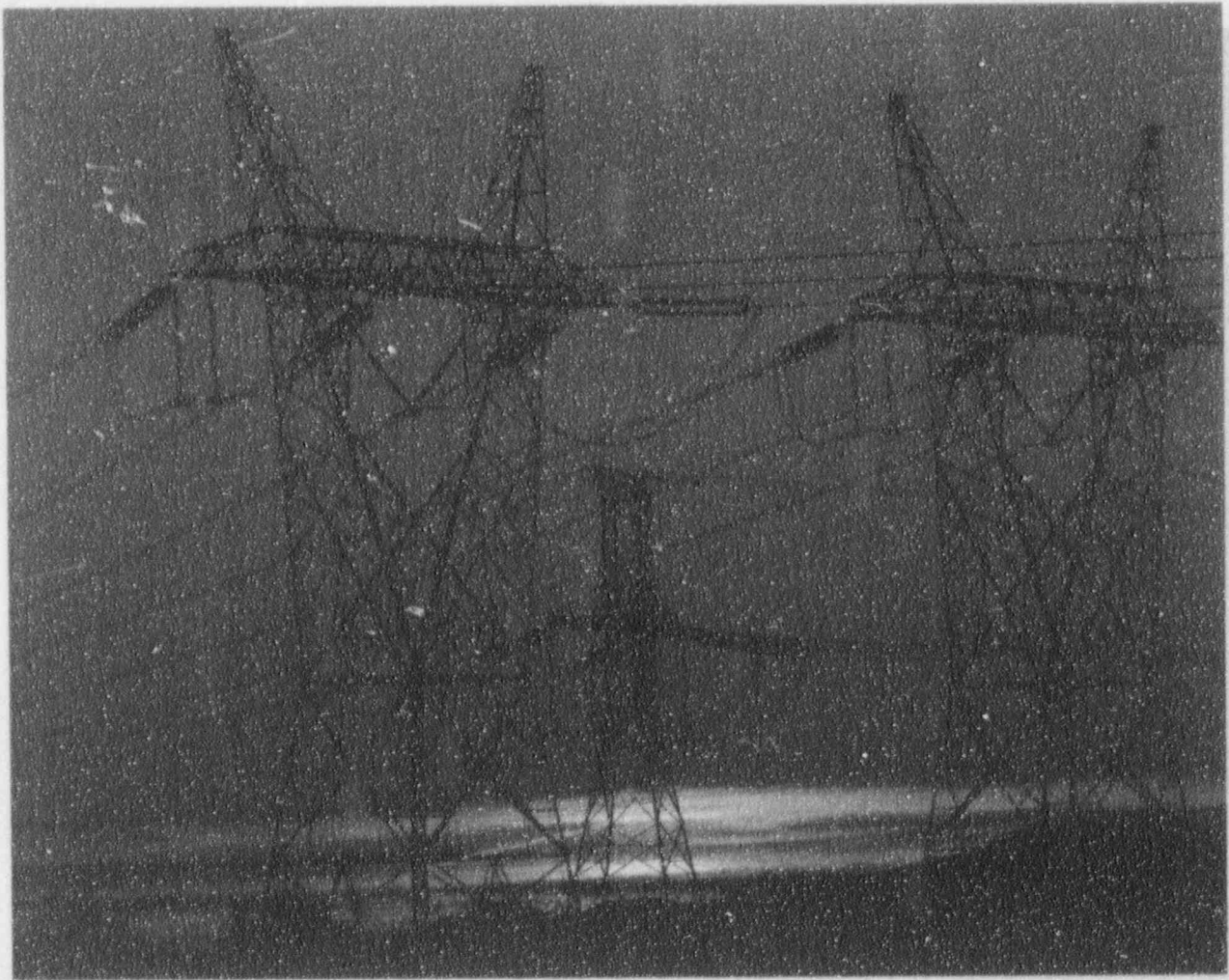


S C P P A

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY



1991 - 1992 ANNUAL REPORT

WHAT IS SCPPA?

THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY IS A JOINT POWERS AUTHORITY MADE UP OF 10 MUNICIPAL UTILITIES AND AN IRRIGATION DISTRICT, DELIVERING ELECTRICITY TO NEARLY 2,000,000 CUSTOMERS FROM NORTHERN LOS ANGELES COUNTY TO THE MEXICAN BORDER. SCPPA WAS FORMED IN 1980 TO HELP ITS MEMBER UTILITIES PROVIDE RELIABLE, COST-EFFICIENT ELECTRICAL GENERATION AND DELIVERY. SCPPA'S PRIMARY ROLE HAS BEEN TO SECURE FINANCING FOR JOINT POWER PROJECTS AMONG ITS MEMBERS.

TO DATE, SCPPA HAS ISSUED MORE THAN \$6.8 BILLION IN BONDS, NOTES AND REFUNDING BONDS BACKED BY THE FISCAL STRENGTH OF ITS 11 MEMBERS — THE MUNICIPALITIES OF ANAHEIM, AZUSA, BANNING, BURBANK, COLTON, GLENDALE, LOS ANGELES, PASADENA, RIVERSIDE, VERNON AND THE IMPERIAL IRRIGATION DISTRICT. THIS MONEY HAS BEEN USED TO BUILD ELECTRICAL GENERATING CAPACITY AND TRANSMISSION FACILITIES THROUGHOUT THE SOUTHWESTERN U.S.

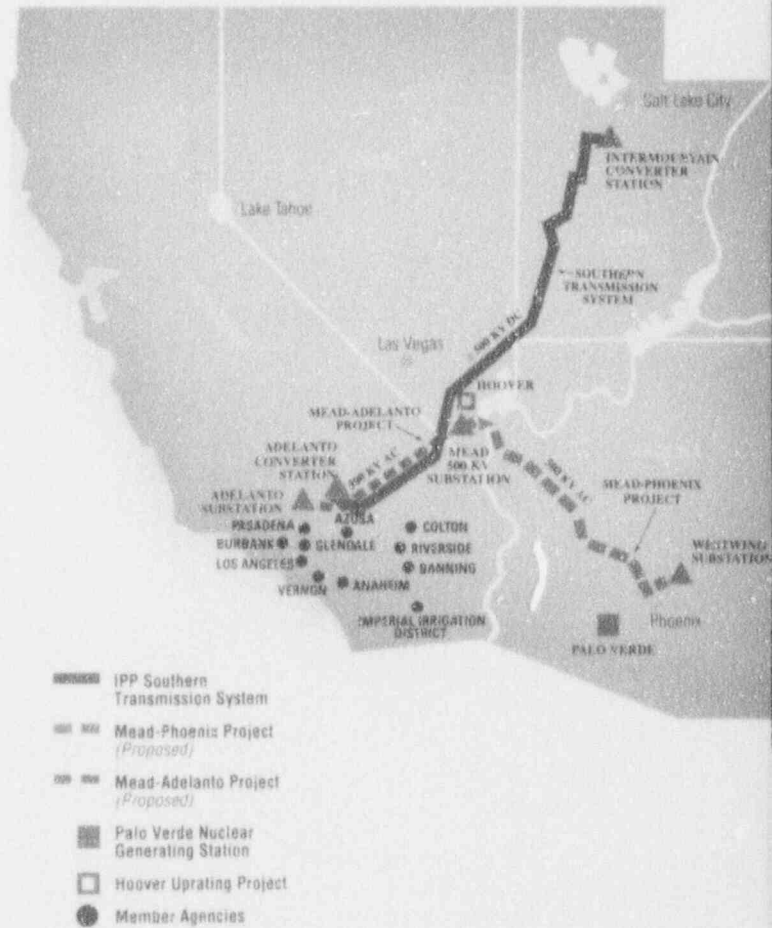
FALLING INTEREST RATES OVER THE LAST 24 MONTHS HAVE ENABLED SCPPA TO REFINANCE OVER \$383 MILLION OF DEBT AT TERMS NOT SEEN IN THE MUNICIPAL BOND MARKET SINCE THE EARLY 1960'S. THESE REFUNDING TRANSACTIONS WILL RESULT IN GROSS SAVINGS TO SOUTHERN CALIFORNIA UTILITY CUSTOMERS OF MORE THAN \$40 MILLION OVER THE NEXT 25 YEARS.

A LONG-TERM GOAL FOR SCPPA IS TO BRING THE AGGREGATE STRENGTH OF ITS MEMBERS TO BEAR ON KEY ISSUES NOW BEFORE CONGRESS AND IN THE REGULATORY ARENA. EARLY IN 1992, PROMPTED BY THE INCREASINGLY COMPLEX REGULATORY CLIMATE IN WHICH JOINT POWER PROJECTS MUST NOW OPERATE, SCPPA RETAINED THE SERVICES OF A WASHINGTON ADVOCATE.

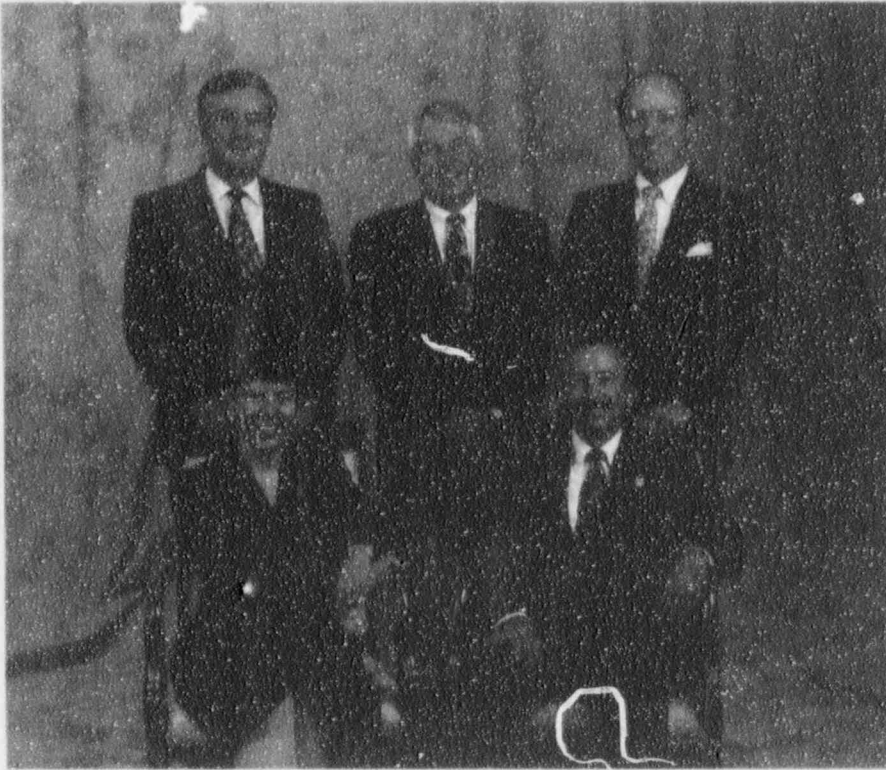
IN OTHER SIGNIFICANT ACTIONS, SCPPA COMPLETED A DETAILED COMPILATION OF MEMBERS' PROJECTED LOADS AND RESOURCES BETWEEN NOW AND THE YEAR 2012. THIS INFORMATION WILL HELP MEMBERS COORDINATE FUTURE REQUIREMENTS WITH OTHER MEMBERS, HELPING TO ELIMINATE REDUNDANCIES AND IMPROVE OVERALL EFFICIENCY AND RELIABILITY.

1991-92 HIGHLIGHTS

- CASH PAYMENTS SECURED FOR MEMBERS' ACCUMULATED CREDITS ON HOOVER UPRATING.
- TWO REFUNDINGS COMPLETED, REDUCING INTEREST PAYMENTS ON \$142.8 MILLION IN SCPPA DEBT.
- LEGISLATIVE AGENDA INITIATED, ADVOCATE RETAINED IN WASHINGTON, D.C.
- NEW HOOVER PROJECT RATE METHODOLOGY PROPOSED.
- COMPLETION OF 20-YEAR DATA BASE ON MEMBERS' FORECASTED LOADS AND RESOURCES.
- PALO VERDE NUCLEAR GENERATING STATION ESTABLISHED A NEW RECORD FOR PRODUCTION AND CAPACITY OPERATION.
- COMMITMENTS TO UNDERTAKE MEAD-ADELANTO AND MEAD-PHOENIX PROJECTS SIGNED.



MANAGEMENT



George R. Spencer
Assistant Secretary

Bill D. Carnahan
Vice President

Eldon A. Cotton
Secretary

Linda M. Lazzarino
Executive Director

Ronald V. Stassi
President

CHAIRMAN AND EXECUTIVE DIRECTOR'S LETTER

DURING A YEAR OF CHANGE AND CHALLENGE, SCPPA TOOK SEVERAL STEPS TOWARD STRENGTHENING ITS POSITION IN THE FINANCIAL MARKETPLACE, IMPROVING ITS ABILITY TO PLAN AND BUILD FOR TOMORROW AND MAKING ITSELF A MORE EFFECTIVE INSTRUMENT FOR ITS MEMBERS.

AS WE MOVE INTO THE UNCERTAIN ENVIRONMENT AHEAD, WITH POWER DEMAND CURTAILED BY AN ECONOMY STRUGGLING TO REGAIN ITS MOMENTUM, SCPPA WILL CONTINUE TO SEEK OPPORTUNITIES TO TAKE ADVANTAGE OF LOWER INTEREST RATES AND TO STRENGTHEN ITS POSITION IN THE GOVERNMENTAL ARENA. OUR COORDINATED PLANNING INITIATIVES LAST YEAR WERE A RESPONSE TO THE NEW ENVIRONMENT AND ANTICIPATED DEMANDS BY OUR MEMBERS FOR MORE EFFICIENT PLANNING, BETTER USE OF RESOURCES, BROADER-BASED POLICY SOLUTIONS AND RESPONSIVENESS TO CUSTOMER DEMANDS OVERALL.

SCPPA'S TRADITIONAL ROLE AS A VEHICLE TO OPTIMIZE MEMBERS' CREDIT CONTINUED IN FULL FORCE DURING 1991-92. WITH DECLINING INTEREST RATES, WE HAVE BEEN ABLE TO USE THE LAST 12 MONTHS TO FURTHER REDUCE MEMBERS' CREDIT OBLIGATIONS THROUGH DEBT RESTRUCTURING. A TOTAL OF \$142.8 MILLION IN SCPPA DEBT WAS REFINANCED DURING THE PERIOD, FOR A PROJECTED GROSS SAVINGS OF SOME \$15 MILLION IN INTEREST PAYMENTS FOR SCPPA MEMBERS AND THEIR CUSTOMERS OVER THE LIFE OF THESE INSTRUMENTS.

IN ADDITION, SCPPA HAS IMPLEMENTED A SMALL BUT SHARPLY FOCUSED ADVOCACY EFFORT AIMED AT BUILDING A MORE FAVORABLE LEGISLATIVE AND REGULATORY ENVIRONMENT FOR OUR MEMBERS. AT THE SAME TIME, WE CONTINUE TO WORK TO DEFINE MEMBERS' LONG-TERM GOALS AND MAXIMIZE SCPPA'S EFFECTIVENESS IN ACHIEVING THEM.

WE BELIEVE 1992-93 HOLDS GREAT PROMISE FOR OUR INDUSTRY. THE PROSPECT OF AN IMPROVED ECONOMY AND RESUMPTION OF GROWTH THROUGHOUT OUR REGION COULD SIGNAL A NUMBER OF OPPORTUNITIES FOR SCPPA AND ITS MEMBERS, OPPORTUNITIES WE ARE NOW IN A BETTER POSITION TO SLIZE, THANKS TO THE CHANGES IMPLEMENTED IN 1991-92.



Ronald V. Stassi
President

Ronald V. Stassi



Linda M. Lazzarino
Executive Director

Linda M. Lazzarino

YEAR IN REVIEW

HOOVER UPRATING CREDIT CONVERSION SCPPA NEGOTIATIONS WITH THE BUREAU OF RECLAMATION, THE WESTERN AREA POWER ADMINISTRATION (WAPA) AND OTHER HOOVER UPRATING CONTRACTORS OVER THE HANDLING OF THE ACCUMULATION OF CREDITS RESULTED IN MORE THAN \$6 MILLION IN CASH PAYMENTS TO SCPPA MEMBERS LAST YEAR.

UNDER TERMS OF THE UPRATING AGREEMENTS, PARTICIPANTS ADVANCED FUNDS FOR THE UPRATING PROJECT CONSTRUCTION AND WERE TO BE REPAYED IN THE FORM OF CREDITS TO BE USED FOR POWER PURCHASES FROM WAPA. DUE TO DROUGHT CONDITIONS IN THE WESTERN U.S., ENERGY PRODUCTION FELL SHORT OF WAPA'S PROJECTIONS, WHICH IN TURN CAUSED AN ACCUMULATION OF CREDITS DURING THE YEARS 1987-91.

SCPPA'S NEGOTIATING TEAM MET WITH REPRESENTATIVES OF THE BUREAU, WAPA AND OTHER HOOVER CONTRACTORS OVER A PERIOD OF SIX MONTHS. IT WAS AGREED THAT CASH TREATMENT OF THE ACCUMULATED CREDITS WOULD BE AN APPROPRIATE METHOD TO REDUCE THE CREDITS OWED TO THE UPRATING CONTRACTORS AND WOULD NOT ADVERSELY AFFECT THE BUREAU OF RECLAMATION'S OPERATION OF THE BOULDER CANYON PROJECT.

IN DECEMBER, 1991, FEDERAL NEGOTIATORS AGREED TO BEGIN MAKING CASH PAYMENTS AND SUBSEQUENTLY WAPA MADE PAYMENTS TO THE SCPPA UPRATING CONTRACTORS, WHICH ELIMINATED THE CREDITS ACCUMULATED THROUGH

WAPA'S FISCAL YEAR 1991. SCPPA CONTINUES TO WORK WITH WAPA TO MITIGATE THE ACCUMULATIONS OF ITS MEMBERS' UPRATING CREDITS.

FINANCING OPPORTUNITIES RESPONDING TO THE DECLINE IN INTEREST RATES DURING 1991-92, SCPPA CONTINUED TO SECURE IMPROVEMENTS IN THE TERMS OF ITS DEBT INSTRUMENTS. TWO REFUNDINGS WITH A COMBINED GROSS SAVINGS OF \$15 MILLION WERE COMPLETED LAST YEAR, WITH A THIRD FINANCING THAT WOULD SAVE \$5.2 MILLION GROSS NEAR COMPLETION AT YEAR-END.

(SEE FINANCIAL STATEMENTS AND NOTES FOR MORE DETAILED INFORMATION.)

"SCPPA NEGOTIATIONS ... OVER THE HANDLING OF THE ACCUMULATION OF CREDITS RESULTED IN MORE THAN \$6 MILLION IN CASH PAYMENTS TO SCPPA MEMBERS ..."

SCPPA BONDS ARE RATED AS FOLLOWS:

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

SCPPA ADVOCACY PROGRAM DESPITE THE SELECTIVE DEREGULATION OF OUR INDUSTRY IN RECENT YEARS, FEDERAL POLICIES CONTINUE TO IMPACT UTILITY OPERATIONS AND WEIGH HEAVILY IN PLANNING FOR THE FUTURE. TAKING A MORE ACTIVE ROLE IN SHAPING THOSE POLICIES IN WASHINGTON, D.C. BECAME A MAJOR PRIORITY FOR SCPPA IN 1991-92.

THE FIRST STEP IN THIS EFFORT WAS CREATING AN ADVOCACY PLAN, IDENTIFYING ISSUES MOST LIKELY TO IMPACT MEMBER AGENCIES AND DETERMINING

SCPPA MEMBERS

DIRECTORS



Edward K. Agbayan
City of Anaheim

CITY OF ANAHEIM ESTABLISHED IN 1894, THE CITY'S ELECTRIC SYSTEM BEGAN OPERATIONS A YEAR LATER WITH A STEAM-DRIVEN GENERATOR THAT PROVIDED ENOUGH POWER FOR 500 LIGHTS. IN 1916 THE CITY BEGAN PURCHASING POWER FROM THE EDISON COMPANY, AND UNTIL 1987 MET SUBSTANTIALLY ALL ITS ENERGY REQUIREMENTS THIS WAY. IN 1983 THE CITY BEGAN BUYING FROM OTHER SOURCES, AND PURCHASING GENERATING CAPACITY OF ITS OWN. IN 1991 ONLY THREE PERCENT OF THE CITY'S POWER WAS BOUGHT FROM SOUTHERN CALIFORNIA EDISON.



Joseph P. Hux
City of Azusa

CITY OF AZUSA BOTH THE CITY'S WATER AND ELECTRIC SERVICES WERE LAUNCHED IN 1898, AND FOR MOST OF ITS HISTORY AZUSA PURCHASED ITS ELECTRICITY FROM SOUTHERN CALIFORNIA EDISON. IN 1986, THE CITY BEGAN RECEIVING ITS OWN POWER FROM THE PALO VERDE NUCLEAR GENERATING STATION AND AN ALLOCATION FROM THE HOOVER HYDROELECTRIC PLANT.



Tony Colton
City of Banning

CITY OF BANNING ESTABLISHED IN 1922, THE BANNING ELECTRICAL SYSTEM NOW SERVES AN AREA OF 19.2 SQUARE MILES OF THE CITY. UNTIL 1986, THE CITY PURCHASED ALL ITS ELECTRIC POWER REQUIREMENTS FROM SOUTHERN CALIFORNIA EDISON, WHEN IT BEGAN MAKING ALTERNATIVE ARRANGEMENTS. TODAY SCE PROVIDES LESS THAN A FOURTH OF THE CITY'S POWER. TWO HYDRO GENERATORS WERE PUT ON LINE IN 1987.



Ronald V. Strazi
City of Burbank

CITY OF BURBANK BURBANK'S PUBLIC SERVICE DEPARTMENT BEGAN SERVING CUSTOMERS IN 1915, 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, PORTLAND GENERAL ELECTRIC AS WELL AS INTERRUPTIBLE SUPPLIES FROM OTHER UTILITIES AND GOVERNMENT AGENCIES.



Gail A. Drews
City of Colton

CITY OF COLTON FOUNDED IN 1895, EIGHT YEARS AFTER THE CITY WAS INCORPORATED, THE COLTON MUNICIPAL ELECTRIC UTILITY HAS MOVED IN RECENT YEARS TOWARD LESS DEPENDENCE ON OUTSIDE ELECTRICITY SUPPLIES. SINCE 1986, WHEN NEARLY ALL ITS REQUIREMENTS WERE MET THROUGH PURCHASES FROM SOUTHERN CALIFORNIA EDISON, THE CITY NOW PROVIDES FOR NEARLY 10 PERCENT OF ITS OWN POWER AND BUYS ONLY 22 PERCENT FROM SCE.



Michael P. Hopkins
City of Glendale

CITY OF GLENDALE INCORPORATED IN 1906, GLENDALE PURCHASED ITS ELECTRIC UTILITY IN 1909, OBTAINING POWER FROM OUTSIDE SUPPLIERS. IT RECEIVED ITS FIRST POWER FROM HOOVER DAM IN 1937 AND INAUGURATED THE FIRST UNIT OF ITS OWN STEAM GENERATING PLANT IN 1941. NOW CALLED THE GRAYSON POWER PLANT, THIS FACILITY TODAY HAS EIGHT GENERATING UNITS. GLENDALE CONTINUES TO PURCHASE 84 PERCENT OF ITS POWER FROM OUTSIDE SOURCES.

1991 STATISTICS

Customers served	101,984
Power Generated and Purchased (in Megawatt Hours)	
Self-generated	479,655
Purchased	2,345,139
Total	2,824,794
Transmission facilities (in miles)	1,372
Total Revenues (000's)	\$ 219,871
Operating Costs (000's)	\$ 165,940

Customers served	13,797
Power Generated and Purchased (in Megawatt Hours)	
Self-generated	20,419
Purchased	195,999
Total	216,418
Transmission facilities (in miles)	0,000
Total Revenues (000's)	\$ 18,203
Operating Costs (000's)	\$ 15,492

Customers served	8,487
Power Generated and Purchased (in Megawatt Hours)	
Self-generated	435
Purchased	104,671
Total	105,106
Transmission facilities (in miles)	18
Total Revenues (000's)	\$ 9,847
Operating Costs (000's)	\$ 8,338

Customers served	50,175
Power Generated and Purchased (in Megawatt Hours)	
Self-generated	380,225
Purchased	943,897
Total	1,124,122
Transmission facilities (in miles)	11.8
Total Revenues (000's)	\$ 85,103
Operating Costs (000's)	\$ 81,493

Customers served	15,951
Power Generated and Purchased (in Megawatt Hours)	
Self-generated	19,500
Purchased	189,827
Total	209,327
Transmission facilities (in miles)	2.3
Total Revenues (000's)	\$ 16,994
Operating Costs (000's)	\$ 15,901

Customers served	81,426
Power Generated and Purchased (in Megawatt Hours)	
Self-generated	158,977
Purchased	855,476
Total	1,014,453
Transmission facilities (in miles)	77
Total Revenues (000's)	\$ 79,859
Operating Costs (000's)	\$ 72,026

SCPPA MEMBERS

1991 STATISTICS

IMPERIAL IRRIGATION DISTRICT The IID entered the public power business in 1936, with electricity generated at five hydroelectric drops on the soon-to-be-completed All-American Canal. In 1945 the agency negotiated the purchase of private power suppliers in the area, and in the 1950's built its own steam generating capacity, which today is being repowered as part of a major upgrade. IID now buys about two-thirds of its power needs.

Customers served	78,191
Power Generated and Purchased (in Megawatt Hours)	
Self-generated	589,446
Purchased	1,606,323
Total	2,195,769
Transmission facilities (in miles)	1,463
Total Revenue (000's)	\$ 182,923
Operating Costs (000's)	\$ 147,582

LOS ANGELES DEPARTMENT OF WATER AND POWER In 1916, the City of Los Angeles began distributing electric power purchased from the Pasadena Municipal Power Plant, and the following year inaugurated its first generating capacity at San Francisco Dam. In 1922 the city purchased the remaining distribution system of Southern California Edison Company within the city limits. It is now the largest municipally owned electric utility in the nation.

Customers served	1,357,785
Power Generated and Purchased (in Megawatt Hours)	
Self-generated	23,133,000
Purchased	3,097,000
Total	26,231,000
Transmission facilities (in miles)	3,534
Total Revenue (000's)	\$ 1,811,955
Operating Costs (000's)	\$ 1,458,619

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. Pasadena started to extend its operations in 1909 to commercial and residential customers until it took over all Edison operations in 1920. In 1991, Pasadena purchased three-fourths of its power needs.

Customers served	56,739
Power Generated and Purchased (in Megawatt Hours)	
Self-generated	313,161
Purchased	963,969
Total	1,277,130
Transmission and Distribution facilities (in miles)	513
Total Revenue (000's)	\$ 97,177
Operating Costs (000's)	\$ 90,020

CITY OF RIVERSIDE Founded in 1895, Riverside's municipal power department was one of the first such systems in California before the turn of the century. Until 1924, the city generated all its own power, but since then it has bought and distributed power from other suppliers in addition to self-generated power. In 1991 the city purchased approximately 83 percent of its power needs.

Customers served	86,808
Power Generated and Purchased (in Megawatt Hours)	
Self-generated	264,302
Purchased	1,289,469
Total	1,553,771
Transmission facilities (in miles)	1,931
Total Revenue (000's)	\$ 133,966
Operating Costs (000's)	\$ 120,363

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, CDWR, SRP and Edison, as well as interruptible energy from other utilities and government agencies.

Customers served	2,294
Power Generated and Purchased (in Megawatt Hours)	
Self-generated	17,817
Purchased	1,035,474
Total	1,055,291
Transmission facilities (in miles)	12.4
Total Revenue (000's)	\$ 60,098
Operating Costs (000's)	\$ 51,506

DIRECTORS



Kenneth S. Noller
Imperial Irrigation District



Eldon A. Cotton
Los Angeles Department
of Water and Power



David C. Plumb
City of Pasadena



Bill C. Carnahan
City of Riverside



Bruce V. Maikenhorst
City of Vernon

**"THE PALO VERDE
NUCLEAR GENERATING
STATION IN ARIZONA
AGAIN PERFORMED
BEYOND EXPECTATIONS
IN 1991..."**

THOSE ON WHICH SCPPA MEMBERS SHARE A COMMON VIEW.

IN ADDITION, WE UNDERTOOK AN OUTREACH EFFORT IN THE FORM OF LETTERS TO EACH U.S. SENATOR AND REPRESENTATIVE IN SCPPA MEMBERS' OPERATING TERRITORIES, INTRODUCING THE ORGANIZATION AND SIGNALING OUR INTEREST IN CERTAIN KEY ISSUES, INCLUDING ELECTROMAGNETIC FIELDS (EMFs), TRANSMISSION ACCESS AND INTEGRATED RESOURCE PLANNING.

FINALLY, A PART-TIME LEGISLATIVE ADVOCATE WAS RETAINED IN WASHINGTON, WHO BEGAN TO RESPOND ON THE SCENE ON CAPITOL HILL. THE ADVOCATE ALSO FACILITATES PERSONAL CONTACTS IN WASHINGTON BY THE SCPPA EXECUTIVE DIRECTOR AND BOARD MEMBERS, AND REPORTS ON THE STATUS OF UTILITY LEGISLATION, NEW REGULATORY DEVELOPMENTS AND OTHER TRENDS THAT COULD IMPACT THE INDUSTRY IN SOUTHERN CALIFORNIA.

IN CREATING A PRESENCE IN WASHINGTON, SCPPA INTENDS TO BOTH COMPLEMENT MEMBERS' LEGISLATIVE EFFORTS THROUGH ITS WIDER GEOGRAPHIC "REACH," AND TO INITIATE COST-EFFECTIVE ADVOCACIES WHERE THE COLLECTIVE INTERESTS OF MEMBERS ARE AT STAKE.

HOOVER RATE METHODOLOGY SCPPA AND ITS MEMBERS PLAYED A MAJOR ROLE LAST YEAR IN CONVINCING THE NEW FEDERAL OPERATORS OF THE HOOVER POWER PLANT TO ADOPT A NEW AND SIMPLER RATE-SETTING METHODOLOGY THAT COULD RESULT IN SUBSTANTIAL SAVINGS TO CUSTOMERS.

THE WESTERN AREA POWER ADMINISTRATION (WAPA), WORKING WITH THE BUREAU OF RECLAMATION, WAS USING A STANDARD RATE-SETTING METHODOLOGY THAT DID NOT FIT THE UNIQUE CONDITIONS OF THE BOULDER CANYON PROJECT (BCP). IN ADDITION TO BEING CUMBERSOME AND DIFFICULT TO REPLICATE, THE METHODOLOGY COULD HAVE RESULTED IN HIGHER COSTS TO CUSTOMERS.

THE METHODOLOGY DEVELOPED BY SCPPA AND OTHER PARTICIPANTS WAS DEMONSTRATED TO BE MORE REFLECTIVE OF REAL COSTS ASSOCIATED WITH THE PROJECT, TO PERMIT MORE FREQUENT BUT MORE GRADUAL ADJUSTMENTS AND TO BE MORE EASILY UNDERSTOOD AND REPLICABLE.

WAPA AND THE BUREAU HAVE ENDORSED THE CUSTOMERS' PROPOSED RATE-SETTING METHODOLOGY WITH SLIGHT MODIFICATION AND HAVE SUBMITTED IT TO THE FEDERAL ENERGY REGULATORY COMMISSION FOR APPROVAL AND IMPLEMENTATION.

20-YEAR DATA BASE THE SCPPA SUBCOMMITTEE ON JOINT PLANNING IN ITS FIRST YEAR COMPLETED WORK ON A COMPREHENSIVE DATA BASE ON MEMBER AGENCIES' FUTURE LOADS AND RESOURCES PROJECTIONS, A VALUABLE TOOL FOR PLANNERS IN ASSESSING FUTURE POWER NEEDS IN THE REGION.

WITH DATA PROJECTED TO THE YEAR 2012, EACH AGENCY PROVIDED ITS EXPECTATIONS FOR FUTURE LOADS, COMMITTED RESOURCES AND NEED FOR RESOURCES. THE RESULTING INFORMATION WILL ALLOW THE REVIEW OF OPPORTUNITIES FOR

RESOURCE SHARING AMONG MEMBERS, COMBINED RELIANCE ON IN-BASIN THERMAL RESOURCES, EXPECTATIONS FOR POWER IMPORTS FROM THE NORTHWEST, AND THE MATCHING OF SURPLUSES AND DEFICIENCIES AMONG UTILITIES.

THESE DATA REPRESENT A "SNAPSHOT" OF CURRENT EXPECTATIONS BY SCPPA'S MEMBER UTILITIES, AND WILL BE REVISED FROM TIME TO TIME AS CIRCUMSTANCES CHANGE. THE DATABASE WILL BE A USEFUL TOOL FOR SOME TIME, AND FUTURE UPDATES WILL ASSURE ITS CONTINUING VALUE TO SCPPA MEMBERS AND THEIR CUSTOMERS.

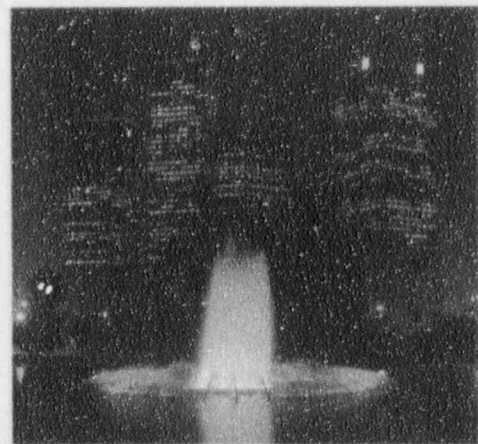
PALO VERDE TRIENNIAL REVIEW THE PALO VERDE NUCLEAR GENERATING STATION IN ARIZONA AGAIN PERFORMED BEYOND EXPECTATIONS IN 1991 (SEE OPERATIONS - 1991/1992), AND PASSED ITS MANDATED TRIENNIAL REVIEW WITH FLYING COLORS.

THANKS TO SCPPA, THIS YEAR'S REVIEW WAS STRENGTHENED WITH SEVERAL "EXTRA-MILE" STEPS IN THE AUDIT OF PALO VERDE OPERATIONS, INCLUDING A MORE DETAILED PROJECTION OF FUTURE COSTS AND REVENUES. THIS CLOSER SCRUTINY REFLECTS SCPPA'S COMMITMENT TO SAFEGUARDING THE INTERESTS OF ITS BONDHOLDERS THROUGH STRINGENT "DUE DILIGENCE" EFFORTS.

PALO VERDE HAS RECENTLY BEEN A SHOWCASE NUCLEAR FACILITY, WITH AN EXCELLENT RELIABILITY AND SAFETY RECORD.



SCPPA members provide power to a vast and diverse geographic customer base as illustrated from top to bottom: a large nursery nestled in the foothills of Azusa near the Angeles National Forest; the skyline near the Los Angeles Department of Water and Power which serves the water and electric needs of over 1.3 million customers; in a city planned to accommodate industry. Vernon's Light and Power Department has few residential customers.



OPERATIONS - 1991/1992

**"THE SOUTHERN
TRANSMISSION SYSTEM
... HAS OPERATED
WITH NEAR-PERFECT
AVAILABILITY AND
RELIABILITY SINCE IT
WAS COMPLETED IN
1986."**

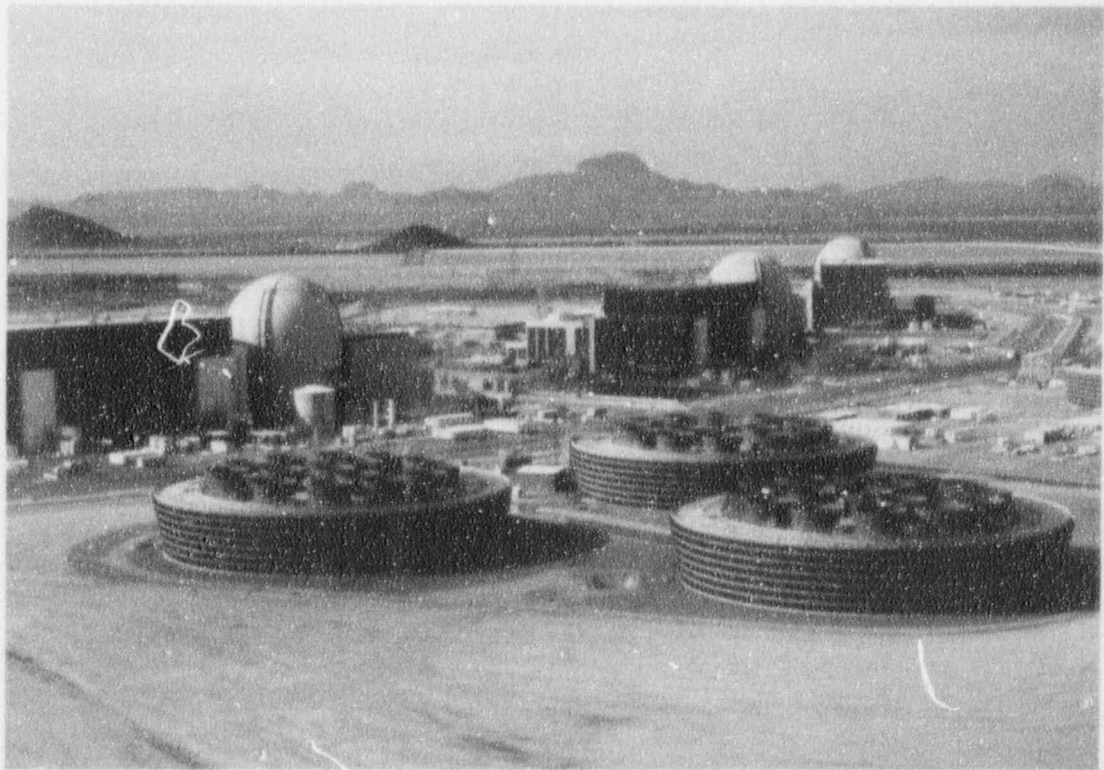
PALO VERDE NUCLEAR GENERATING STATION
DESPITE LOWER ELECTRICAL DEMAND IN MUCH OF
THE SOUTHWEST, PALO VERDE NUCLEAR
GENERATING STATION CONTINUED TO BE THE
NATION'S NUMBER ONE NUCLEAR GENERATING STA-
TION IN CALENDAR 1991, PRODUCING A TOTAL OF
25.1 MILLION MEGAWATT-HOURS OF ELECTRICITY
AND OPERATING AT AN AVERAGE PLANT CAPACITY
FACTOR OF MORE THAN 71 PERCENT.

THE FISCAL YEAR, AT AN AVERAGE PLANT CAPACITY
FACTOR OF 75.2 PERCENT.

PALO VERDE'S THREE UNITS OPERATED WITHIN
THE FOLLOWING PARAMETERS IN 1991-92:

	<i>Generation*</i>	<i>% Plant Capacity</i>
<i>Unit 1</i>	7.3	63.5
<i>Unit 2</i>	8.1	70.7
<i>Unit 3</i>	10.4	91.4

**in millions of megawatt-hours*



The number one nuclear generating station in the nation, Palo Verde, located about 50 miles west of Phoenix, provides power for ten SCPPA members.

THESE NUMBERS WERE 14.6 PERCENT HIGHER
THAN 1990, AND ESTABLISHED ANOTHER NEW
RECORD FOR PRODUCTION AND CAPACITY OPERA-
TIONS AT PALO VERDE.

PALO VERDE GENERATED A TOTAL OF 25.8 MIL-
LION MEGAWATT-HOURS OF ELECTRICITY DURING

SCPPA HAS A 5.91 PERCENT INTEREST IN THE
THREE UNITS OF THE GENERATING STATION ON
BEHALF OF 10 SCPPA MEMBERS. SCPPA IS ENTI-
TLED TO 225 MEGAWATTS OF POWER, BASED ON THE
NET DESIGN ELECTRICAL RATING OF 1,270
MEGAWATTS PER UNIT.

THE ARIZONA PUBLIC SERVICE COMPANY IS THE OPERATOR OF THE GENERATING STATION AND WATER RECLAMATION FACILITY AT PALO VERDE. THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT OPERATES THE FACILITY'S SWITCHYARD.

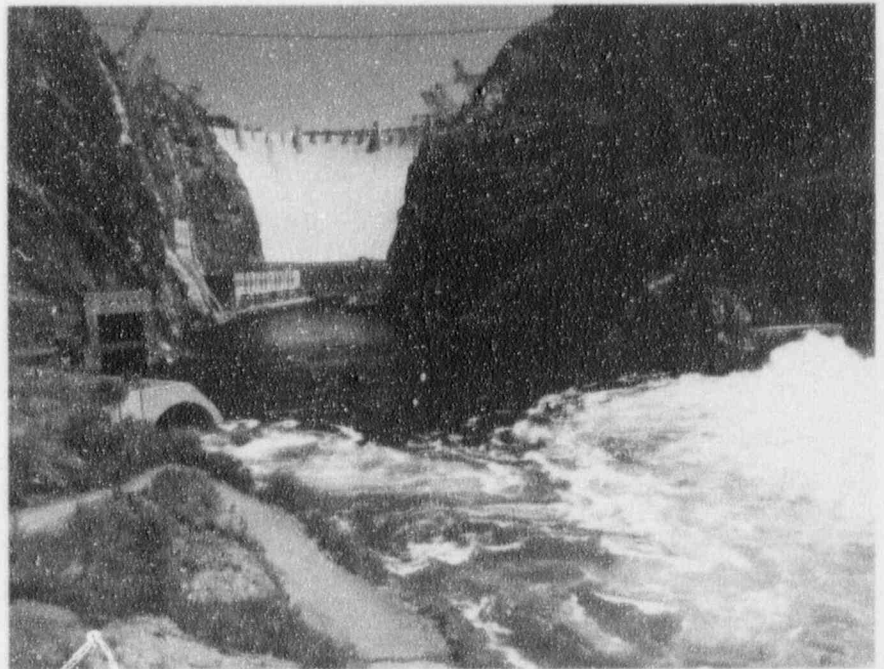
SCPPA HAD \$1.0 BILLION OF PALO VERDE DEBT OUTSTANDING AS OF JUNE 30, 1992. THE AVERAGE INTEREST RATE ON THE AVERAGE OUTSTANDING PALO VERDE DEBT DURING FISCAL 1991-92 WAS 6.7 PERCENT, COMPARED TO 6.9 PERCENT FOR THE PREVIOUS YEAR.

SOUTHERN TRANSMISSION SYSTEM THE SOUTHERN TRANSMISSION SYSTEM (STS) DELIVERS ENERGY FROM THE INTERMOUNTAIN GENERATING STATION IN UTAH TO SIX SCPPA PARTICIPATING MEMBERS VIA A 488-MILE DC TRANSMISSION LINE TO THE AC/DC ADELANTO CONVERTER STATION IN CALIFORNIA. THE SYSTEM, WHICH IS OPERATED BY THE DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, HAS OPERATED WITH NEAR-PERFECT AVAILABILITY AND RELIABILITY SINCE IT WAS COMPLETED IN 1986.

DURING THE PAST FISCAL YEAR, THE STS HAD TRANSMISSION AVAILABILITY OF 99.62 PERCENT, COMPARED WITH 99.7 PERCENT IN 1990-91. IN FISCAL 1991-92, SOUTHERN CALIFORNIA USERS RECEIVED A TOTAL OF 13.3 MILLION MEGAWATT-HOURS OF ENERGY OVER THE LINE, INCLUDING ENERGY GENERATED BY RESOURCES OTHER THAN THE INTERMOUNTAIN GENERATING

STATION. THIS WAS AN INCREASE OF 6.4 PERCENT OVER POWER CARRIED IN 1990-91.

IN ALL, THE SOUTHERN TRANSMISSION SYSTEM WAS UTILIZED AT 82.67 PERCENT OF CAPACITY LAST YEAR, AN INCREASE OF NEARLY 6 PERCENT OVER THE PREVIOUS YEAR'S FIGURE.



SCPPA HAD \$1.1 BILLION OF STS DEBT OUTSTANDING AS OF JUNE 30, 1992. THE AVERAGE INTEREST RATE ON THE AVERAGE OUTSTANDING STS DEBT DURING FISCAL 1991-92 WAS 6.9 PERCENT, COMPARED TO 7.0 PERCENT THE PREVIOUS YEAR.

HOOVER UPRATING PROJECT THE FEDERALLY OWNED HOOVER POWER PLANT CONTINUES TO PROVE ITSELF A VALUABLE GENERATING RESOURCE.

AS WORK PROGRESSES ON UPRATING HOOVER'S 17 GENERATING UNITS, THE SIX

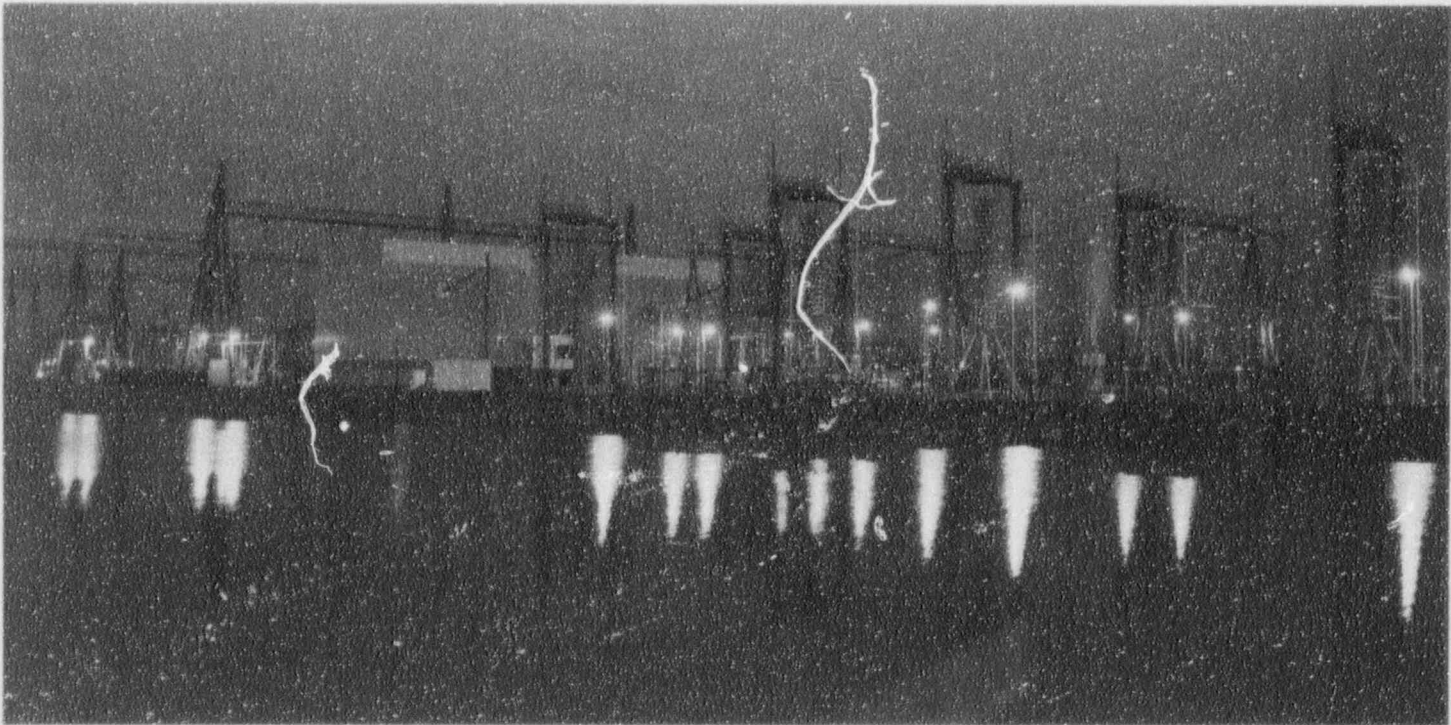
Six SCPPA members continue to benefit from their participation in the Hoover Up-rating Project.

SCPPA FINANCING MEMBERS ARE CONTINUALLY GETTING MORE OUTPUT FROM THE HALF-CENTURY-OLD FACILITY. DURING THE PAST FISCAL YEAR, THESE MEMBERS RECEIVED OVER 80 PERCENT OF THEIR ULTIMATE UPGRATING ENTITLEMENT OF 94 MEGAWATTS.

SCPPA HAS AN 18.68 PERCENT INTEREST IN THE UPGRATING OUTPUT FROM THE BOULDER

WESTERN POWER ADMINISTRATION MARKETS (THE POWER), PROJECT PARTICIPANTS AND THE FEDERAL GOVERNMENT FACED CONTINUING ADMINISTRATIVE CHALLENGES IN 1991-92.

TO MEET THESE CHALLENGES THE MANY UTILITIES WITH INTEREST IN HOOVER HAVE COMBINED TO REVIEW THE STATUS OF UPGRATING WORK, PROPOSE SOLUTIONS TO PROBLEMS AS THEY



Adkanto Converter Station is the western terminus of the Southern Transmission System.

CANYON PROJECT (BCP). WHEN THE UPGRATING IS COMPLETED IN DECEMBER, 1992, HOOVER POWER PLANT WILL INCREASE ITS GENERATING CAPACITY TO 1,950 MEGAWATTS, FROM 1,450 MEGAWATTS.

WITH RESPONSIBILITIES FOR THE BOULDER CANYON PROJECT DIVIDED BETWEEN FEDERAL AGENCIES (THE BUREAU OF RECLAMATION OPERATES AND MAINTAINS THE BCP, WHILE THE

OCCUR, AND DEVISE MEANS OF AVOIDING FUTURE DIFFICULTIES.

SCPPA HAD \$36.7 MILLION OF HOOVER UPGRATING DEBT OUTSTANDING AS OF JUNE 30, 1992. THE AVERAGE INTEREST RATE ON THE AVERAGE OUTSTANDING HOOVER UPGRATING DEBT DURING FISCAL 1991-92 WAS 6.3 PERCENT, COMPARED TO 8.0 PERCENT FOR THE PREVIOUS YEAR.

TRANSMISSION PROJECTS

IN 1990, SCPPA ISSUED ITS MULTIPLE PROJECT REVENUE BONDS, WITH NET PROCEEDS OF APPROXIMATELY \$600 MILLION, TO FINANCE NEW GENERATION AND TRANSMISSION PROJECTS THAT WOULD FACILITATE THE MEETING OF MEMBERS' ELECTRIC ENERGY DEMANDS. THE PROCEEDS WERE EARMARKED FOR CONSTRUCTION OR ACQUISITION OF OWNERSHIP INTERESTS OR CAPACITY RIGHTS.

MEAD-PHOENIX/MEAD-ADELANTO TRANSMISSION PROJECTS PARTICIPANTS EXECUTED THE COMPOSITE DEVELOPMENT AGREEMENT FOR THE MEAD-PHOENIX AND MEAD-ADELANTO TRANSMISSION PROJECTS IN DECEMBER, 1991, COMMITTING TO UNDERTAKE THESE PROJECTS. THE VENTURES ARE JOINT PROJECTS OF 10 SCPPA MEMBERS, THE SALT RIVER PROJECT, M-S-R PUBLIC POWER AGENCY, ARIZONA PUBLIC SERVICE, AND THE WESTERN AREA POWER ADMINISTRATION (WAPA), A FEDERAL AGENCY. AS THE FISCAL YEAR CAME TO A CLOSE, PARTICIPANTS WERE EXPECTING TO EXECUTE THE LONG-TERM CONTRACTS IN AUGUST, 1992.

MEAD-PHOENIX THE MEAD-PHOENIX TRANSMISSION PROJECT WILL CONSIST OF A 256-MILE 500 kV AC TRANSMISSION LINE FROM THE WESTWING SUBSTATION AT PHOENIX, ARIZONA, THROUGH THE MEAD SUBSTATION NEAR BOULDER CITY, NEVADA, AND TERMINATING AT THE NEW MARKETPLACE SUBSTATION, ALSO NEAR BOULDER CITY.

SCPPA WILL HAVE APPROXIMATELY 19 PERCENT INTEREST IN THE MEAD-PHOENIX PROJECT, AND SCPPA'S SHARE OF CONSTRUCTION COSTS IS ESTIMATED TO BE APPROXIMATELY \$64 MILLION. SCPPA'S SHARE OF MEAD-PHOENIX WILL BE FUNDED FROM PROCEEDS OF THE MULTIPLE PROJECT REVENUE BOND ISSUE AND SECURED BY PAYMENTS FROM PARTICIPANTS ON A "TAKE OR PAY" BASIS UNDER TRANSMISSION SERVICE CONTRACTS. COMPLETION IS EXPECTED IN THE MID-1990'S.



MEAD-ADELANTO THE MEAD-ADELANTO TRANSMISSION PROJECT WILL CONSIST OF A 202-MILE LONG 500 kV AC TRANSMISSION LINE BETWEEN THE ADELANTO SUBSTATION NEAR VICTORVILLE, CALIFORNIA, AND THE NEW MARKETPLACE SUBSTATION NEAR BOULDER CITY,

A desert sunrise silhouettes the Southern Transmission Line near Adelanto, California.

"IN 1990, SCPPA ISSUED ITS MULTIPLE PROJECT REVENUE BONDS, WITH NET PROCEEDS OF APPROXIMATELY \$600 MILLION."

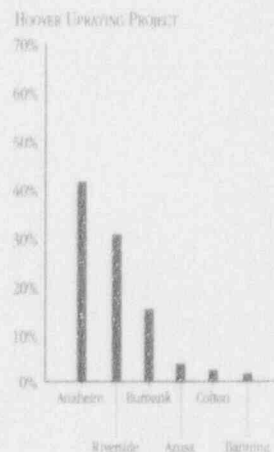
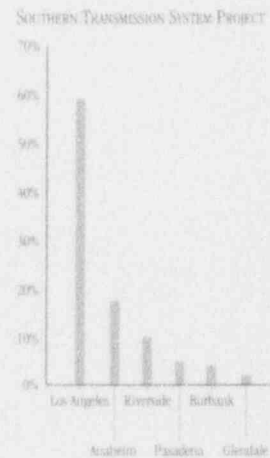
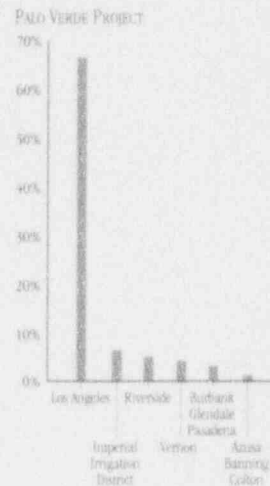
NEVADA. SCPPA WILL HAVE NEARLY 68 PERCENT OF MEAD-ADELANTO, AND SCPPA'S SHARE OF CONSTRUCTION COSTS IS EXPECTED TO BE APPROXIMATELY \$186 MILLION.

SCPPA'S SHARE OF MEAD-ADELANTO WILL ALSO BE FUNDED FROM THE PROCEEDS OF THE MULTIPLE PROJECT REVENUE BOND ISSUE AND SECURED BY PAYMENTS FROM PARTICIPANTS ON A "TAKE OR PAY" BASIS UNDER TRANSMISSION SERVICE CONTRACTS. COMPLETION IS EXPECTED IN THE MID-1990'S.

ADELANTO-LUGO SCPPA MEMBERS CONTINUED TO STUDY A PROPOSED TRANSMISSION PROJECT TO LINK THE AC SUBSTATION NEAR ADELANTO, CALIFORNIA, WITH THE LUGO SUBSTATION, OWNED BY SOUTHERN CALIFORNIA EDISON, NEAR VICTORVILLE, CALIFORNIA. THE PROPOSED 500-KV AC TRANSMISSION LINE WOULD BE 15 TO 20 MILES IN LENGTH AND COULD BE PUT INTO SERVICE IN THE MID-1990'S.

IF THE PROJECT GOES FORWARD, SCPPA WILL OWN AND FINANCE A YET-TO-BE-DETERMINED PORTION ON BEHALF OF PARTICIPATING MEMBERS. M-S-R PUBLIC POWER AGENCY AND WAPA ARE ALSO INVOLVED IN FEASIBILITY STUDIES FOR CONSTRUCTION AND OPERATION OF THE LINE. SCPPA MEMBER ANAHEIM HAS BEEN DESIGNATED PROJECT MANAGER.

PERCENTAGE OF SCPPA MEMBER PARTICIPATION WITHIN SCPPA'S INTEREST IN PROJECTS



REPORT OF INDEPENDENT ACCOUNTANTS

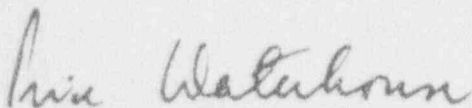
August 27, 1992

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, 1992 and 1991, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Authority's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

In our opinion, the accompanying separate balance sheets and the related separate statements of cash flows of the Authority's Palo Verde Project, Southern Transmission System Project, Hoover Upgrading Project, Mead-Phoenix Project and Multiple Project Fund and the separate statements of operations of the Authority's Palo Verde Project, Southern Transmission System Project and Hoover Upgrading Project present fairly, in all material respects, the financial position of each of the Projects at June 30, 1992 and 1991, and their cash flows, and the results of operations of the Authority's Palo Verde Project, Southern Transmission System Project and Hoover Upgrading Project for the years then ended, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Authority's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. We believe that our audits provide a reasonable basis for the opinion expressed above.

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



Price Waterhouse
Los Angeles, California

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

June 30, 1992

	<i>Palo Verde Project</i>	<i>Southern Transmission System Project</i>	<i>Hoover Upgrading Project</i>	<i>Mead-Phoenix Project</i>	<i>Multiple Project Fund</i>	<i>Total</i>	<i>June 30, 1991 Total</i>
ASSETS							
Utility plant:							
Production	\$ 599,479					\$ 599,479	\$ 596,880
Transmission	14,188	\$ 670,527				684,715	682,527
General	2,268	18,893				21,161	21,152
	615,935	689,420				1,305,355	1,300,559
Less - Accumulated depreciation	128,827	115,391				244,218	198,118
	487,108	574,029				1,061,137	1,102,441
Construction work in progress	12,197	4,342		\$ 14,247		30,786	25,448
Nuclear fuel, at amortized cost	15,227					15,227	17,659
Net utility plant	514,532	578,371		14,247		1,107,150	1,145,548
Special funds:							
Decommissioning fund	48,040					48,040	45,319
Investments	122,653	145,929	\$ 13,295		\$ 606,101	887,978	860,129
Advance to Intermountain Power Agency		19,550				19,550	19,550
Advances for capacity and energy, net			14,360			14,360	15,400
Interest receivable	1,305	3,142	234		22,274	26,955	27,587
Cash and cash equivalents	65,804	32,686	1,998			100,493	128,592
	237,802	201,307	29,887		5 628,375	1,097,376	1,096,577
Accounts receivable	2,290	1,592	1			3,883	6,865
Materials and supplies	13,008					13,008	11,236
Costs recoverable from future billings to participants	98,772	131,694	3,547			234,013	193,445
Deferred costs:							
Unamortized debt expenses, less accumulated amortization of \$84,441 and \$69,788	208,968	177,445	3,813			390,226	395,765
Other deferred costs	222					222	211
	209,190	177,445	3,813			390,448	395,976
	<u>\$ 1,075,594</u>	<u>\$ 1,090,409</u>	<u>\$ 37,248</u>	<u>\$ 14,252</u>	<u>\$ 628,375</u>	<u>\$ 2,845,878</u>	<u>\$ 2,849,647</u>
LIABILITIES							
Long-term debt	\$ 1,012,432	\$ 1,045,627	\$ 36,351		\$ 601,722	\$ 2,696,132	\$ 2,707,759
Arbitrage rebate payable					6,012	6,012	3,501
Current liabilities:							
Long-term debt due within one year	17,735	11,795	310			29,840	26,970
Accrued interest	34,385	30,630	545		20,641	86,201	86,521
Accounts payable and accrued expenses	11,042	2,357	42	52		13,493	10,848
	63,162	44,782	897	52	20,641	129,534	124,339
Advances from participants				14,200		14,200	14,048
Commitments and contingencies							
	<u>\$ 1,075,594</u>	<u>\$ 1,090,409</u>	<u>\$ 37,248</u>	<u>\$ 14,252</u>	<u>\$ 628,375</u>	<u>\$ 2,845,878</u>	<u>\$ 2,849,647</u>

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

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

	Year Ended June 30, 1992			Total	Year Ended June 30, 1991
	Pala Verde Project	Southern Transmission System Project	Hower Upgrading Project		
Operating revenues:					
Sales of electric energy	\$ 123,031		\$ 3,731	\$ 126,762	\$ 131,005
Sales of transmission services		\$ 90,700		90,700	87,803
Total operating revenues	<u>123,031</u>	<u>90,700</u>	<u>3,731</u>	<u>217,462</u>	<u>218,808</u>
Operating expenses:					
Nuclear fuel expenses	8,639			8,639	12,880
Other operations	28,787	12,574	1,973	43,334	43,990
Maintenance	7,267	5,886		11,153	10,294
Depreciation	18,739	19,538		38,277	38,017
Decommissioning	8,767			8,767	7,339
Reimbursement of capacity and energy charges			5,714	5,714	
Total operating expenses	<u>72,199</u>	<u>35,998</u>	<u>7,687</u>	<u>115,884</u>	<u>112,520</u>
Operating income	50,832	54,702	(3,956)	101,578	106,288
Investment income	15,167	11,202	1,254	27,623	31,035
Income before debt expenses	<u>65,999</u>	<u>65,904</u>	<u>(2,702)</u>	<u>129,201</u>	<u>137,323</u>
Debt expense:					
Interest on debt	82,715	84,573	2,481	169,769	169,688
Costs recoverable from future billings to participants	<u>(\$ 16,716)</u>	<u>(\$ 18,669)</u>	<u>(\$ 5,183)</u>	<u>(\$ 40,568)</u>	<u>(\$ 32,365)</u>

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, 1992					Total	Year Ended June 30, 1991
	Pala Valle Project	Southern Transmission System Project	Hoover Upgrading Project	Mead- Phoenix Project	Multiple Project Fund		
Cash flows from operating activities:							
Costs recoverable from future billings to participants	(\$ 16,716)	(\$ 18,669)	(\$ 5,183)			(\$ 40,568)	(\$ 32,365)
Adjustments to arrive at net cash provided by (used for) operating activities:							
Depreciation	18,739	19,538				38,277	38,017
Decommissioning	8,767					8,767	7,339
Amortization of nuclear fuel	7,329					7,329	11,266
Amortization of debt costs	13,189	11,042	260			24,491	23,167
Changes in assets and liabilities:							
Decommissioning fund	(2,721)					(2,721)	(38,964)
Interest receivable	1,222	(450)	(26)			746	568
Accounts receivable	2,226	752	4			2,982	(1,982)
Materials and supplies	(1,772)					(1,772)	(2,268)
Other assets	(11)	(53)	(3)			(67)	(80)
Accrued interest	(1,259)	1,083	(144)			(320)	(8,079)
Accounts payable and accrued expenses	4,310	(1,575)	(15)			2,720	(1,191)
Net cash provided by (used for) operating activities	<u>35,305</u>	<u>11,668</u>	<u>(5,107)</u>			<u>39,864</u>	<u>(4,572)</u>
Cash flows from investing activities:							
Interest received on investments					\$ 44,377	44,377	43,929
Payments for construction of facility	(13,048)	(5,252)				(16,300)	(12,701)
Payments of interest on long-term debt					(41,281)	(41,281)	(44,720)
Advances for capacity and energy, net			1,040			1,040	(3,257)
Payments for feasibility study				(\$ 174)		(174)	(27)
Purchases of investments	(133,966)	(106,041)	(22,239)		(3,096)	(265,342)	(262,263)
Proceeds from sale of investments	128,163	87,600	21,634	96		237,493	249,895
Purchase of investments for decommissioning fund							(35,858)
Net cash (used for) provided by investing activities	<u>(18,851)</u>	<u>(21,693)</u>	<u>435</u>	<u>(78)</u>	<u>—</u>	<u>(40,187)</u>	<u>(64,982)</u>
Cash flows from capital and related financing activities:							
Proceeds from sale of bonds	114,135		30,687			144,820	293,900
Payment for defeasance of revenue bonds	(42,245)		(30,754)			(72,999)	(260,749)
Repayment of principal of long-term debt	(16,325)	(10,545)				(26,870)	(25,145)
Payment for bond issue costs	(1,830)		(567)			(2,397)	(3,691)
Contributions from construction to decommissioning fund							35,858
Advances from participants				152		152	
Repayment of bank loan				(100)		(100)	
Amount deposited in escrow accounts and offset against refunding bonds	(70,382)					(70,382)	
Net cash (used for) provided by capital and related financing activities	<u>(16,649)</u>	<u>(10,545)</u>	<u>(634)</u>	<u>52</u>	<u>—</u>	<u>(27,776)</u>	<u>40,175</u>
Net decrease in cash and cash equivalents	(2,197)	(20,570)	(5,306)	(26)	—	(28,099)	(29,381)
Cash and cash equivalents at beginning of year	68,001	53,256	7,304	31	—	128,592	157,973
Cash and cash equivalents at end of year	<u>\$ 65,804</u>	<u>\$ 32,686</u>	<u>\$ 1,998</u>	<u>\$ 5</u>	<u>\$ —</u>	<u>\$ 100,493</u>	<u>\$ 128,592</u>
Supplemental disclosure of cash flow information:							
Cash paid during the year for interest (net of amount capitalized)	<u>\$ 70,781</u>	<u>\$ 72,448</u>	<u>\$ 2,365</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 145,594</u>	<u>\$ 154,821</u>

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

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 — Organization and purpose:

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

The members have the following participation percentages in the Authority's interest in the four projects at June 30, 1992 and 1991:

Participants	Palo Verde	Southern Transmission System	Hoover Upgrading	Mead-Phoenix*
City of Los Angeles	67.0%	59.5%		61.81%
City of Anaheim		17.6	42.6%	15.00
City of Riverside	5.4	10.2	31.9	6.00
Imperial Irrigation District	6.5			
City of Vernon	5.2			3.50
City of Azusa	1.0		4.2	.25
City of Banning	1.0		2.1	.25
City of Colton	1.0		3.2	.25
City of Burbank	4.4	4.5	16.0	5.00
City of Glendale	4.4	2.3		5.00
City of Pasadena	4.4	5.9		3.00
	100.0%	100.0%	100.0%	100.00%

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

*Ownership percentages are for purposes of feasibility study only.

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

As of July 1, 1981, ten participants had entered into power sales contracts with the Authority to purchase the Authority's share of PVNGS capacity and energy. Units 1, 2 and 3 of the Palo Verde Project began commercial operation in January and September 1986, and January 1988, respectively.

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 par-

ticipants pursuant to which each member assigned its entitlement to capacity of STS to the Authority in return for the Authority's agreement to make payments-in-aid of construction to IPA. STS commenced commercial operations in July 1986. The Department of Water and Power of the City of Los Angeles, a member of the Authority, serves as project manager and operating agent of the Intermountain Power Project (IPP).

Hoover Upgrading Project — The Authority and six participants entered into an agreement dated as of March 1, 1986, pursuant to which each participant assigned its entitlement to capacity and associated firm energy to the Authority in return for the Authority's agreement to make advance payments to the United States Bureau of Reclamation (USBR) on behalf of such participants. Construction is scheduled for completion by the end of 1996. The Authority will have an 18.68% interest in the contingent capacity of the Hoover Upgrading Project. Fourteen "uprated" generators of the Hoover Upgrading Project have commenced commercial operations as of June 30, 1992.

Mead-Phoenix Project — The Authority has studied the feasibility of constructing the proposed Mead-Phoenix DC Intertie Project (Mead-Phoenix Project), a transmission line from Arizona to Nevada. The Authority's present interest in the Mead-Phoenix Project is approximately 19%. The feasibility study is complete and the Authority's Board of Directors has approved a resolution providing funding for this project (see Note 8).

Multiple Project Fund — During fiscal year 1990, the Authority issued Multiple Project Revenue Bonds for net proceeds of approximately \$600 million to provide funds to finance costs of construction and acquisition of ownership interests or capacity rights in one or more projects for the generation or transmission of electric energy which are expected to be undertaken within the next five years. The Authority's Board of Directors has approved a resolution authorizing the use of certain funds of the Multiple Project Fund (see Note 8).

NOTE 2 — Summary of significant accounting policies:

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

Utility Plant — All expenditures, including general administrative and other overhead expenses, payments-in-aid of construction, interest net of related investment income, deferred cost amortization and the fair value of test power generated and delivered to the participants are capitalized as utility plant construction work in progress until a facility begins commercial operation.

The Authority's share of costs associated with PVNGS is included as utility plant. Depreciation expense is computed using the straight-line method based on the estimated service life of thirty-five years. Nuclear fuel is amortized and charged to expense on the

basis of actual thermal energy produced relative to total thermal energy expected to be produced over the life of the fuel. Under the provisions of the Nuclear Waste Policy Act of 1982, the Authority is charged one mill per kilowatt-hour on its share of electricity produced by PVNGS, such funds will eventually be utilized to provide for PVNGS' nuclear waste disposal. The Authority records this charge as a current year expense.

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

Advances for Capacity and Energy — Advance payments to USBR for the uprating of the 17 generators at the Hoover Power Plant are included in advances for capacity and energy. These advances are being reduced by the Western Area Power Administration (WAPA) billings to participants for energy and capacity. During fiscal 1992, WAPA reimbursed \$5.7 million of the advances to the participants in addition to the energy and capacity provided.

Nuclear Decommissioning — Decommissioning of PVNGS is projected to commence subsequent to the year 2022. Based upon a study performed by an independent engineering firm, the Authority's share of the estimated decommissioning costs is \$45,580,000 in 1989 dollars. The Authority is providing for its share of the estimated future decommissioning costs over the life of the nuclear power plant through annual charges to expense. The decommissioning liability is reflected as a component of accumulated depreciation and was \$36,272,000 and \$27,505,000 at June 30, 1992 and 1991, respectively.

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

Deferred Costs — Deferred costs are reported net of accumulated amortization. Unamortized debt issue costs, including the loss on refundings, are amortized over the terms of the respective issues. Total deferred loss on refundings, net of accumulated amortization, was \$362,179,000 and \$366,688,000 at June 30, 1992 and 1991, respectively. Other deferred costs are amortized generally over five years.

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

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

Revenues — Revenues consist of billings to participants for the sales of electric energy and of transmission service in accordance with

the participation agreements. Generally, revenues are fixed at a level to recover all operating and debt service costs over the commercial life of the plant (see Note 6).

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

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

NOTE 3 — Special Funds:

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

Fund	Held by	Purpose
Construction	Trustee	To disburse funds for the acquisition and construction of the Project
Debt Service	Trustee	To pay interest and principal related to the Revenue Bonds
Revenue	Trustee	To initially receive all revenues and disburse them to other funds
Operating	Trustee	To pay operating expenses
Reserve and Contingency	Trustee	To pay capital improvements and make up deficiencies in other funds and accumulate funds for PVNGS decommissioning
General Reserve	Trustee	To make up any deficiencies in other funds
Advance Payments	Trustee	To disburse funds for the cost of acquisition of capacity
Proceeds Account	Trustee	To initially receive the proceeds of the sale of the Multiple Project Revenue Bonds
Earnings Account	Trustee	To receive investment earnings on the Multiple Project Revenue Bonds
Revolving Fund	Authority	To pay the Authority's operating expenses
Decommissioning Trust Fund	Trustee	To accumulate estimated future decommissioning costs of PVNGS
Issue Fund	Trustee	To initially receive pledged revenues associated with the 1991 Subordinated Refunding Series Indenture of Trust and pay the related interest and principal
Cost of Issuance Fund	Trustee	To pay a portion of the costs of issuance of the 1992 Special Obligation Crossover Series Bonds

Special funds, in thousands, were as follows:

	June 30,			
	1992		1991	
	Carrying Value	Estimated Market Value	Carrying Value	Estimated Market Value
Palo Verde Project	\$ 237,802	\$ 241,190	\$ 232,697	\$ 235,760
Southern Transmission System Project	201,307	202,862	202,986	213,373
Hoover Upgrading Project	29,887	29,929	55,602	35,631
Mead-Phoenix Project	5	5	127	127
Multiple Project Fund	628,375	628,375	625,165	625,165
	<u>\$1,097,376</u>	<u>\$1,102,361</u>	<u>\$1,096,577</u>	<u>\$1,110,056</u>

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

	June 30,	
	1992	1991
Construction Fund —		
Initial Facilities Account	\$ 12,804	\$ 15,521
Debt Service Fund —		
Debt Service Account	55,091	49,626
Debt Service Reserve Account	90,696	92,256
Cost of Issuance Fund	28	
Revenue Fund	1	674
Operating Fund	24,451	19,812
Reserve and Contingency Fund	6,638	9,436
Decommissioning Trust Fund	48,040	45,319
Revolving Fund	53	53
	<u>\$ 237,802</u>	<u>\$ 232,697</u>

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

	June 30,	
	1992	1991
Construction Fund —		
Initial Facilities Account	\$ 1,551	\$ 957
Debt Service Fund —		
Debt Service Account	40,026	39,498
Debt Service Reserve Account	90,031	90,156
Revenue Fund	3	2
Operating Fund	5,204	5,550
General Reserve Fund	11,520	15,455
Issue Fund	35,415	31,808
Revolving Fund	7	10
	<u>\$ 181,757</u>	<u>\$ 185,436</u>

At June 30, 1992 and 1991 the Authority had non-interest bearing advances outstanding to IPA of \$19,550,000.

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

	June 30,	
	1992	1991
Advance Payments Fund	\$ 10,892	\$ 15,549
Operating-Working Capital Fund	571	524
Debt Service Fund —		
Debt Service Account	922	718
Debt Service Reserve Account	3,137	3,604
Revolving Fund	5	7
	<u>\$ 15,527</u>	<u>\$ 20,202</u>

At June 30, 1992 and 1991 the Authority had advances to USBR of \$14,360,000 and \$15,400,000, respectively.

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

	June 30,	
	1992	1991
Multiple Project Fund —		
Multiple Project Proceeds Account	\$ 620,063	\$ 600,012
Multiple Project Earnings Account	8,312	25,153
	<u>\$ 628,375</u>	<u>\$ 625,165</u>

Mead-Phoenix Project — At June 30, 1992 and 1991, the balances in the Development Fund were \$5,000 and \$127,000, respectively, substantially all of which were invested in securities of the United States Government.

NOTE 4 — Long-term debt:

Palo Verde Project — To finance the purchase and construction of the Authority's share of the Palo Verde Project, the Authority issued Power Project Revenue Bonds pursuant to the Authority's Indenture of Trust dated as of July 1, 1981 (Bond Indenture), as amended and supplemented. Reference is made below to the Combined Schedule of Long-Term Debt at June 30, 1992 for details related to outstanding bonds.

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

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

The Bond Indenture requires mandatory sinking fund installments to be made beginning in fiscal year 1998 (for the 1982 Series A Bonds), 1999 (1982 Series B Bonds and 1983 Series A Bonds), 2001 (1984 Series A Bonds and 1985 Series A Bonds), 2003 (1986 Series A Bonds, 1986 Series B Bonds and 1987 Series A Bonds) and 2005 (1985 Series B Bonds and 1989 Series A Bonds). Scheduled principal maturities for the Palo Verde Project during the five fiscal years following June 30, 1992 are \$17,735,000 in 1993, \$19,825,000 in 1994, \$21,175,000 in

1995, \$22,575,000 in 1996 and \$24,365,000 in 1997. The average interest rate on outstanding debt during the fiscal years 1992 and 1991 was 6.7% and 6.9%, respectively.

Southern Transmission System Project — To finance payments-in-aid of construction to IPA for construction of STS, the Authority issued Transmission Project Revenue Bonds pursuant to the Authority's Indenture of Trust dated as of May 1, 1983 (Bond Indenture), as amended and supplemented. Reference is made below to the Combined Schedule of Long-Term Debt at June 30, 1992 for details related to the outstanding bonds.

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

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

The Bond Indenture requires mandatory sinking fund installments to be made beginning in fiscal year 1993 (for the 1991 Series Bonds), 2000 (1984 Series A Bonds), 2001 (1984 Series B Bonds and 1985 Series A Bonds), 2003 (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, 1992 are \$11,795,000 in 1993, \$12,600,000 in 1994, \$13,600,000 in 1995, \$14,600,000 in 1996 and \$15,780,000 in 1997. The average interest rate on outstanding debt during fiscal years 1992 and 1991 was 6.9% and 7.0%, respectively.

Multiple Project Fund — To finance costs of construction and acquisition of ownership interests or capacity rights in one or more projects expected to be undertaken within the next five years, the Authority issued Multiple Project Revenue Bonds pursuant to the Authority's Indenture of Trust dated as of August 1, 1989 (Bond Indenture), as amended and supplemented. Reference is made below to the Combined Schedule of Long-Term Debt at June 30, 1992 for details related to the outstanding bonds.

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

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

The Bond Indenture requires mandatory sinking fund installments to be made beginning in fiscal year 2006 for the 1989 Series Bonds. The first scheduled principal maturity for the Multiple Project Bonds is \$13,500,000 in 1999. The average interest rate on outstanding debt during the fiscal years 1992 and 1991 was 6.9%.

The Bond Indenture required that, at the time of issuance of the Bonds, sufficient funds were available to pay costs related to issuance of the bonds, and that such funds come from a source

other than proceeds of the bonds. The Department of Water and Power of the City of Los Angeles (LADWP) advanced \$7,219,000 to the Authority for the payment of the costs.

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

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

Hoover Upgrading Project — To finance advance payments to USBR for application to the costs of the Hoover Upgrading Project, the Authority issued Hydroelectric Power Project Revenue Bonds pursuant to the Authority's Indenture of Trust dated as of March 1, 1986 (Bond Indenture). Reference is made below to the Combined Schedule of Long-Term Debt at June 30, 1992 for details related to the outstanding bonds.

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

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

The Bond Indenture requires mandatory sinking fund installments to be made beginning in fiscal year 2002 for the 1986 Series A Bonds. Scheduled principal maturities for the Hoover Upgrading Project during the five fiscal years following June 30, 1992 are \$310,000 in fiscal 1993, \$905,000 in fiscal 1994, \$965,000 in fiscal 1995, \$1,025,000 in fiscal 1996 and \$1,085,000 in fiscal 1997. The average interest rate on outstanding debt during fiscal years 1992 and 1991 was 6.3% and 8.0%, respectively.

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

Mead-Phoenix Project — Prior to fiscal year 1989, the Authority borrowed \$14,148,000 to finance the feasibility study and development costs of the Mead-Phoenix Project. During fiscal year 1989, the Authority received from the participants \$14,048,000 retiring all the notes but \$100,000. These receipts are shown as Advances from Participants. Authority management anticipates repaying these advances during fiscal 1993 or later.

Refunding Bonds — In August 1991, the proceeds from the sale of \$35,695,000 of Hydroelectric Power Project Revenue Bonds were issued to refund \$28,530,000 of previously issued bonds (for total escrow payments of \$31,720,000 including interest and early

redemption premium). The refunding reduced total debt service payments over the next 26 years by approximately \$4,624,000 (the difference between the debt service payments on the old and new debt). This is expected to result in an overall present value savings of approximately \$1,519,000.

In January 1992, the proceeds from the sale of \$59,266,000 of Palo Verde Power Project Revenue Bonds were issued to refund \$45,190,000 of previously issued bonds (for total escrow payments of \$43,061,000 including interest and early redemption premium). Additionally, \$70,680,000 in 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 (for total escrow payments of \$70,744,000 including interest and early redemption premium). The combined refunding reduced total debt service payments over the next 25 years by approximately \$13,238,000 (the difference between the debt service payments on the old and new debt). This is expected to result in an overall present value savings of approximately \$7,147,000.

In connection therewith, the net proceeds of the refunding bonds have been invested in securities of the United States

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINED SCHEDULE OF LONG-TERM DEBT
AT JUNE 30, 1992
(In thousands)

PROJECT	Series	Date of Sale	Effective Interest Rate	Maturity on July 1	Total
Principal:					
Palo Verde Project Revenue and Refunding Bonds	1982A	08/13/82	10.9%	1992 to 2017	\$ 2,375
	1982B	11/12/82	7.7%	1992 to 2017	2,810
	1983A	04/08/83	8.8%	1992 to 2017	3,075
	1984A	07/18/84	10.3%	1992 to 2004	1,260
	1985A	05/22/85	8.7%	1992 to 2014	8,395
	1985B	07/02/85	9.1%	1992 to 2017	27,540
	1986A	03/13/86	8.2%	1992 to 2015	76,120
	1986B	12/16/86	7.2%	1992 to 2017	350,530
	1987A	02/11/87	6.9%	1992 to 2017	339,695
	1989A	02/15/89	7.2%	1992 to 2015	293,460
	1992	01/01/92	6.0%	1992 to 2017	59,266
					1,172,526
Southern Transmission System Project Revenue and Refunding Bonds	1981A	02/09/84	9.3%	1992 to 2004	23,985
	1981B	10/17/84	10.2%	1992 to 2000	9,445
	1983A	08/15/85	8.9%	1992 to 2021	12,240
	1986A	03/18/86	8.0%	1992 to 2021	129,550
	1986B	04/29/86	7.5%	1992 to 2023	471,770
	1988A	11/22/88	7.2%	1992 to 2015	233,275
	1991	4/17/91	6.4%	2019	293,900
					1,174,165
Multiple Project Revenue Bonds	1989	01/04/90	6.9%	1999 to 2020	647,750
Hoover Upgrading Project Revenue Bonds	1986A	08/13/86	8.1%	1993 to 2017	5,905
	1991	08/01/91	6.2%	1992 to 2017	35,695
					41,600
Total principal amount					3,056,041
Unamortized bond discount:					
Palo Verde Project					(142,359)
Southern Transmission System Project					(116,743)
Multiple Project Fund					(46,028)
Hoover Upgrading Project					(4,939)
Total unamortized bond discount					(310,069)
					2,725,972
Long-term debt due within one year					(29,840)
Total long-term debt, net					\$ 2,696,132

Bonds which have been refunded are excluded from this schedule.

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

Until the bonds to be refunded by the Special Obligation Crossover Series Bonds are called, interest on the 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 Special Obligation Crossover Series Bonds will be payable from revenues. The trust account assets and the liability for the Special Obligation Crossover Series Bonds are not included in the Authority's financial statements. At June 30, 1992, \$72,594,000 of these trust assets have been offset against the Special Obligation Crossover Series Bonds.

At June 30, 1992 and 1991, the aggregate amount of debt considered to be extinguished was \$2,525,005,000 and \$2,451,285,000, respectively.

Interest Rate Swap — In fiscal 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 1991 Refunding Series Bonds as variable rate obligations. The Swap Agreement provides for the Authority to make payments to the third party on a fixed rate basis at 6.38%, and for the third party to make reciprocal payments based on a variable rate basis.

NOTE 5 — Power Sales and Transmission Contracts:

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

The Authority has entered into transmission service contracts with six participants of the Southern Transmission System Project (see Note 1). Under the terms of the contracts, the participants are entitled to transmission service utilizing the Southern Transmission System Project and are obligated to make payments on a "take or pay" basis for their proportionate share of operating and maintenance expenses and debt service on Transmission Project Revenue Bonds and other debt, whether or not the Southern Transmission System Project or any part thereof has been

completed, is operating or operable, or its service is suspended, interfered with, reduced or curtailed or terminated. The contracts expire in 2027 and, as long as any Transmission Project Revenue Bonds are outstanding, cannot be terminated or amended in any manner which will impair or adversely affect the rights of the bondholders.

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

NOTE 6 — Costs Recoverable from future billings to participants:

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

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

	(In thousands)		
	Balance June 30, 1991	Fiscal 1992 Activity	Balance June 30, 1992
GAAP items not included in billings to participants:			
Depreciation of plant	\$ 175,358	\$ 38,277	\$ 213,635
Amortization of bond discount, debt issue costs, and cost of refunding	99,236	24,494	123,730
Nuclear fuel amortization	11,852	2,097	13,949
Decommissioning expense	20,880	8,767	29,647
Interest expense	6,205	(344)	5,861
Bond requirements included in billings to participants:			
Operations and maintenance, net of investment income	(40,688)	(3,842)	(44,530)
Costs of acquisition of capacity — STS	(18,350)		(18,350)
Reduction in debt service due to transfer of excess construction funds	40,999		40,999
Principal repayments	(87,565)	(29,325)	(116,890)
Other	(14,482)	444	(14,038)
	<u>\$ 193,445</u>	<u>\$ 40,568</u>	<u>\$ 234,013</u>

NOTE 7 — Commitments and contingencies:

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

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

NOTE 8 — Subsequent event (unaudited):

Refunding — In July 1992, the Authority entered into a transaction to issue \$475,000,000 of Southern Transmission Project Revenue Refunding Bonds to refund \$385,385,000 of previously issued bonds. The refunding is expected to reduce total debt service payments over the next 23 years by approximately \$52,585,000 (the difference between the debt service payments on the old and new debt) and is expected to result in an overall present value savings of approximately \$25,060,000.

Authorization of Two Transmission Projects — In August 1992, the Authority's Board of Directors approved a resolution authorizing the use of proceeds of Multiple Project Revenue Bonds to finance the Authority's ownership interests in the Mead-Phoenix and Mead-Adelanto projects. There shall be transfers from the Multiple Project Fund amounts sufficient to provide for the Authority's share of the estimated costs of acquisition and construction of the two projects, together with reimbursement of planning, development and other related costs. The projects will involve the design, construction and operation of two transmission lines from Arizona to Nevada (Mead-Phoenix) and from Nevada to California (Mead- Adelanto), respectively.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
SUPPLEMENTAL FINANCIAL INFORMATION
INDEX

Palo Verde Project

Supplemental Balance Sheet at June 30, 1992 and 1991
Supplemental Statement of Operations for the Years Ended
June 30, 1992 and 1991
Supplemental Statement of Cash Flows for the Years Ended
June 30, 1992 and 1991
Supplemental Schedule of Receipts and Disbursements in Funds
Required by the Bond Indenture for the Year Ended June 30,
1992

Southern Transmission System Project

Supplemental Balance Sheet at June 30, 1992 and 1991
Supplemental Statement of Operations for the Years Ended
June 30, 1992 and 1991
Supplemental Statement of Cash Flows for the Years Ended
June 30, 1992 and 1991
Supplemental Schedule of Receipts and Disbursements in Funds
Required by the Bond Indenture for the Year Ended June 30,
1992

Hoover Upgrading Project

Supplemental Balance Sheet at June 30, 1992 and 1991
Supplemental Statement of Operations for the Years Ended
June 30, 1992 and 1991
Supplemental Statement of Cash Flows for the Years Ended
June 30, 1992 and 1991
Supplemental Schedule of Receipts and Disbursements in Funds
Required by the Bond Indenture for the Year Ended June 30,
1992

Mead-Phoenix Project

Supplemental Balance Sheet at June 30, 1992 and 1991
Supplemental Statement of Cash Flows for the Years Ended
June 30, 1992 and 1991

Multiple Project Fund

Supplemental Balance Sheet at June 30, 1992 and 1991
Supplemental Statement of Cash Flows for the Years Ended
June 30, 1992 and 1991
Supplemental Schedule of Receipts and Disbursements in Funds
Required by the Bond Indenture for the Year Ended June 30,
1992

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

	<i>June 30,</i>	
	1992	1991
ASSETS		
Utility plant:		
Production	\$ 599,479	\$ 596,880
Transmission	14,188	14,211
General	2,268	2,259
	615,935	613,350
Less - Accumulated depreciation	128,827	102,265
	487,108	511,085
Construction work in progress	12,197	7,574
Nuclear fuel, at amortized cost	15,227	17,659
Net utility plant	514,532	536,318
Special funds:		
Decommissioning fund	48,040	45,319
Investments	122,653	116,850
Interest receivable	1,305	2,527
Cash and cash equivalents	65,804	68,001
	237,802	232,697
Accounts receivable	2,290	4,516
Materials and supplies	13,008	11,236
Costs recoverable from future billings to participants	98,772	82,056
Deferred costs:		
Unamortized debt expenses, less accumulated amortization of \$50,386 and \$41,606	208,968	209,670
Other deferred costs	222	211
	209,190	209,881
	\$ 1,075,594	\$ 1,076,704
LIABILITIES		
Long-term debt	\$ 1,012,432	\$ 1,018,003
Current liabilities:		
Long-term debt due within one year	17,735	16,325
Accrued interest	34,385	35,644
Accounts payable and accrued expenses	11,042	6,732
	63,162	58,701
Commitments and contingencies		
	\$ 1,075,594	\$ 1,076,704

See notes to financial statements.

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

	<i>Year Ended June 30,</i>	
	<i>1992</i>	<i>1991</i>
Operating revenue:		
Sales of electric energy	\$ 123,031	\$ 128,245
Operating expenses:		
Nuclear fuel	8,639	12,880
Other operations	28,787	30,175
Maintenance	7,267	6,486
Depreciation	18,739	18,641
Decommissioning	8,767	7,359
Total operating expenses	<u>72,199</u>	<u>75,521</u>
Operating income	50,832	52,724
Investment income	15,167	18,122
Income before debt expenses	<u>65,999</u>	<u>70,846</u>
Debt expense:		
Interest on debt	82,715	83,898
Total debt expense	<u>82,715</u>	<u>83,898</u>
Costs recoverable from future billings to participants	<u>(\$ 16,716)</u>	<u>(\$ 13,052)</u>

See notes to financial statements.

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

	Year Ended June 30,	
	1992	1991
Cash flows from operating activities:		
Costs recoverable from future billings to participants	(\$ 16,716)	(\$ 13,052)
Adjustments to arrive at net cash provided by (used for) operating activities -		
Depreciation	18,739	18,641
Decommissioning	8,767	7,339
Amortization of nuclear fuel	7,329	11,266
Amortization of debt costs	13,189	12,861
Changes in assets and liabilities:		
Decommissioning fund	(2,721)	(38,964)
Interest receivable	1,222	586
Accounts receivable	2,226	(244)
Materials and supplies	(1,772)	(2,268)
Other assets	(11)	5
Accrued interest	(1,259)	(536)
Accounts payable and accrued expenses	4,310	1,107
Net cash provided by (used for) operating activities	33,303	(3,259)
Cash flows from investing activities:		
Payments for construction of facility	(13,048)	(10,707)
Purchase of investments for decommissioning fund		(35,858)
Purchases of investments	(133,966)	(87,504)
Proceeds from sale of investments	128,163	103,776
Net cash used for investing activities	(18,851)	(30,293)
Cash flows from capital and related financing activities:		
Proceeds from sale of refunding bonds	114,133	
Payment for defeasance of revenue bonds	(42,245)	
Payments for principal of long-term debt	(16,325)	(15,255)
Payment for bond issue costs	(1,830)	
Proceeds from construction fund for contributions to the decommissioning fund		35,858
Amount deposited in escrow accounts and offset against refunding bonds	(70,382)	
Net cash (used for) provided by capital and related financing activities	(16,649)	20,603
Net decrease in cash and cash equivalents	(2,197)	(12,949)
Cash and cash equivalents at beginning of year	68,001	80,950
Cash and cash equivalents at end of year	\$ 65,804	\$ 68,001
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest (net of amount capitalized)	\$ 70,781	\$ 71,824

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
PALO VERDE PROJECT
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE
YEAR ENDED JUNE 30, 1992
(In thousands)

	Construction Fund Initial Facilities Accounts	Debt Service Fund	Cost of Issuance Fund	Revenue Fund	Operating Fund	Reserve & Contingency Fund	Decommissioning Trust Funds I & II	Total
Balance at June 30, 1991	\$ 15,306	\$ 140,812	\$ —	\$ 671	\$ 19,646	\$ 9,380	\$ 44,660	\$ 230,475
Additions:								
Bond Proceeds	923		216					1,139
Investment earnings	991	6,679	1	78	1,340	392	4,461	13,942
Distribution of investment earnings	(10)	(8,019)	(1)	10,317	(1,317)	(392)	(578)	
Revenue from power sales				130,590				130,590
Distribution of revenues		90,166		(141,647)	50,748	733		
Other income					73	6		79
Transfer for interest payment		114,686						114,686
Miscellaneous	(66)			(9)	(4)	79		
Total	1,838	203,512	216	(671)	50,840	818	3,883	260,436
Deductions:								
Bond issue costs	921		187					1,108
Construction expenditures	3,529					3,638		7,167
Operating expenditures					39,873	4	2	39,879
Fuel costs					6,206			6,206
Payment of principal		16,325						16,325
Interest paid		185,375						185,375
Interest paid on investment purchases	6	326			5		423	760
Miscellaneous		4						4
Total	4,456	202,030	187	—	46,084	3,642	425	256,824
Balance at June 30, 1992	\$ 12,688	\$ 142,294	\$ 29	\$ —	\$ 24,402	\$ 6,556	\$ 48,118	\$ 234,087

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 \$1,305 and \$2,527 and Decommissioning Trust Fund accrued interest receivable of \$426 and \$724 at June 30, 1992 and 1991, respectively, nor do they include total amortized net investment discounts of \$1,984 and premiums of \$1,029 at June 30, 1992 and 1991, respectively.

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

	June 30,	
	1992	1991
ASSETS		
Utility plant:		
Transmission	\$ 670,527	\$ 668,316
General	18,893	18,893
	689,420	687,209
Less - Accumulated depreciation	115,391	95,853
	574,029	591,356
Construction work in progress	4,342	3,725
Net utility plant	578,371	595,081
Special funds:		
Investments	145,929	127,488
Advance to Intermountain Power Agency	19,550	19,550
Interest receivable	3,142	2,692
Cash and cash equivalents	52,686	53,256
	201,307	202,986
Accounts receivable	1,592	2,344
Costs recoverable from future billings to participants	131,694	113,025
Deferred costs:		
Unamortized debt expenses, less accumulated amortization of \$33,771 and \$27,921	177,445	185,022
	\$ 1,090,409	\$ 1,098,458
LIABILITIES		
Long-term debt	\$ 1,045,627	\$ 1,054,434
Current liabilities:		
Long-term debt due within one year	11,795	10,545
Accrued interest	30,630	29,547
Accounts payable and accrued expenses	2,557	3,932
	44,782	44,024
Commitments and contingencies		
	\$ 1,090,409	\$ 1,098,458

See notes to financial statements.

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

	<i>Year Ended June 30,</i>	
	<i>1992</i>	<i>1991</i>
Operating revenue:		
Sales of transmission services	\$ 90,700	\$ 87,803
Operating expenses:		
Other operations	12,574	12,262
Maintenance	3,886	3,808
Depreciation	19,538	19,376
Total operating expenses	35,998	35,446
Operating income	54,702	52,357
Investment income	11,202	11,305
Income before debt expense	65,904	63,662
Debt expense:		
Interest on debt	84,573	82,979
Costs recoverable from future billings to participants	(\$ 18,669)	(\$ 19,317)

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,	
	1992	1991
Cash flows from operating activities:		
Costs recoverable from future billings to participants	(\$ 18,669)	(\$ 19,317)
Adjustments to arrive at net cash provided by (used for) operating activities -		
Depreciation	19,538	19,376
Amortization of debt costs	11,042	10,252
Changes in assets and liabilities:		
Interest receivable	(450)	(60)
Accounts receivable	752	(1,733)
Other assets	(53)	(75)
Accrued interest	1,083	(7,543)
Accounts payable and accrued expenses	(1,575)	(2,330)
Net cash provided by (used for) operating activities	<u>11,668</u>	<u>(1,430)</u>
Cash flows from investing activities:		
Payments for construction of facility	(3,252)	(1,994)
Purchases of investments	(106,041)	(164,801)
Proceeds from sale of investments	87,600	132,908
Refund from Intermountain Power Agency		
Net cash used for investing activities	<u>(21,693)</u>	<u>(33,887)</u>
Cash flows from capital and related financing activities:		
Proceeds from sale of refunding bonds		293,900
Payment for defeasance of revenue bonds		(260,749)
Payment for principal of long-term debt	(10,545)	(9,890)
Payment for bond issue costs		(3,690)
Net cash (used for) provided by capital and related financing activities	<u>(10,545)</u>	<u>19,571</u>
Net decrease in cash and cash equivalents	(20,570)	(15,746)
Cash and cash equivalents at beginning of year	53,256	69,002
Cash and cash equivalents at end of year	<u>\$ 32,686</u>	<u>\$ 53,256</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest (net of amount capitalized)	<u>\$ 72,448</u>	<u>\$ 80,240</u>

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
SOUTHERN TRANSMISSION SYSTEM PROJECT
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE
YEAR ENDED JUNE 30, 1992
(In thousands)

	<i>Construction Funds-Initial Facilities Account</i>	<i>Debt Service Fund</i>	<i>Revenue Fund</i>	<i>Operating Fund</i>	<i>General Reserve Fund</i>	<i>Loan Fund</i>	<i>Total</i>
Balance at June 30, 1991	\$ 956	\$ 127,136	\$ —	\$ 5,558	\$ 15,376	\$ 31,806	\$ 180,832
Additions:							
Investment earnings	45	7,574	156	236	1,080	2,329	11,420
Distribution of investment earnings		(7,333)	10,844	(236)	(930)	(2,329)	16
Revenue from transmission sales			92,059				92,059
Distribution of revenue		65,180	(103,059)	19,064	18,815		
Transfer for interest payment		116,264					116,264
Miscellaneous transfers	3,015				(22,745)	19,730	
Total	3,060	181,685	—	19,064	(3,780)	19,730	219,759
Deductions:							
Payments-in-aid of construction	2,467						2,467
Operating expenditures				19,406		19	19,425
Payment of principal		10,545					10,545
Interest paid		170,464				18,271	188,735
Interest paid on investment purchases		248			13		261
Premium paid on investment purchases		118			115		233
Other				2		18	20
Total	2,467	181,375	—	19,408	128	18,308	221,686
Balance at June 30, 1992	\$ 1,549	\$ 127,446	\$ —	\$ 5,214	\$ 11,468	\$ 33,228	\$ 178,905

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 \$3,142 and \$2,692 at June 30, 1992 and 1991, respectively, nor do they include total amortized net investment premium of \$290 and \$88 at June 30, 1992 and 1991, respectively.

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

	<i>June 30,</i>	
	1992	1991
ASSETS		
Special funds:		
Investments	\$ 13,295	\$ 12,690
Advances for capacity and energy, net	14,360	15,400
Interest receivable	234	208
Cash and cash equivalents	1,998	7,304
	29,887	35,602
Accounts receivable	1	5
Costs recoverable from (in excess of) future billings to participants	3,547	(1,636)
Deferred costs:		
Unamortized debt expenses, less accumulated amortization of \$284 and \$261	3,813	1,073
	\$ 37,248	\$ 35,044
LIABILITIES		
Long-term debt	\$ 36,351	\$ 34,298
Current liabilities:		
Long-term debt due within one year	310	
Accrued interest	545	689
Accounts payable and accrued expenses	42	57
	897	746
Commitments and contingencies		
	\$ 37,248	\$ 35,044

See notes to financial statements.

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

	<i>Year Ended June 30,</i>	
	1992	1991
Operating revenue:		
Sales of electric energy	\$ 3,731	\$ 2,760
Operating expenses:		
Capacity charges	967	680
Energy charges	686	568
Other operations	320	305
Reimbursement of advances for capacity and energy	5,714	
Total operating expenses	7,687	1,553
Operating income	(3,956)	1,207
Investment income	1,254	1,608
Income before debt expense	(2,702)	2,815
Debt expense:		
Interest on debt	2,481	2,811
Costs (recoverable from) in excess of future billings to participants	(\$ 5,183)	\$ 4

See notes to financial statements.

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

	Year Ended June 30,	
	1992	1991
Cash flows from operating activities:		
Costs (recoverable from) in excess of future billings to participants	(\$ 5,183)	\$ 4
Adjustments to arrive at net cash (used for) provided by operating activities -		
Amortization of debt costs	260	54
Changes in assets and liabilities:		
Interest receivable	(26)	42
Accounts receivable	4	(5)
Other assets	(3)	(10)
Accrued interest	(144)	
Accounts payable and accrued expenses	(15)	32
Net cash (used for) provided by operating activities	(5,107)	117
Cash flows from investing activities:		
Advances for capacity and energy, net	1,040	(3,237)
Purchases of investments	(22,239)	(6,748)
Proceeds from sale of investments	21,634	9,174
Net cash provided by (used for) investing activities	435	(811)
Cash flows from capital and related financing activities:		
Proceeds from sale of refunding bonds	30,687	
Payment for defeasance of revenue bonds	(30,754)	
Payment for bond issue costs	(567)	(1)
Net cash used for capital and related financing activities	(634)	(1)
Net decrease in cash and cash equivalents	(5,306)	(695)
Cash and cash equivalents at beginning of year	7,304	7,999
Cash and cash equivalents at end of year	\$ 1,998	\$ 7,304
Supplemental disclosure of cash flow information:		
Cash paid during year for interest (net of amount capitalized)	\$ 2,365	\$ 2,757

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
HOOVER UPRATING PROJECT
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE
YEAR ENDED JUNE 30, 1992
(In thousands)

	<i>Advance Payments Fund</i>	<i>Interim Advance Payments Fund</i>	<i>Revenue Fund</i>	<i>Operating Fund</i>	<i>Operating Working Capital Fund</i>	<i>Debt Service Account</i>	<i>Debt Service Reserve Account</i>	<i>Total</i>
Balance at June 30, 1991	\$ 13,594	\$ 1,870	\$ —	\$ —	\$ 510	\$ 718	\$ 3,617	\$ 20,309
Additions:								
Bond Proceeds	219					198		417
Investment earnings	878	150	4		43	35	201	1,311
Distribution of investment earnings	346	(150)	(4)		(43)	(25)	(124)	
Revenue from power sales			3,735					3,735
Distribution of revenues			(3,735)	1,168		2,567		
Transfer of investments	(2,518)	2,518						
Transfer for interest payment						2,321		2,321
Transfer to escrow						(966)	(608)	(1,574)
Miscellaneous transfers	(1,554)	1,518			50	(10)	(4)	
Total	(2,629)	4,056	—	1,168	50	4,120	(535)	6,210
Deductions:								
Advances for capacity and energy		5,158						5,158
Administrative expenditures	331							331
Payments for capacity and energy				1,168				1,168
Bond issue costs	247							247
Interest paid						3,918		3,918
Premium and interest paid on investment purchases	284				1			285
Total	862	5,158	—	1,168	1	3,918	—	11,107
Balance at June 30, 1992	\$ 10,103	\$ 748	\$ —	\$ —	\$ 559	\$ 920	\$ 3,082	\$ 15,412

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 \$234 and \$208 at June 30, 1992 and 1991, respectively, nor do they include total amortized net investment premiums of \$119 and \$315 at June 30, 1992 and 1991, respectively.

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

	<i>June 30,</i>	
	1992	1991
ASSETS		
Utility plant:		
Construction work in progress	\$ 14,247	\$ 14,149
Special funds:		
Investments		96
Cash and cash equivalents	5	31
	5	127
	\$ 14,252	\$ 14,276
LIABILITIES		
Long-term debt		
Current liabilities:		
Long-term debt due within one year		\$ 100
Accrued interest		1
Accounts payable and accrued expenses	\$ 52	127
	52	228
Advances from participants	14,200	14,048
Commitments and contingencies		
	\$ 14,252	\$ 14,276

See notes to financial statements.

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

	<i>Year Ended June 30,</i>	
	1992	1991
Cash flows from operating activities	\$ —	\$ —
Cash flows from investing activities:		
Payments for feasibility study	(174)	(27)
Purchases of investments		(217)
Proceeds from sale of investments	96	253
Net cash (used for) provided by investing activities	(78)	9
Cash flows from capital and related financing activities:		
Proceeds from advances from participants	152	
Repayment of bank loan	(100)	
Net cash provided by capital and related financing activities	52	—
Net (decrease) increase in cash and cash equivalents	(26)	9
Cash and cash equivalents at beginning of year	31	22
Cash and cash equivalents at end of year	\$ 5	\$ 31
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest (net of amount capitalized)	\$ —	\$ —

See notes to financial statements.

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

	<i>June 30,</i>	
	1992	1991
ASSETS		
Special funds:		
Investments	\$ 606,101	\$ 603,005
Interest receivable	22,274	22,160
	\$ 628,375	\$ 625,165
LIABILITIES		
Long-term debt	\$ 601,722	\$ 601,024
Arbitrage rebate payable	6,012	3,501
Current liabilities:		
Accrued interest	20,641	20,640
Commitments and contingencies		
	\$ 628,375	\$ 625,165

See notes to financial statements.

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

	<i>Year Ended June 30,</i>	
	1992	1991
Cash flows from operating activities	\$ —	\$ —
Cash flows from investing activities:		
Interest received on investments	44,377	43,929
Payment for interest on long-term debt	(41,281)	(44,720)
Purchases of investments	(3,096)	(2,993)
Proceeds from sale of investments	—	3,784
Net cash from investing activities	—	—
Cash flows from capital and related financing activities	—	—
Net increase in cash and cash equivalents	—	—
Cash and cash equivalents at beginning of year	—	—
Cash and cash equivalents at end of year	\$ —	\$ —
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest (net of amount capitalized)	\$ —	\$ —

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
 MULTIPLE PROJECT FUND
 SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE
 YEAR ENDED JUNE 30, 1992
 (In thousands)

	<i>Proceed: Account</i>	<i>Debt Service Account</i>	<i>Earnings Account</i>	<i>Total</i>
Balance at June 30, 1991	\$ 600,012	\$ —	\$ 2,993	\$ 603,005
Additions:				
Investment earnings	44,101		276	44,377
Distribution of investment earnings	(44,101)		44,101	
Transfer for interest payment		41,281	(41,281)	
Total	<u>—</u>	<u>41,281</u>	<u>3,096</u>	<u>44,377</u>
Deductions:				
Interest paid		41,281		41,281
Balance at June 30, 1992	<u>\$ 600,012</u>	<u>\$ —</u>	<u>\$ 6,089</u>	<u>\$ 606,101</u>

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable of \$22,274 and \$22,160 at June 30, 1992 and 1991, respectively.



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