
Additions:								
Investment earnings	32	54		12	54	1,061	537	1,750
Distribution of investment earnings	1,945	(64)			(168)	(1,061)	(652)	–
Discount on investment purchases	4	10		2	114		112	242
Revenue from power sales	52,933							52,933
Distribution of revenues	(54,914)	38,249	5		14,515		2,145	–
Refund from Century Power Corporation				400				400
Total	–	38,249	5	414	14,515	–	2,142	55,325
Deductions:								
Payment for construction		1,938						1,938
Administrative expenditures		36,691						36,691
Interest paid					11,988			11,988
Total	–	38,629	–	–	11,988	–	–	50,617
Balance at June 30, 1996	$ –	$ 1,253	$ 5	$ 526	$ 8,521	$ 18,025	$ 13,321	$ 41,651

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 $67 and $69 at June 30, 1996 and 1995, respectively, nor do they include total amortized net investment discount of $69 and $2 at June 30, 1996 and 1995, respectively. These balances do not include unrealized loss (gain) on investments in funds available for sale of $4 and ($28) at June 30, 1996 and 1995, respectively.

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SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

REPORT AND FINANCIAL STATEMENTS AND SUPPLEMENTAL FINANCIAL INFORMATION

JUNE 30, 1996 AND 1995

400 South Hope Street
Los Angeles, CA 90071-2889

Telephone 213 236 3000

Price Waterhouse LLP

REPORT OF INDEPENDENT ACCOUNTANTS

September 10, 1996

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, 1996 and 1995, 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 Uprating 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 Uprating Project, Mead-Phoenix Project, Mead-Adelanto Project, and San Juan Project present fairly, in all material respects, the financial position of each of the Projects at June 30, 1996, and their cash flows, and the results of operations of the Authority's Palo Verde Project, Southern Transmission System Project, Hoover Uprating Project, Mead-Phoenix Project, Mead-Adelanto 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 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. This information is the responsibility of the Authority's management. 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

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

COMBINED BALANCE SHEET

(In thousands)

	June 30, 1996								
Assets	Palo Verde Project	Southern Transmission System Project	Hoover Uprating Project	Mead-Phoenix Project	Mead-Adelanto Project	Multiple Project Fund	San Juan Project	Total	June 30, 1995 Total
Utility plant:									
Production	$ 613,608				$ 171,068		$ 183,309	$ 967,985	$ 795,080
Transmission	14,146	$ 674,606		$ 48,307	164			737,223	689,447
General	2,569	18,893		1,971			8,613	32,046	29,155
	630,323	693,499		50,278	171,232		191,922	1,737,254	1,513,682
Less - Accumulated depreciation	250,021	194,127		846	1,255		36,622	482,871	418,688
	380,302	499,372		49,432	169,977		155,300	1,254,383	1,094,994
Construction work in progress	9,503			3,116			3,501	16,120	206,573
Nuclear fuel, at amortized cost	13,225							13,225	12,716
Net utility plant	403,030	499,372		52,548	169,977		158,801	1,283,728	1,314,283
Special funds:									
Available for sale at fair value (Note 2):									
Decommissioning fund	33,474							33,474	24,503
Investments	115,746	102,842	$ 9,628	21,591	62,562	$ 250,888	34,170	597,427	682,442
Escrow account - Crossover series		343,898						343,898	343,921
Advance to Intermountain Power Agency		19,550						19,550	19,550
Advances for capacity and energy, net			10,119					10,119	11,903
Interest receivable	1,512	2,169	6	841	2,285	9,220	67	16,100	16,541
Cash and cash equivalents	67,879	90,324	1,997	1,548	4,504		7,546	173,798	120,610
	218,611	558,783	21,750	23,980	69,351	260,108	41,783	1,194,366	1,219,470
Accounts receivable	738	2,687	19	1,750	4,741	(6,402)	945	4,478	5,272
Materials and supplies	9,240						3,569	12,809	13,297
Costs recoverable from future billings to participants	204,945	203,787	7,538	1,394	4,383		31,780	453,827	411,031
Unrealized loss on investments in funds available for sale	456	2,865	3	9	28		4	3,365	2,335
Prepaid construction costs									5,536
Prepaid expenses				26	66			92	
Unamortized debt expenses, less accumulated amortization of $132,265 and $127,197 in 1996 and 1995	204,693	164,247	3,307	9,888	28,123		3,090	413,348	429,508
	$ 1,041,713	$ 1,431,741	$ 32,617	$ 89,595	$ 276,669	$ 253,706	$ 239,972	$ 3,366,013	$ 3,400,732
Liabilities									
Long-term debt	$ 981,155	$ 1,034,757	$ 30,981	$ 86,417	$ 268,005	$ 242,786	$ 222,444	$ 2,866,545	$ 2,894,471
Subordinate Refunding Crossover Series		347,388						347,388	347,782
Arbitrage rebate payable									77
Deferred credits						2,664		2,664	1,141
Current liabilities:									
Long-term debt due within one year	25,690	10,845	1,085				6,035	43,655	38,790
Accrued interest	24,535	38,436	489	2,588	7,884	8,256	5,994	88,182	95,288
Accounts payable and accrued expenses	10,333	315	62	590	780		5,499	17,579	23,183
Total current liabilities	60,558	49,596	1,636	3,178	8,664	8,256	17,528	149,416	157,261
Commitments and contingencies									
	$ 1,041,713	$ 1,431,741	$ 32,617	$ 89,595	$ 276,669	$ 253,706	$ 239,972	$ 3,366,013	$ 3,400,732

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

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

COMBINED STATEMENT OF OPERATIONS
(In thousands)

	Year Ended June 30, 1996							
	Palo Verde Project	Southern Transmission System Project	Hoover Uprating Project	Mead-Phoenix Project	Mead-Adelanto Project	San Juan Project	Total	Year Ended June 30, 1995
Operating revenues:								
Sales of electric energy	$ 135,464		$ 3,349			$ 50,117	$ 188,930	$ 183,603
Sales of transmission services		$ 85,297		$ 226	$ 172		85,695	91,250
Total operating revenues	135,464	85,297	3,349	226	172	50,117	274,625	274,853
Operating expenses:								
Amortization of nuclear fuel	7,949						7,949	8,150
Other operations	25,815	10,192	2,200	213	145	314	38,879	39,873
Maintenance	6,317	5,236		13	27	35,760	47,353	50,834
Depreciation	18,425	20,329		342	1,132	9,095	49,323	47,975
Decommissioning	12,497					3,113	15,610	16,513
Total operating expenses	71,003	35,757	2,200	568	1,304	48,282	159,114	163,345
Operating income (loss)	64,461	49,540	1,149	(342)	(1,132)	1,835	115,511	111,508
Investment income	10,886	28,993	874	410	1,174	2,062	44,399	23,884
Income before debt expense	75,347	78,533	2,023	68	42	3,897	159,910	135,392
Debt expense	82,777	99,166	2,262	1,462	4,425	12,614	202,706	174,140
Costs recoverable from future billings to participants	($ 7,430)	($ 20,633)	($ 239)	($ 1,394)	($ 4,383)	($ 8,717)	($ 42,796)	($ 38,748)

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

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

COMBINED STATEMENT OF CASH FLOWS
(In thousands)

	Year Ended June 30, 1996								Year Ended June 30, 1995
	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	($ 7,430)	($ 20,633)	($ 239)	($ 1,394)	($ 4,383)		($ 8,717)	($ 42,796)	($ 38,748)
Adjustments to arrive at net cash provided by (used for) operating activities -									
Depreciation	18,425	20,329		342	1,132		9,095	49,323	47,975
Decommissioning	12,497						3,113	15,610	16,513
Amortization of nuclear fuel	7,949							7,949	8,150
Amortization of debt costs	24,428	11,739	294	167	482		626	37,736	29,050
Write-off of construction work in progress costs		1,313						1,313	
Changes in assets and liabilities:									
Decommissioning fund	(8,971)							(8,971)	(1,297)
Interest receivable	(289)	(362)	20	405	691		2	467	437
Accounts receivable	174	(218)	(19)	213	(72)		946	1,024	1,402
Materials and supplies	378						110	488	2,069
Other assets	55			1,977	3,467		56	5,555	117
Accrued interest	(6,150)	(943)	(11)		(1)			(7,105)	10,036
Accounts payable and accrued expenses	(6,437)	(1,943)	(7)	556	745		1,482	(5,604)	3,090
Net cash provided by operating activities	34,629	9,282	38	2,266	2,061		6,713	54,989	78,794
Cash flows from investing activities:									
Interest received on investments						$ 18,380		18,380	34,037
Arbitrage payment								-	(3,757)
Payments for construction of facilities	(10,892)			(13,208)	(15,652)		(1,938)	(41,690)	(104,088)
Purchases of investments	(154,685)	(154,904)	(22,665)	(3,264)	(9,184)	(1,868)	(14,370)	(360,940)	(230,693)
Proceeds from sale/maturity of investments	182,309	195,593	20,705	14,474	23,000		8,867	444,948	299,265
Advances for capacity and energy, net			1,784					1,784	1,415
Reimbursement from WAPA									111
Net cash provided by (used for) investing activities	16,732	40,689	(176)	(1,998)	(1,836)	16,512	(7,441)	62,482	(3,710)
Cash flows from capital and related financing activities:									
Payments of interest on long-term debt						(16,512)		(16,512)	(37,092)
Proceeds from sale of bonds	229,483							229,483	
Payment for defeasance of revenue bonds	(233,632)							(233,632)	(5,798)
Repayment of principal on long-term debt	(23,855)	(14,325)	(610)					(38,790)	(36,900)
Payment for bond issue costs	(4,832)							(4,832)	(40)
Net cash used for capital and related financing activities	(32,836)	(14,325)	(610)	-	-	(16,512)	-	(64,283)	(79,830)
Net increase (decrease) in cash and cash equivalents	18,525	35,646	(748)	268	225	-	(728)	53,188	(4,746)
Cash and cash equivalents at beginning of year	49,354	54,678	2,745	1,280	4,279	-	8,274	120,610	125,356
Cash and cash equivalents at end of year	$ 67,879	$ 90,324	$ 1,997	$ 1,548	$ 4,504	$ -	$ 7,546	$ 173,798	$ 120,610
Supplemental disclosure of cash flow information:									
Cash paid during the year for interest (net of amount capitalized)	$ 64,499	$ 88,370	$ 1,978	$ -	$ -	$ 16,512	$ 11,988	$ 183,347	$ 188,700

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

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, 1996 and 1995:

Participants	Palo Verde	Southern Transmission System	Hoover Uprating	Mead-Phoenix	Mead-Adelanto	San Juan
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	4.4	5.9		13.8	8.6	
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

Mead-Phoenix participation reflects three ownership components (see below).

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 1986, 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 Uprating 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. The USBR has declared that the Project was substantially complete as of September 30, 1995 with minor work scheduled to be completed in the spring of 1997. The Authority has an 18.68% interest in the contingent capacity of the Hoover Uprating Project (HU). All seventeen "uprated" generators of the HU 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 provides 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. In addition, the Authority has administrative responsibility for accounting for the separate ownership interest in the project by Western Area Power Administration (WAPA), who is providing separate funding ($72,874,000 and $58,676,000 at June 30, 1996 and 1995, respectively) for its interest. Commercial operations of MP commenced in April 1996. Funding was provided by a transfer of funds from the Multiple Project Fund (Note 4).

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. In addition, the Authority has administrative responsibility for accounting for the separate ownership interest in the project by WAPA, who is providing separate funding ($17,088,000 and $16,282,000 at June 30, 1996 and 1995, respectively) for its interest. Funding was provided by a transfer of funds from the Multiple Project Fund (Note 4). Commercial operations commenced in April 1996. LADWP serves as both construction manager 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 then unspecified projects for the generation or transmission of electric energy.

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 these two projects, including reimbursement of planning, development and other related costs.

San Juan Project

Effective July 1, 1993, the Authority purchased a 41.80% interest in Unit 3, a 488 megawatt unit and related common facilities, of the San Juan Generating Station (SJGS) from Century Power Corporation. Unit 3 is one unit of a four-unit coal-fired power generating station in New Mexico. The Authority allocated the $193 million 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 regulation by either of these regulatory bodies.

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 construction and betterment 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, by the federal government, on its share of electricity produced by PVNGS, and such funds will eventually be utilized by the federal government to provide for PVNGS' nuclear waste disposal. The Authority records this charge as a current year expense.

The Authority's share of construction and betterment costs associated with STS, MP, MA and SJGS 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, MA and MP and twenty-one years for SJGS.

Interest costs incurred by the MP and MA projects through the date commercial operations commenced (April 1996) are capitalized in utility plant. Total interest costs capitalized were $11,827,000 and $15,769,000 in fiscal 1996 and 1995, respectively, for the MA project and $3,881,000 and $5,175,000 in fiscal 1996 and 1995, respectively, for the MP project.

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 credits on billings to participants for energy and capacity.

NOTE 2: (Continued)

Nuclear Decommissioning

Decommissioning of PVNGS 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 $85.5 million in 1995 dollars ($390 million in 2022 dollars assuming a 6% estimated annual inflation rate). The Authority is providing for its share of the estimated future decommissioning costs over the remaining life of the nuclear power plant (25 to 27 years) through annual charges to expense which amounted to $12.5 million and $13.4 million in fiscal 1996 and 1995, respectively. The decommissioning liability is included as a component of accumulated depreciation and was $88.1 million and $75.6 million at June 30, 1996 and 1995, respectively.

A Decommissioning Fund has been established and partially funded at $33.9 million at June 30, 1996. The Decommissioning Fund earned interest income of $700,000 during fiscal 1996.

Demolition and Site Reclamation

Demolition and site reclamation of SJGS, which involves restoring the site to a "green" condition which existed prior to SJGS 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 and site reclamation costs is $18.7 million in 1992 dollars ($65.3 million in 2014 dollars using a 6% estimated annual inflation rate). The Authority is providing for its share of the estimated future demolition costs over the remaining life of the power plant (18 years) through annual charges to expense of $3.1 million. The demolition liability is included as a component of accumulated depreciation and was $9.3 million and $6.2 million at June 30, 1996 and 1995, respectively.

As of June 30, 1996, the Authority has not billed participants for the cost of demolition nor has it established a demolition fund.

Unamortized Debt Expenses

Unamortized debt issue costs, including the loss on refundings, are being 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 $378,070,000 and $393,440,000 at June 30, 1996 and 1995, respectively.

Investments

Investments include United States Government and governmental agency securities and repurchase agreements which are collateralized by such securities. Additionally, the Mead-Phoenix Project, the Mead-Adelanto Project and the Multiple Project Fund's investments are comprised of an investment agreement with a financial institution earning a guaranteed rate of

NOTE 2: (Continued)

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 available for sale are carried at aggregate fair value and changes in unrealized net gains or losses are recorded separately. Investments are reduced to estimated net realizable value when necessary for declines in value considered to be other than temporary. Gains and losses realized on the sale of investments are generally determined using the specific identification method. As discussed in Note 3, all of the investments are restricted as to their use.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all investments with original maturities less than 90 days.

Revenues

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

Debt Expense

Debt expense includes interest on debt and the amortization of bond discounts, debt issuance expense and loss on 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 Authority made its first rebate payment of $3.8 million during fiscal year 1995. The next rebate payment to the IRS is due in fiscal year 2000.

Reclassifications

Certain reclassifications have been made in the fiscal year 1995 financial statements to conform to the fiscal year 1996 presentation.

NOTE 2: (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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:

Fund	Purpose
Construction	To disburse funds for the acquisition and construction of the Project.
Debt Service	To pay interest and principal related to the Revenue Bonds.
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 funds related to the future decommissioning of PVNGS.

NOTE 3: (Continued)

Issue Fund	To initially receive pledged revenues associated with the applicable subordinated refunding series' Indenture of Trust and pay the related interest and principal.
Escrow account - Subordinate Refunding Crossover Series	To initially receive pledged revenues associated with Component 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.

Palo Verde Project

The balances of the funds required by the Bond Indenture are as follows, in thousands:

	June 30,			
	1996		1995	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Debt Service Fund -				
Debt Service Account	$ 51,386	$ 51,394	$ 52,457	$ 52,467
Debt Service Reserve Account	74,420	74,160	81,497	81,077
Revenue Fund	5	5	1	1
Operating Fund	20,130	20,134	31,141	31,026
Reserve and Contingency Fund	25,924	26,107	16,776	17,075
Decommissioning Trust Fund	34,131	33,740	24,503	24,503
Issue Fund	13,026	13,026	12,486	12,486
Revolving Fund	45	45	45	45
	$219,067	$218,611	$218,906	$ 218,680
Contractual maturities:				
Within one year	$ 69,781	$ 69,391		
After one year through five years	136,279	136,148		
After five years through ten years	3,187	3,252		
After ten years	9,820	9,820		
	$219,067	$218,611		

NOTE 3: (Continued)

Southern Transmission System Project

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

	June 30,			
	1996		1995	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Construction fund - Initial Facilities Account	$ 235	$ 235	$ 223	$ 223
Debt Service Fund -				
Debt Service Account	21,921	21,896	31,480	31,491
Debt Service Reserve Account	86,220	86,189	66,672	66,857
Operating Fund	6,015	6,007	5,987	5,987
General Reserve Fund	4,194	4,194	9,533	9,542
Issue Fund	77,024	76,794	77,768	77,579
Escrow Account - Subordinate Refunding Crossover Series	346,474	343,903	355,101	353,188
Revolving Fund	15	15	15	15
	$542,098	$539,233	$546,779	$ 544,882

Contractual maturities:		
Within one year	$102,008	$101,975
After one year through five years	80,852	80,803
After five years through ten years	36,972	34,189
After ten years	322,266	322,266
	$542,098	$539,233

In addition, at June 30, 1996 and 1995, the Authority had non-interest bearing advances outstanding to IPA of $19,550,000.

NOTE 3: (Continued)

Hoover Uprating Project

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

	June 30,			
	1996		1995	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Advance Payments Fund	$ -	$ -	$ 2,437	$ 2,437
Operating-Working Capital Fund	804	804	563	563
Debt Service Fund -				
Debt Service Account	2,390	2,390	1,440	1,429
Debt Service Reserve Account	3,122	3,121	3,078	3,068
General Reserve Fund	5,318	5,316	2,911	2,914
Revolving Fund			13	13
	$ 11,634	$ 11,631	$ 10,442	$ 10,424
Contractual maturities:				
Within one year	$ 2,003	$ 2,003		
After one year through five years	9,631	9,628		
	$ 11,634	$ 11,631		

In addition, at June 30, 1996 and 1995, the Authority had advances to USBR of $10,119,000 and $11,903,000, respectively.

Mead-Phoenix Project

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

	June 30,			
	1996		1995	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Acquisition Account	$ 12,571	$ 12,571	$ 19,830	$ 19,830
Debt Service Fund -				
Debt Service Account	4,976	4,967	4,444	4,444
Debt Service Reserve Account	6,133	6,133	6,132	6,132
Issue Fund			4,924	4,873
Revenue Fund	64	64		
Operating Fund	239	239		
Revolving Fund	6	6	6	6
	$ 23,989	$ 23,980	$ 35,336	$ 35,285

NOTE 3: (Continued)

Contractual maturities:		
Within one year	$ 2,389	$ 2,389
After one year through five years	1,242	1,233
After ten years	20,358	20,358
	$ 23,989	$ 23,980

Mead-Adelanto Project

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

	June 30,			
	1996		1995	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Acquisition Account	$ 36,979	$ 36,979	$ 37,745	$ 37,745
Debt Service Fund -				
Debt Service Account	15,194	15,166	12,353	12,353
Debt Service Reserve Account	16,865	16,865	17,040	17,040
Issue Fund			16,517	16,346
Revenue Fund	71	71		
Operating Fund	264	264		
Revolving Fund	6	6	6	6
	$ 69,379	$ 69,351	$ 83,661	$ 83,490

Contractual maturities:		
Within one year	$ 6,794	$ 6,789
After one year through five years	4,161	4,138
After ten years	58,424	58,424
	$ 69,379	$ 69,351

NOTE 3: (Continued)

Multiple Project Fund

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

	June 30,			
	1996		1995	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Proceeds Account	$256,830	$256,830	$256,830	$ 256,830
Earnings Account	3,278	3,278	1,384	1,384
	$260,108	$260,108	$258,214	$ 258,214
Contractual maturities:				
Within one year	$ 9,220	$ 9,220		
After ten years	250,888	250,888		
	$260,108	$260,108		

San Juan Project

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

	June 30,			
	1996		1995	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Operating Reserve	$ 1,238	$ 1,238	$ 1,618	$ 1,618
Operating Revenue Fund	7	7	2	2
Acquisition Account	527	527	112	112
Debt Service Fund -				
Debt Service Account	8,607	8,597	6,017	6,017
Debt Service Reserve Account	18,031	18,031	18,026	18,026
Reserve and Contingency	13,377	13,383	11,224	11,252
Revolving			15	15
	$ 41,787	$ 41,783	$ 37,014	$ 37,042
Contractual maturities:				
Within one year	$ 7,613	$ 7,613		
After one year through five years	16,149	16,145		
After ten years	18,025	18,025		
	$ 41,787	$ 41,783		

NOTE 3: (Continued

Project Investment Sales

There were no proceeds from sales of investments during fiscal 1996 or 1995.

NOTE 4 - LONG-TERM DEBT:

Reference is made below to the Combined Schedule of Long-term Debt at June 30, 1996 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 Subordinate Refunding Series Bonds issued under an Indenture of Trust dated as of January 1, 1993 (Subordinate Indenture). The Subordinate Refunding Bonds were issued to advance refund certain bonds previously issued under the Senior Indenture.

The bond indentures provide that the Revenue Bonds and Subordinate 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.

At the option of the Authority, all outstanding Power Project Revenue Bonds and Subordinate Refunding Term Bonds are subject to redemption prior to maturity, except for the 1996 Subordinate Refunding Series A which is not redeemable.

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), 2010 (1993 Series A Bonds), and 2008 (1996 Subordinate Refunding Series B). Scheduled principal maturities for the Palo Verde Project during the five fiscal years following June 30, 1996 are $25,690,000 in 1997, $22,220,000 in 1998, $23,580,000 in 1999, $25,145,000 in 2000, and $12,860,000 in 2001. The average interest rate on outstanding debt during fiscal year 1996 and 1995 was 5.8% and 6.0%, respectively.

NOTE 4: (Continued)

Southern Transmission System Project

To finance payments-in-aid of construction to IPA for construction of the 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 and 1992 Subordinate Refunding Series issued under Indentures of Trust dated as of March 1, 1991 and June 1, 1992, respectively. The 1991 and 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 Subordinate 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, 1996 are $10,845,000 in 1997, $21,565,000 in 1998, $22,790,000 in 1999, $10,200,000 in 2000, and $10,115,000 in 2001. The average interest rate on outstanding debt during fiscal year 1996 and 1995 was 8.3%.

Hoover Uprating Project

To finance advance payments to USBR for application to the costs of the Hoover Uprating 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 Bond Indenture (except for the Interim Advance Payments Account in the Advance Payments Fund).

At the option of the Authority, all outstanding Hydroelectric Power Project Revenue Bonds 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 2007 for the 1991 Series A Bonds maturing on October 1, 2010 and fiscal year 2011 for the 1991 Series A Bonds maturing on October 1, 2017. Scheduled principal maturities for the Hoover Uprating Project during the five fiscal years following June 30, 1996 are $1,085,000 in 1997, $1,130,000 in 1998, $1,230,000 in 1999, $1,285,000 in 2000, and $1,400,000 in 2001. The average interest rate on outstanding debt during fiscal year 1996 and 1995 was 5.8% and 6.1%, respectively.

During fiscal 1995, the Authority repurchased $340,000 of outstanding Hydroelectric Power Project Revenue Bonds with excess funds in the Advance Payments Fund.

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 five years after issuance, 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, $103,640,000 and $285,010,000 of the Multiple Project Revenue Bonds were transferred to the Mead-Phoenix Project and the Mead-Adelanto 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. At the option of the Authority, the balance of the outstanding bonds 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 $8,645,000 in fiscal year 2000. The average interest rate on outstanding debt during fiscal year 1996 and 1995 was 6.8%.

Mead-Phoenix Project

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

NOTE 4: (Continued)

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.

At the option of the Authority, all outstanding Mead-Phoenix Revenue Bonds 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 $1,295,000 in fiscal year 2000. The average interest rate on outstanding debt during fiscal year 1996 and 1995 was 6.0%.

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.

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.

At the option of the Authority, all outstanding Mead-Adelanto Revenue Bonds 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 1995 Series Bonds. The first scheduled principal maturity for the Mead-Adelanto Revenue Bonds is $3,560,000 in fiscal year 2000. The average interest rate on outstanding debt during fiscal year 1996 and 1995 was 5.9% and 6.0%, respectively.

San Juan Project

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

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

At the option of the Authority, all outstanding San Juan Project Revenue Bonds 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 scheduled principal maturities for the San Juan Project Revenue Bonds during the five fiscal years following June 30, 1996 are $6,035,000 in 1998, $6,275,000 in 1999, $6,540,000 in 2000 and $6,825,000 in 2001. The average interest rate on outstanding debt during fiscal year 1996 and 1995 was 5.3%.

Refunding Bonds

In April 1996, the Authority issued $152,905,000 of Palo Verde 1996 Subordinate Refunding Series A Bonds to refund $163,355,000 of previously issued Palo Verde 1987 Refunding Series A Bonds and issued $58,870,000 of Palo Verde 1996 Subordinate Refunding Series B Bonds to refund $18,555,000 and $40,315,000 of previously issued Palo Verde 1986 Refunding Series B and 1987 Refunding Series A Bonds, respectively. The refunding is expected to reduce total debt service payments over the next 13 years by approximately $50,967,000 (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 $29,537,000.

In March 1994, the Authority issued $51,835,000 of Mead-Phoenix Project Revenue Bonds and $173,955,000 of Mead-Adelanto Project Revenue Bonds to refund $243,150,000 of previously issued Multiple Project Revenue Bonds which were transferred to the Mead-Phoenix and Mead-Adelanto projects during fiscal year 1993. The partial refunding of the original issue within five years of its issuance triggered a recalculation of the arbitrage yield. The recalculation resulted in a higher arbitrage yield which reduced the rebate liability of the Authority. At June 30, 1996, cumulative savings due to the rebate calculation amounted to $6,401,924. This amount was allocated $1,707,180 and $4,694,744 to the Mead-Phoenix and Mead-Adelanto Projects, respectively.

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 in fiscal 1994 to advance refund $13,455,000 of previously issued bonds. On the Component 2 Crossover date (January 1, 1995), Component 2 proceeds of $5,519,000 were used in fiscal 1995 to advance refund $5,335,000 of previously issued bonds. Proceeds from Component 3 of $343,921,000 were placed in an irrevocable trust and will be used to redeem $313,050,000 of bonds currently included within long-term debt at scheduled call dates. The

NOTE 4: (Continued)

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 Component 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 fiscal 1997, interest on the bonds will be payable from revenues. The trust account assets ($343,898,000 in escrow accounts and $2,410,000 in unamortized debt expense at June 30, 1996) and liabilities ($347,388,000, net of bond discounts, at June 30, 1996) for Component 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 date, 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.

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, 1996 and 1995, $63,849,000 and $70,959,000, respectively, of these trust assets have been offset against the Palo Verde Special Obligation Crossover Series Bonds.

On July 1, 1995, the crossover date for the Palo Verde Special Obligation Bonds Series A, trust assets in escrow of $7,131,000 were used to advance refund $7,125,000 of previously issued bonds.

At June 30, 1996 and 1995, the aggregate amount of debt in all projects considered to be defeased was $3,535,075,000 and $3,305,725,000, 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 ($291,700,000 and $292,000,000 at June 30, 1996 and 1995, respectively). 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 (3.1% and 3.9% at June 30, 1996 and 1995, respectively). The bonds mature in 2019.

COMBINED SCHEDULE OF LONG-TERM DEBT
AT JUNE 30, 1996
(In thousands)

Project	Series	Date of Sale	Effective Interest Rate	Maturity on July 1	Total
Principal:					
Palo Verde Project Revenue and Refunding Bonds	1985A	05/22/85	9.7%	1996 to 1999	$ 1,070
	1985B	07/02/85	9.1%	1996 to 2000	5,610
	1986A	03/13/86	8.2%	1996 to 2006	71,220
	1986B	12/16/86	7.2%	1996 to 2017	96,450
	1987A	02/11/87	6.9%	1996 to 2017	43,720
	1989A	02/15/89	7.2%	1996 to 2015	287,705
	1992A	01/01/92	6.0%	1996 to 2010	7,265
	1992C	01/01/92	6.0%	1996 to 2010	15,620
	1993Sub	03/01/93	5.5%	1996 to 2017	98,200
	1993A	03/01/93	5.5%	1996 to 2017	270,035
	1996A	02/13/96	4.4%	1996 to 2017	152,905
	1996B	02/29/96	4.4%	1996 to 2017	58,870
					1,108,670
Southern Transmission System Project Revenue and Refunding Bonds	1986A	03/18/86	8.0%	1996 to 2021	107,300
	1986B	04/29/86	7.5%	1996 to 2023	401,570
	1988A	11/22/88	7.2%	1996 to 2015	154,085
	1991A	4/17/91	6.4%	2019	291,700
	1992 Comp 1, 2, 4	7/20/92	6.1%	1996 to 2021	40,639
	1992 Comp 3	7/20/92	6.1%	1996 to 2021	431,766
	1993A	7/01/93	5.4%	1996 to 2023	125,865
					1,552,925
Hoover Uprating Project Revenue and Refunding Bonds	1986A	08/13/86	8.1%	1996 to 2017	4,160
	1991	08/01/91	6.2%	1996 to 2017	31,495
					35,655
Multiple Project Revenue Bonds					
Mead-Phoenix Project	1989	01/04/90	7.1%	1999 to 2020	38,800
Mead-Adelanto Project	1989	01/04/90	7.1%	1999 to 2020	106,700
Multiple Project	1989	01/04/90	7.1%	1999 to 2020	259,100
					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	237,375
Total principal amount					3,565,015
Unamortized bond discount:					
Palo Verde Project					(101,823)
Southern Transmission System Project					(159,935)
Hoover Uprating Project					(3,589)
Mead-Phoenix Project					(4,218)
Mead-Adelanto Project					(12,650)
Multiple Project Fund					(16,313)
San Juan Project					(8,899)
Total unamortized bond discount					(307,427)
Long-term debt due within one year					(43,655)
Total long-term debt, net (including Subordinate Refunding Crossover Series)					$ 3,213,933

Note - 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

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

Investments/Decommissioning fund/Escrow account - Subordinate Refunding Crossover Series/Crossover escrow accounts

The fair values of investments are estimated based on quoted market prices for the same 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 fair values of the Authority's financial instruments are as follows (in thousands):

	June 30,			
	1996		1995	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Assets:				
Cash and cash equivalents	$ 173,798	$ 173,798	$ 120,610	$ 120,610
Escrow account - Subordinate Refunding Crossover Series	346,468	343,898	345,782	343,921
Decommissioning fund	33,865	33,474	24,503	24,503
Investments	597,831	597,427	682,916	682,442
Liabilities:				
Debt	2,910,200	3,210,790	2,933,261	3,198,500
Subordinate Refunding Crossover Series	347,388	385,516	347,782	377,700
Off Balance Sheet Financial Instruments:				
Special Obligation Crossover Series Bonds	63,415	67,739	70,680	75,800
Crossover escrow accounts	63,849	63,849	70,959	70,959

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 PVNGS 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 Uprating Project (see Note 1). Under the terms of the contracts, the participants are entitled to capacity and associated firm energy of the Hoover Uprating 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 Uprating 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 any 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 and Mead-Phoenix 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 and Mead-Phoenix 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 and Mead-Adelanto 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

NOTE 6: (Continued)

in 2030 and, as long as any Multiple Project and Mead-Adelanto Revenue Bonds are outstanding, cannot be terminated or amended in any manner which will impair or adversely affect the rights of the bondholders.

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 their proportionate share of the 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, whether or not 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 when it is intended that they 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, 1995	Fiscal 1996 Activity	Balance June 30, 1996
GAAP items not included in billings to participants:			
Depreciation of plant	$348,328	$ 49,323	$397,651
Amortization of bond discount, debt issue costs, and cost of refunding	206,470	37,745	244,215
Nuclear fuel amortization	18,650	898	19,548
Decommissioning expense	75,233	7,610	82,843
Interest expense	23,165	22,798	45,963
Bond requirements included in billings to participants:			
Operations and maintenance, net of investment income	(67,253)	(21,062)	(88,315)
Costs of acquisition of capacity - STS	(18,350)		(18,350)
Reduction in debt service billings due to transfer of excess funds	78,658	(11,099)	67,559
Principal repayments	(222,130)	(39,559)	(261,689)
Other	(31,740)	(3,858)	(35,598)
	$411,031	$ 42,796	$453,827

NOTE 8 - COMMITMENTS AND CONTINGENCIES:

On August 31, 1996, the California State Legislature approved Bill AB 1890 (Bill) which provides for broad deregulation of the power generation industry in California. The Bill, which is pending approval by the Governor, requires the participation of the state's three investor-owned utilities. Consumer-owned utilities can participate on a voluntary basis but must hold public hearings as part of its decision making process. The Bill, which was supported by the Authority, authorizes the collection of a transition charge for generation when a consumer-owned utility opens its service area to competition and participates in the independent transmission system established by the legislation. The Bill also mandates the collection of a public benefit charge from all electric utility customers in the state. Although these funds (currently estimated at 2.5% of gross revenues) must be spent on renewable resources, conservation, research and development, or low income rate subsidies, the governing authority of each consumer-owned utility will control actual expenditures.

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

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

NOTE 9: SUBSEQUENT EVENTS:

On July 1, 1996, the crossover date for the Palo Verde Special Obligation Bonds Series B, trust assets held in escrow of $63,415,000 were used to advance refund $62,000,000 of previously issued bonds.

In August 1996, the Authority issued $89,570,000 of Palo Verde 1996 Subordinate Refunding Series C bonds to refund $95,015,000 of 1986 Refunding Series B bonds. The refunding is expected to reduce total debt service payments over the next 20 years by approximately $24,713,000 (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 $16,955,000.

In September 1996, the Authority issued $42,245,000 of Transmission Project Revenue Bonds, 1996 Subordinate Refunding Series A and $121,065,000 of Transmission Project Revenue Bonds, 1996 Subordinate Refunding Series B to refund $68,720,000 and $127,100,000 of the STS 1986 Refunding Series A and B, respectively. The refunding is expected to reduce total debt service payments over the next 10 years by approximately $6,029,000 (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 $3,372,000.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SUPPLEMENTAL FINANCIAL INFORMATION

INDEX

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

PALO VERDE PROJECT

SUPPLEMENTAL BALANCE SHEET
(In thousands)

	June 30, 1996	June 30, 1995
ASSETS		
Utility plant:		
Production	$ 613,608	$ 611,771
Transmission	14,146	14,146
General	2,569	2,574
	630,323	628,491
Less - Accumulated depreciation	250,021	219,881
	380,302	408,610
Construction work in progress	9,503	9,683
Nuclear fuel, at amortized cost	13,225	12,716
Net utility plant	403,030	431,009
Special funds:		
Available for sale at fair value:		
Decommissioning fund	33,474	24,503
Investments	115,746	143,600
Interest receivable	1,512	1,223
Cash and cash equivalents	67,879	49,354
	218,611	218,680
Accounts receivable	738	912
Materials and supplies	9,240	9,618
Costs recoverable from future billings to participants	204,945	197,515
Unrealized loss on investments in funds available for sale	456	226
Unamortized debt expenses, less accumulated amortization of $65,795 and $71,525	204,693	209,740
Total assets	$ 1,041,713	$ 1,067,700
LIABILITIES		
Long-term debt	$ 981,155	$ 996,390
Current liabilities:		
Long-term debt due within one year	25,690	23,855
Accrued interest	24,535	30,685
Accounts payable and accrued expenses	10,333	16,770
Total current liabilities	60,558	71,310
Commitments and contingencies		
Total liabilities	$ 1,041,713	$ 1,067,700

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

PALO VERDE PROJECT

SUPPLEMENTAL STATEMENT OF OPERATIONS
(In thousands)

	Year Ended June 30, 1996	1995
Operating revenue:		
Sales of electric energy	$ 135,464	$ 129,180
Operating expenses:		
Nuclear fuel	7,949	8,150
Other operations	25,815	25,307
Maintenance	6,317	7,825
Depreciation	18,425	19,145
Decommissioning	12,497	13,401
Total operating expenses	71,003	73,828
Operating income	64,461	55,352
Investment income	10,886	9,968
Income before debt expense	75,347	65,320
Debt expense	82,777	77,976
Costs recoverable from future billings to participants	($ 7,430)	($ 12,656)

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

PALO VERDE PROJECT

SUPPLEMENTAL STATEMENT OF CASH FLOWS
(In thousands)

	Year Ended June 30, 1996	1995
Cash flows from operating activities:		
Costs recoverable from future billings to participants	($ 7,430)	($ 12,656)
Adjustments to arrive at net cash provided by (used for) operating activities -		
Depreciation	18,425	19,145
Decommissioning	12,497	13,401
Amortization of nuclear fuel	7,949	8,150
Amortization of debt costs	24,428	16,607
Changes in assets and liabilities:		
Decommissioning fund	(8,971)	(1,297)
Interest receivable	(289)	127
Accounts receivable	174	131
Materials and supplies	378	729
Other assets	55	(2)
Accrued interest	(6,150)	(719)
Accounts payable and accrued expenses	(6,437)	3,241
Net cash provided by operating activities	34,629	46,857
Cash flows from investing activities:		
Payments for construction of facility	(10,892)	(9,569)
Purchases of investments	(154,685)	(97,108)
Proceeds from sale/maturity of investments	182,309	68,891
Net cash provided by (used for) investing activities	16,732	(37,786)
Cash flows from capital and related financing activities:		
Payment of principal on long-term debt	(23,855)	(22,425)
Payment of bond issue costs	(4,832)	
Payment for defeasance of revenue bonds	(233,632)	
Proceeds from issuance of refunding bonds	229,483	
Net cash used for capital and related financing activities	(32,836)	(22,425)
Net increase (decrease) in cash and cash equivalents	18,525	(13,354)
Cash and cash equivalents at beginning of period	49,354	62,708
Cash and cash equivalents at end of year	$ 67,879	$ 49,354
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest (net of amount capitalized)	$ 64,499	$ 62,089

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, 1996
(In thousands)

	Debt Service Fund	Revenue Fund	Operating Fund	Reserve & Contingency Fund	Issue Fund	Decommissioning Funds I & II	Total
Balance at June 30, 1995	$ 132,133	$ -	$ 30,948	$ 16,574	$ 12,482	$ 24,490	$ 216,627
Additions:							
Investment earnings	4,409	31	834	1,100	616	749	7,739
Distribution of investment earnings	(5,734)	8,604	(1,213)	(1,000)	(657)		-
Discount on investment purchases	1,971	3	513	336	41	423	3,287
Revenue from power sales	49	129,180	37	6			129,272
Distribution of revenues	81,922	(138,843)	39,603	3,989	5,325	8,004	-
Transfers to escrow for refundings	(10,413)	78	(93)	(2,886)	4,046		(9,268)
Transfer from escrow for principal and interest payments	379,634	951	(11,067)	10,581			380,099
Total	451,838	4	28,614	12,126	9,371	9,176	511,129
Deductions:							
Construction expenditures				3,060			3,060
Operating expenditures			31,041			5	31,046
Fuel costs			8,457				8,457
Bond issue costs					3,173		3,173
Payment of principal	23,855						23,855
Interest paid	55,130				5,663		60,793
Premium and interest paid on investments	202		115	58		131	506
Payment of principal and interest on escrow bonds	380,099						380,099
Total	459,286		39,613	3,118	8,836	136	510,989
Balance at June 30, 1996	$ 124,685	$ 4	$ 19,949	$ 25,582	$ 13,017	$ 33,530	$ 216,767

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 $1,245 and $1,223 and Decommissioning Fund accrued interest receivable of $267 and $138 at June 30, 1996 and 1995, respectively, nor do they include total amortized net investment discounts of $788 and $918 at June 30, 1996 and 1995, respectively. These balances also do not include unrealized loss on investments in funds available for sale of $456 and $226 at June 30, 1996 and 1995, respectively.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SOUTHERN TRANSMISSION SYSTEM PROJECT

SUPPLEMENTAL BALANCE SHEET
(In thousands)

	June 30, 1996	June 30, 1995
ASSETS		
Utility plant:		
Transmission	$ 674,606	$ 675,301
General	18,893	18,893
	693,499	694,194
Less - Accumulated depreciation	194,127	174,392
	499,372	519,802
Construction work in progress		1,212
Net utility plant	499,372	521,014
Special funds:		
Available for sale at fair value:		
Investments	102,842	144,476
Escrow account - Subordinate Refunding Crossover Series	343,898	343,921
Advance to Intermountain Power Agency	19,550	19,550
Interest receivable	2,169	1,807
Cash and cash equivalents	90,324	54,678
	558,783	564,432
Accounts receivable	2,687	2,469
Costs recoverable from future billings to participants	203,787	183,154
Unrealized loss on investments in funds available for sale	2,865	1,897
Unamortized debt expenses, less accumulated amortization of $59,752 and $51,415	164,247	172,780
Total assets	$1,431,741	$ 1,445,746
LIABILITIES		
Long-term debt	$1,034,757	$ 1,042,002
Subordinate Refunding Crossover Series	347,388	347,782
Current liabilities:		
Long-term debt due within one year	10,845	14,325
Accrued interest	38,436	39,379
Accounts payable and accrued expenses	315	2,258
Total current liabilities	49,596	55,962
Commitments and contingencies		
Total liabilities	$1,431,741	$ 1,445,746

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SOUTHERN TRANSMISSION SYSTEM PROJECT

SUPPLEMENTAL STATEMENT OF OPERATIONS
(In thousands)

	Year Ended June 30, 1996	Year Ended June 30, 1995
Operating revenue:		
Sales of transmission services	$85,297	$ 91,250
Operating expenses:		
Other operations	10,192	11,839
Maintenance	5,236	4,498
Depreciation	20,329	19,735
Total operating expenses	35,757	36,072
Operating income	49,540	55,178
Investment income	28,993	30,085
Income before debt expense	78,533	85,263
Debt expense	99,166	99,823
Costs recoverable from future billings to participants	($ 20,633)	($ 14,560)

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SOUTHERN TRANSMISSION SYSTEM PROJECT

SUPPLEMENTAL STATEMENT OF CASH FLOWS
(In thousands)

	Year Ended June 30, 1996	1995
Cash flows from operating activities:		
Costs recoverable from future billings to participants	($ 20,633)	($ 14,560)
Adjustments to arrive at net cash provided by (used for) operating activities -		
Depreciation	20,329	19,735
Amortization of debt costs	11,739	11,545
Write-off of construction work in progress costs	1,313	
Changes in assets and liabilities:		
Interest receivable	(362)	315
Accounts receivable	(218)	1,940
Other assets		17
Accrued interest	(943)	10,773
Accounts payable and accrued expenses	(1,943)	(268)
Net cash provided by operating activities	9,282	29,497
Cash flows from investing activities:		
Payments for construction of facility		(315)
Purchases of investments	(154,904)	(94,425)
Proceeds from sale/maturity of investments	195,593	90,462
Net cash provided by (used for) investing activities	40,689	(4,278)
Cash flows from capital and related financing activities:		
Payment for defeasance of revenue bonds		(5,479)
Repayment of principal on long-term debt	(14,325)	(13,615)
Net cash used for capital and related financing activities	(14,325)	(19,094)
Net increase in cash and cash equivalents	35,646	6,125
Cash and cash equivalents at beginning of year	54,678	48,553
Cash and cash equivalents at end of year	$ 90,324	$ 54,678
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest (net of amount capitalized)	$ 88,370	$ 96,072

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, 1996
(In thousands)

	Construction Fund-Initial Facilities Account	Debt Service Fund	General Operating Fund	Reserve Fund	Issue Fund	Escrow Fund	Total
Balance at June 30, 1995	$ 222	$ 105,959	$ 6,022	$ 9,460	$ 77,128	$ 343,869	$ 542,660
Additions:							
Investment earnings	12	6,485	463	635	3,102	18,567	29,264
Distribution of investment earnings		(5,710)	9,408	(596)	6,182	(9,284)	-
Revenue from transmission sales			83,953				83,953
Distribution of revenue		42,530	(78,891)	(5,303)	50,942	(9,278)	-
Transfer from escrow for principal and interest payments		12,911					12,911
Total	12	56,216	14,933	(5,264)	60,226	5	126,128
Deductions:							
Operating expenses			14,904				14,904
Payment of principal					14,325		14,325
Interest paid		41,576			19,286		60,862
Payment of principal and interest on escrow bonds		12,921			26,575		39,496
Premium and interest paid on investment purchases		1,267		39			1,306
Other					949		949
Total		55,764	14,904	39	61,135		131,842
Balance at June 30, 1996	$ 234	$ 106,411	$ 6,051	$ 4,157	$ 76,219	$ 343,874	$ 536,946

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 $2,169 and $1,807 at June 30, 1996 and 1995, respectively, nor do they include total amortized net investment discounts of $2,983 and $2,312 at June 30, 1996 and 1995, respectively. These balances do not include unrealized loss on investments in funds available for sale of $2,865 and $1,897 at June 30, 1996 and 1995, respectively.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

HOOVER UPRATING PROJECT

SUPPLEMENTAL BALANCE SHEET
(In thousands)

	June 30, 1996	June 30, 1995
ASSETS		
Special funds:		
Investments available for sale at fair value	$ 9,628	$ ·7,653
Advances for capacity and energy, net	10,119	11,903
Interest receivable	6	26
Cash and cash equivalents	1,997	2,745
	21,750	22,327
Accounts receivable	19	
Costs recoverable from future billings to participants	7,538	7,299
Unrealized loss on investments in funds available for sale	3	18
Unamortized debt expenses, less accumulated amortization of $937 and $795	3,307	3,512
Total assets	$32,617	$33,156
LIABILITIES		
Long-term debt	$30,981	$31,977
Current liabilities:		
Long-term debt due within one year	1,085	610
Accrued interest	489	500
Accounts payable and accrued expenses	62	69
Total current liabilities	1,636	1,179
Commitments and contingencies		
Total liabilities	$32,617	$33,156

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

HOOVER UPRATING PROJECT

SUPPLEMENTAL STATEMENT OF OPERATIONS
(In thousands)

	Year Ended June 30, 1996	1995
Operating revenue:		
Sales of electric energy	$ 3,349	$ 3,569
Operating expenses:		
Capacity charges	1,011	1,207
Energy charges	844	832
Other operations	342	360
Reimbursement of advances for capacity and energy	3	12
Total operating expenses	2,200	2,411
Operating income	1,149	1,158
Investment income	874	514
Income before debt expense	2,023	1,672
Debt expense	2,262	2,310
Costs recoverable from future billings to participants	($ 239)	($ 638)

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

HOOVER UPRATING PROJECT

SUPPLEMENTAL STATEMENT OF CASH FLOWS
(In thousands)

	Year Ended June 30, 1996	Year Ended June 30, 1995
Cash flows from operating activities:		
Costs recoverable from future billings to participants	($ 239)	($ 638)
Adjustments to arrive at net cash used for operating activities:		
Amortization of debt costs	294	288
Changes in assets and liabilities:		
Interest receivable	20	
Accounts receivable	(19)	54
Other assets		21
Accrued interest	(11)	(18)
Accounts payable and accrued expenses	(7)	(594)
Net cash provided by (used) for operating activities	38	(887)
Cash flows from investing activities:		
Purchases of investments	(22,665)	(11,546)
Proceeds from sale/maturity of investments	20,705	9,491
Advances for capacity and energy, net	1,784	1,415
Net cash used for investing activities	(176)	(640)
Cash flows from capital and related financing activities:		
Payment for defeasance of revenue bonds		(319)
Repayment of principal on long-term debt	(610)	(860)
Net cash used for capital and related financing activities	(610)	(1,179)
Net decrease in cash and cash equivalents	(748)	(2,706)
Cash and cash equivalents at beginning of year	2,745	5,451
Cash and cash equivalents at end of year	$ 1,997	$ 2,745
Supplemental disclosure of cash flow information:		
Cash paid during year for interest (net of amount capitalized)	$ 1,978	$ 2,039

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, 1996
(In thousands)

	Advance Payments Funds	Operating Fund	Revenue Fund	Operating Working Capital Fund	Debt Service Account	Debt Service Reserve Account	General Reserve Account	Total
Balance at June 30, 1995	$ 2,410	$ -	$ -	$ 560	$ 1,435	$ 3,083	$ 2,876	$ 10,364
Additions:								
Investment earnings	16	2	2	29	33	152	3	237
Distribution of investment earnings	193	(2)	256	(29)	(90)	(115)	(213)	-
Discount on investment purchases	85	43			289		211	628
Revenue from power sales			3,330					3,330
Distribution of revenues		165	(3,342)		3,177			-
Transfer from escrow for principal and interest payments	(2,393)	147	(251)		2,433		2,382	2,318
Total	(2,099)	355	(5)	-	5,842	37	2,383	6,513
Deductions:								
Advances for capacity and energy	75							75
Payment of principal					610			610
Administrative expenditures	236	117	(5)					348
Interest paid					1,978			1,978
Premium on investment purchases						37		37
Payment of principal and interest on escrow bonds					2,318			2,318
Total	311	117	(5)		4,906	37		5,366
Balance at June 30, 1996	$ -	$ 238	$ -	$ 560	$ 2,371	$ 3,083	$ 5,259	$ 11,511

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 and $26 at June 30, 1996 and 1995, respectively, nor do they include total amortized net investment discount of $117 and $52 at June 30, 1996 and 1995, respectively. These balances also do not include unrealized loss on investments in funds available for sale of $3 and $18 at June 30, 1996 and 1995, respectively.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

MEAD-PHOENIX PROJECT

SUPPLEMENTAL BALANCE SHEET
(In thousands)

	June 30, 1996	June 30, 1995
ASSETS		
Utility plant:		
Transmission	$ 48,307	
General	1,971	
	50,278	
Less: Accumulated depreciation	846	
	49,432	
Construction work in progress	3,116	$ 39,179
Net utility plant	52,548	39,179
Special funds:		
Investments available for sale at fair value	21,591	32,759
Interest receivable	841	1,246
Cash and cash equivalents	1,548	1,280
	23,980	35,285
Accounts receivable	1,750	1,963
Costs recoverable from future billings to participants	1,394	
Unrealized loss on investments in funds available for sale	9	51
Prepaid expense	26	2,003
Unamortized debt expenses, less accumulated amortization of $1,257 and $736	9,888	10,408
Total assets	$ 89,595	$ 88,889
LIABILITIES		
Long-term debt	$ 86,417	$ 86,267
Current liabilities:		
Accrued interest	2,588	2,588
Accounts payable	590	34
Total current liabilities	3,178	2,622
Commitments and contingencies		
Total liabilities	$ 89,595	$ 88,889

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

MEAD-PHOENIX PROJECT

SUPPLEMENTAL STATEMENT OF OPERATIONS
THREE MONTHS ENDED JUNE 30, 1996*
(In thousands)

Operating revenue:	
Sales of transmission services	$ 226
Operating expenses:	
Other operation	213
Maintenance	13
Depreciation	342
Total operating expenses	568
Operating loss	(342)
Investment income	410
Income before debt expense	68
Debt expense	1,462
Costs recoverable from future billings to participants	($ 1,394)

See notes to financial statements.

* Operations commenced April 1996.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

MEAD-PHOENIX PROJECT

SUPPLEMENTAL STATEMENT OF CASH FLOWS
(In thousands)

	Year Ended June 30, 1996	1995
Cash flows from operating activities:		
Cost recoverable from future billings to participants	($ 1,394)	$ -
Adjustments to arrive at net cash provided by (used for) operating activities:		
Depreciation	342	
Amortization of debt costs	167	
Changes in assets and liabilities:		
Interest receivable	405	
Accounts receivable	213	
Other assets	1,977	
Accounts payable	556	
Net cash provided by operating activities	2,266	-
Cash flows from investing activities:		
Interest received on investments		4,251
Payments for construction of facility	(13,208)	(21,310)
Purchases of investments	(3,264)	(2,725)
Proceeds from sale/maturity of investments	14,474	26,078
Reimbursement from WAPA		83
Net cash (used for) provided by investing activities	(1,998)	6,377
Cash flows from capital and related financing activities:		
Payment of interest on long-term debt		(5,093)
Payment for bond issue costs		(9)
Net cash used for capital and related financing activities	-	(5,102)
Net increase in cash and cash equivalents	268	1,275
Cash and cash equivalents at beginning of year	1,280	5
Cash and cash equivalents at end of year	$ 1,548	$ 1,280
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest (net of amount capitalized)	$ -	$ -

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, 1996
(In thousands)

	Acquisition Account	Debt Service Account	Debt Service Reserve Account	Revenue Fund	Issue Fund	Operating Fund	Total
Balance at June 30, 1995	$ 18,972	$ 4,288	$ 5,916	$ -	$ 4,994	$ -	$ 34,170
Additions:							
Investment earnings	1,564	286	435	2	154		2,441
Transfer of investments		435	(435)				
Reimbursement from WAPA	80						80
Transmission revenue				360			360
Transfer of monthly transmission costs				(297)		297	-
Total	1,644	721	-	65	154	297	2,881
Deductions:							
Construction expenditures	8,536						8,536
Interest paid		2,642			2,534		5,176
Premium and interest paid on investment purchases					89		89
Operating expenses						60	60
Total	8,536	2,642	-	-	2,623	60	13,861
Balance at June 30, 1996	$ 12,080	$ 2,367	$ 5,916	$ 65	$ 2,525	$ 237	$ 23,190

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 $841 and $1,246 at June 30, 1996 and 1995, respectively, nor do they include total amortized net investment premiums of $42 and $80 at June 30, 1996 and 1995, respectively. These balances do not include unrealized loss on investments in funds available for sale of $9 and $51 at June 30, 1996 and 1995, respectively.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

MEAD-ADELANTO PROJECT

SUPPLEMENTAL BALANCE SHEET
(In thousands)

	June 30, 1996	June 30, 1995
ASSETS		
Utility plant:		
Transmission	$ 171,068	
General	164	
	171,232	
Less: Accumulated depreciation	1,255	
Construction work in progress		$ 154,011
Net utility plant	169,977	154,011
Special funds:		
Investments available for sale at fair value	62,562	76,235
Interest receivable	2,285	2,976
Cash and cash equivalents	4,504	4,279
	69,351	83,490
Accounts receivable	4,741	4,669
Costs recoverable from future billings to participants	4,383	
Unrealized loss on investments in funds available for sale	28	171
Prepaid expense	66	3,533
Unamortized debt expenses, less accumulated amortization of $3,582 and $2,098	28,123	29,607
Total assets	$ 276,669	$ 275,481
LIABILITIES		
Long-term debt	$ 268,005	$ 267,561
Current liabilities:		
Accrued interest	7,884	7,885
Accounts payable	780	35
Total current liabilities	8,664	7,920
Commitments and contingencies		
Total liabilities	$ 276,669	$ 275,481

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

MEAD-ADELANTO PROJECT

SUPPLEMENTAL STATEMENT OF OPERATIONS
THREE MONTHS ENDED JUNE 30, 1996*
(In thousands)

Operating revenue:	
Sales of transmission services	$ 172
Operating expenses:	
Other operation	145
Maintenance	27
Depreciation	1,132
Total operating expenses	1,304
Operating loss	(1,132)
Investment income	1,174
Income before debt expense	42
Debt expense	4,425
Costs recoverable from future billings to participants	($ 4,383)

See notes to financial statements.

* Operations commenced April 1996.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

MEAD-ADELANTO PROJECT

SUPPLEMENTAL STATEMENT OF CASH FLOWS
(In thousands)

	June 30, 1996	June 30, 1995
Cash flows from operating activities:		
Cost recoverable from future billings to participants	($ 4,383)	$ -
Adjustments to arrive at net cash provided by (used for) operating activities:		
Depreciation	1,132	
Amortization of debt costs	482	
Changes in assets and liabilities:		
Interest receivable	691	
Accounts receivable	(72)	
Prepaid expense	3,467	
Accrued interest	(1)	
Accounts payable	745	
Net cash provided by operating activities	2,061	-
Cash flows from investing activities:		
Interest received on investments		11,316
Payments for construction of facility	(15,652)	(71,033)
Purchases of investments	(9,184)	(4,627)
Proceeds from sale/maturity of investments	23,000	84,113
Reimbursement from WAPA		28
Net cash (used for) provided by investing activities	(1,836)	19,797
Cash flows from capital and related financing activities:		
Payments of interest on long-term debt		(15,487)
Payment for bond issue costs		(31)
Net cash used for capital and related financing activities	-	(15,518)
Net increase in cash and cash equivalents	225	4,279
Cash and cash equivalents at beginning of year	4,279	-
Cash and cash equivalents at end of year	$ 4,504	$ 4,279
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest (net of amount capitalized)	$ -	$ -

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, 1996
(In thousands)

	Acquisition Account	Debt Service Account	Debt Service Reserve Account	Operating Fund	Issue Fund	Revenue Fund	Total
Balance at June 30, 1995	$ 36,134	$ 11,793	$ 16,267	$	$ 16,760	$	$ 80,954
Additions:							
Investment earnings	3,217	772	1,196	1	517	1	5,704
Transfer of investment earnings		1,196	(1,196)				-
Reimbursement from WAPA	13						13
Transfers to operating fund				451		(451)	-
Transmission revenue						521	521
Total	3,230	1,968	-	452	517	71	6,238
Deductions:							
Construction expenditures	3,697						3,697
Interest paid		7,264			8,505		15,769
Premium and interest paid on investment purchases					298		298
Operating expenses	2			189			191
Total	3,699	7,264	-	189	8,803	-	19,955
Balance at June 30, 1996	$ 35,665	$ 6,497	$ 16,267	$ 263	$ 8,474	$ 71	$ 67,237

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 $2,285 and $2,976 at June 30, 1996 and 1995, respectively, nor do they include total amortized net investment premiums of $143 and $269 at June 30, 1996 and 1995, respectively. These balances do not include unrealized loss on investments in funds available for sale of $28 and $171 at June 30, 1996 and 1995, respectively.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

MULTIPLE PROJECT FUND

SUPPLEMENTAL BALANCE SHEET
(In thousands)

	June 30, 1996	June 30, 1995
ASSETS		
Special funds:		
Investments available for sale at fair value	$ 250,888	$ 249,020
Interest receivable	9,220	9,194
Total assets	$ 260,108	$ 258,214
LIABILITIES		
Long-term debt	$ 242,786	$ 242,107
Arbitrage rebate payable		77
Accounts payable to Mead-Phoenix Project and Mead-Adelanto Project	6,402	6,632
Deferred credits	2,664	1,141
Current liabilities:		
Accrued interest	8,256	8,257
Commitments and contingencies		
Total liabilities	$ 260,108	$ 258,214

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

MULTIPLE PROJECT FUND

SUPPLEMENTAL STATEMENT OF CASH FLOWS
(In thousands)

	Year Ended June 30, 1996	Year Ended June 30, 1995
Cash flows from operating activities	$ -	$ -
Cash flows from investing activities:		
Interest received on investments	18,380	18,470
Arbitrage payment		(3,757)
Purchases of investments	(1,868)	(1,958)
Proceeds from sale/maturity of investments		3,757
Net cash provided by investing activities	16,512	16,512
Cash flows from capital and related financing activities:		
Payments of interest on long-term debt	(16,512)	(16,512)
Net cash used for capital and financing activities	(16,512)	(16,512)
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	$ -	$ -

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, 1996

(In thousands)

	Proceeds Account	Debt Service Account	Earnings Account	Total
Balance at June 30, 1995	$ 247,727	$ -	$ 1,293	$249,020
Additions:				
Investment earnings	18,208		172	18,380
Transfer to earnings account	(16,512)		16,512	-
Transfer to debt service account		16,512	(16,512)	-
Total	1,696	16,512	172	18,380
Deductions:				
Interest paid		16,512		16,512
Total	-	16,512	-	16,512
Balance at June 30, 1996	$ 249,423	$ -	$ 1,465	$250,888

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 investments at original cost. These balances do not include accrued interest receivable of $9,220 and $9,194 at June 30, 1996 and 1995, respectively.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SAN JUAN PROJECT

SUPPLEMENTAL BALANCE SHEET
(In thousands)

	June 30, 1996	June 30, 1995
ASSETS		
Utility plant:		
Production	$ 183,309	$ 183,309
General	8,613	7,688
	191,922	190,997
Less - Accumulated depreciation	36,622	24,415
	155,300	166,582
Construction work in process	3,501	2,488
Net utility plant	158,801	169,070
Special funds:		
Investments available for sale at fair value	34,170	28,699
Interest receivable	67	69
Cash and cash equivalents	7,546	8,274
	41,783	37,042
Accounts receivable	945	1,891
Materials and supplies	3,569	3,679
Costs recoverable from future billings to participants	31,780	23,063
Unrealized loss (gain) on investments in funds available for sale	4	(28)
Unamortized debt expenses, less accumulated amortization of $942 and $628	3,090	3,461
Total assets	$ 239,972	$ 238,178
LIABILITIES		
Long-term debt	$ 222,444	$ 228,167
Current liabilities:		
Long-term debt due within one year	6,035	
Accrued interest	5,994	5,994
Accounts payable	5,499	4,017
Total current liabilities	17,528	10,011
Commitments and contingencies		
Total liabilities	$ 239,972	$ 238,178

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SAN JUAN PROJECT

SUPPLEMENTAL STATEMENT OF OPERATIONS
(In thousands)

	Year Ended June 30, 1996	Year Ended June 30, 1995
Operating revenue:		
Sales of electric energy	$50,117	$50,854
Operating expenses:		
Other operations	314	316
Maintenance	35,760	38,511
Depreciation	9,095	9,095
Decommissioning	3,113	3,112
Total operating expenses	48,282	51,034
Operating income (loss)	1,835	(180)
Investment income	2,062	1,884
Income before debt expense	3,897	1,704
Debt expense	12,614	12,598
Costs recoverable from future billings to participants	($ 8,717)	($ 10,894)

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SAN JUAN PROJECT

SUPPLEMENTAL STATEMENT OF CASH FLOWS
(In thousands)

	Year Ended June 30, 1996	Year Ended June 30, 1995
Cash flows from operating activities:		
Costs recoverable from future billings to participants	($ 8,717)	($10,894)
Adjustments to arrive at net cash provided by (used for) operating activities -		
Depreciation	9,095	9,095
Decommissioning costs	3,113	3,112
Amortization of debt costs	626	610
Changes in assets and liabilities:		
Interest receivable	2	(59)
Accounts receivable	946	(669)
Materials and supplies	110	1,340
Other assets	56	81
Accounts payable	1,482	711
Net cash provided by operating activities	6,713	3,327
Cash flows from investing activities:		
Payments for construction of facility	(1,938)	(1,861)
Purchases of investments	(14,370)	(12,749)
Proceeds from sale/maturity of investments	8,867	10,918
Net cash used for investing activities	(7,441)	(3,692)
Net decrease in cash and cash equivalents	(728)	(365)
Cash and cash equivalents at beginning of year	8,274	8,639
Cash and cash equivalents at end of year	$ 7,546	$ 8,274
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest (net of amount capitalized)	$ 11,988	$ 11,988

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, 1996
(In thousands)

	Revenue Fund	Operating Fund	Operating Reserve	Project Fund	Debt Service	Reserve & Debt Service Reserve	Revenue Contingency	Total
Balance at June 30, 1995	$ -	$ 1,633	$ -	$ 112	$ 5,994	$18,025	$ 11,179	$ 36,943
Additions:								
Investment earnings	32	54		12	54	1,061	537	1,750
Distribution of investment earnings	1,945	(64)			(168)	(1,061)	(652)	-
Discount on investment purchases	4	10		2	114		112	242
Revenue from power sales	52,933							52,933
Distribution of revenues	(54,914)	38,249	5		14,515		2,145	-
Refund from Century Power Corporation				400				400
Total	-	38,249	5	414	14,515	-	2,142	55,325
Deductions:								
Payment for construction		1,938						1,938
Administrative expenditures		36,691						36,691
Interest paid					11,988			11,988
Total	-	38,629	-	-	11,988	-	-	50,617
Balance at June 30, 1996	$ -	$ 1,253	$ 5	$ 526	$ 8,521	$18,025	$ 13,321	$ 41,651

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 $67 and $69 at June 30, 1996 and 1995, respectively, nor do they include total amortized net investment discount of $69 and $2 at June 30, 1996 and 1995, respectively. These balances do not include unrealized loss (gain) on investments in funds available for sale of $4 and ($28) at June 30, 1996 and 1995, respectively.