MEMORANDUM TO FILE

DATE: July 3, 2006

COUNCIL FILE NO.: 94-1358

RE: EXPIRED COUNCIL FILE

This memorandum notes the expiration of the accompanying Council file/contents; the file is deemed terminated (received and filed) and the subject matter contained herein is closed. No other action is forthcoming.

Pursuant to Council action of September 13, 2005, all Council files pending before the City Council, which have not been placed on a Council or Committee agenda for consideration for a period of two years or more, are deemed received and filed (CF 05-0553). City Clerk, Council File Index Section: 213.978.1044

Brian Walters
Legislative Assistant

PLACE IN FILES

JUL 0 3 2006

DEPUTY

cc: Index Section

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FILE NUMBER	INITIAL	DATE RECEIVED
94-1358	jc	7-28-1994

TITLE

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

INITIATED BY

Controller

SUBJECT

Req Council direct the Board of Water and Power Commissioners to authorize a contract to audit Southern California Public Power Authority and any other joint power authorities of Department of Water and Power to determine if the policies an d practices of these important adjunct organizations are consistent with those of the City of Los Angeles.

FILE HISTORY

8-5-94 - For ref
8-9-94 - Ref to Commerce Energy and Natural Resources Committee
8-12-94 - File to Commerce Energy and Natural Resources Committee Clerk
12-15-04 - Transmittal from Department of Water and Power relative to South California Public Power Authority Credit Rating - To Commerce Energy and Natural Resources Committee Clerk

Department of Water and Power the City of Los Angeles

RICHARD J. RIORDAN
Mayor

Commission
DENNIS A. TITO, *President*
CONSTANCE L. RICE, *Vice President*
JOSÉ DE JESÚS LEGASPI
JUDY M. MILLER
MARCIA F. VOLPERT
JUDITH K. KASNER, *Secretary*

WILLIAM R. McCARLEY, *General Manager*
KENNETH S. MIYOSHI, *Assistant General Manager and Chief Engineer*
ELDON A. COTTON, *Assistant General Manager—Power*
JAMES F. WICKSER, *Assistant General Manager—Water*
PHYLLIS E. CURRIE, *Chief Financial Officer*

December 15, 1994

The Honorable Ruth Galanter
Chairwoman, Commerce, Energy &
Natural Resources Committee
Los Angeles City Council
Room 238, City Hall
Los Angeles, California 90012

Dear Councilwoman Galanter:

Southern California Public Power Authority (SCPPA)
Credit Rating

We have been notified by Standard and Poor's (S&P) that SCPPA Hydroelectric Power Project Revenue Bonds (Hoover) were put on credit watch as a result of the recent events concerning Orange County investment practices. The city of Anaheim is the largest participant (42.5% interest) in the Hoover Project. The city (including its utility) has money in the Orange County Treasurer's pool. S&P has put all of the Orange County cities and governmental agencies, including the Anaheim utility, on credit watch. DWP is not involved in the Hoover Project and, therefore, we are not directly affected by this action.

I will keep you posted if there are further events.

Sincerely,

ORIGINAL SIGNED
WILLIAM R. McCARLEY

WLLIAM R. McCARLEY
General Manager

c: Councilman John Ferraro, Committee Member
Councilman Rudy Svorinich, Committee Member
Ray Crisp, Legislative Assistant
Ronald F. Deaton, Chief Legislative Analyst

111 North Hope Street, Los Angeles, California ☐ *Mailing address:* Box 111, Los Angeles 90051-0100
Telephone: (213) 367-4211 *Cable address:* DEWAPOLA *FAX:* (213) 367-3287

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FILE NO. **SUBJECT**

(8)

94-1392 CD 6 Communication from the Board of Airport Commissioners relative to Second Amendment to Concession Agreement No. LAA-118 with A/K/O/ - LAX covering a month-to-month extension to the telephone concession agreement through December 31, 1994 at Los Angeles and Ontario International Airports.

DISPOSITION _____

(9)

94-1496 City Administrative Officer report relative to Department of Water and Power request for approval to retain various law firms for the defense of Workers' Compensation matters.

DISPOSITION _____

(10)

94-1358 Communication from the Controller relative to authorizing contract to audit the Southern California Public Power Authority and any other joint power authorities for the Department of Water and Power.

DISPOSITION Cont to next meeting

(11)

93-1988 Communication from the Board of Water and Power Commissioners relative to the Department of Water and Power's implementation plan for the recommendations contained in the final report of the Diagnostic Audit performed by Barrington-Wellesley Group, Inc.

DISPOSITION _____

COMMENTS FROM PUBLIC ON ITEMS OF PUBLIC INTEREST WITHIN COMMITTEE'S SUBJECT MATTER JURISDICTION

DEPARTMENTS SUBMITTING WRITTEN REPORTS OR MATERIALS DURING THE COMMITTEE MEETING MUST PROVIDE COPIES TO EACH COMMITTEE MEMBER AND TWO ADDITIONAL COPIES TO THE CITY CLERK - ONE COPY FOR THE COUNCIL FILE AND THE SECOND COPY TO BE MADE AVAILABLE FOR PUBLIC INSPECTION DURING THE MEETING

cn0913.agd

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ELIAS MARTINEZ
City Clerk

J. Michael Carey
Executive Officer

When making inquiries relative to this matter refer to File No.

CITY OF LOS ANGELES
CALIFORNIA

RICHARD J. RIORDAN
MAYOR

Office of
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 485-5703
General Information - (213) 485-5705

Pat Healy
Chief Legislative Assistant

94-1358

August 10, 1994

COMMERCE, ENERGY AND NATURAL RESOURCES COMMITTEE

In accordance with Council Rules, communication from the Controller relative to authorize a contract to audit the Southern California Public Power Authority and any other joint power authorities of the Department of Water and Power (DWP), was referred on August 9, 1994, to the COMMERCE, ENERGY AND NATURAL RESOURCES COMMITTEE.

Elias Martinez
City Clerk
amm

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mp



OFFICE OF
CONTROLLER

RICK TUTTLE
CONTROLLER

220 CITY HALL
LOS ANGELES 90012
(213) 485-5093

July 20, 1994

John Ferraro, President and Honorable
Members of the Los Angeles City Council

I am requesting the Los Angeles City Council to direct the Board of Water and Power Commissioners to authorize a contract to audit the Southern California Public Power Authority and any other joint power authorities of the Department of Water and Power (DWP) to determine if the policies and practices of these important adjunct organizations are consistent with those of the City of Los Angeles. In an era where the Department of Water and Power is reviewing and revising its contracting, staffing, and operations it is imperative that a similar standard of efficiency and accountability be established for all entities operating on behalf of the DWP and the City of Los Angeles.

The Southern California Public Power Authority (SCPPA) reports in its 1992-93 Annual Report that it has outstanding $3.7 billion in bonds. It further reports that this debt is "backed by the fiscal strength of its 11 members", which certainly implies that the City of Los Angeles, the only "deep pocket" among the 11 members, may be obligated for this debt. Based on actual shares of projects, the City's share of the debt exceeds $1.4 billion. From a simple perspective of understanding the City's financial position, it seems reasonable to review this and other joint power agreements that have obligated the City.

SCPPA does more than simply help public utilities finance major projects. SCPPA can and does plan and develop new facilities as well as construct and operate facilities. The Department of Water and Power serves as project manager and operations manager for many of SCPPA's projects, and staff of DWP apparently perform accounting, engineering and other activities for SCPPA. Through outside lobbyists, SCPPA also plays a major role in setting state and federal energy policy, which may or may not coincide with the interests and explicit policies of the City of Los Angeles.

COMMERCE ENGY & NAT RE
AUG 09 1994

An audit of the Department of Water and Power's various joint power authorities would be very timely. Each year, the DWP spends millions of dollars on debt service related to SCPPA, and contributes staff and other resources to SCPPA operations. As the City continues to scrutinize the efficiency of the operations of the DWP, and evaluate the management and use of DWP's assets, you must also reevaluate the DWP's ongoing contribution to SCPPA and other joint power authorities. Furthermore, absent such a review, it would be unfair and impractical for the City to move forward with the recommendations of the recent audits of DWP without ensuring that all of the Department's affiliated organizations and agreements meet the same standards.

The authority to conduct such a review is not in doubt. It is both inherent in our role as a joint power participant, and explicit in the Joint Powers Agreement which states "the books and records of the Authority shall be open to inspection at all reasonable times to each Member and its representatives."

I urge the Council to take swift and aggressive action to assure the public and the ratepayers that the City's investments and involvements with SCPPA and other joint powers authorities are consistent with other city policies and best practices.

Sincerely,

RICK TUTTLE,
City Controller

cc: Mayor Richard Riordan
Dennis Tito, President, Board of Water and Power Commissioners
Kenneth Miyoshi, General Manager, Department of Water and Power

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

REPORT AND FINANCIAL STATEMENTS AND SUPPLEMENTAL FINANCIAL INFORMATION

JUNE 30, 1994 AND 1993

Price Waterhouse L.L.P.



400 Sout Street
Los Ange 90071-2889
Telephone 213 236 3000

Price Waterhouse L.L.P.



REPORT OF INDEPENDENT ACCOUNTANTS

September 2, 1994

To the Board of Directors of the
Southern California Public Power Authority

In our opinion, the accompanying combined balance sheet and the related combined statements of operations and of cash flows present fairly, in all material respects, the financial position of the Southern California Public Power Authority (Authority) at June 30, 1994 and 1993, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Authority's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

In our opinion, the accompanying separate balance sheets and the related separate statements of cash flows of the Authority's Palo Verde Project, Southern Transmission System Project, Hoover Uprating Project, Mead-Phoenix Project, Mead-Adelanto Project, Multiple Project Fund and San Juan Project and the separate statements of operations of the Authority's Palo Verde Project, Southern Transmission System Project, Hoover Uprating Project and San Juan Project present fairly, in all material respects, the financial position of each of the Projects at June 30, 1994, and their cash flows, and the results of operations of the Authority's Palo Verde Project, Southern Transmission System Project, Hoover Uprating Project and San Juan Project for the year then ended in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Authority's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in

accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

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

Price Waterhouse LLP

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

COMBINED BALANCE SHEET
(In thousands)

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

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

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

COMBINED STATEMENT OF CASH FLOWS
(In thousands)

	Year Ended June 30, 1994								Year Ended June 30, 1993
	Palo Verde Project	Southern Transmission System Project	Hoover Uprating Project	Mead-Phoenix Project	Mead-Adelanto Project	Multiple Project Fund	San Juan Project	Total	Total
Cash flows from operating activities:									
Costs recoverable from future billings to participants	($ 66,444)	($ 17,641)	($ 2,105)				($ 12,169)	($ 98,359)	($ 39,911)
Adjustments to arrive at net cash provided by (used for) operating activities -									
Depreciation	19,311	19,691					9,095	48,097	38,621
Decommissioning	13,401						3,112	16,513	12,560
Amortization of nuclear fuel	5,510							5,510	7,788
Amortization of debt costs	16,389	11,474	292				616	28,771	24,918
Changes in assets and liabilities:									
Decommissioning fund	27,972							27,972	(3,138)
Interest receivable	382	549	99				(10)	1,020	99
Accounts receivable	842	(3,541)					(1,222)	(3,921)	1,130
Materials and supplies	(287)						(5,019)	(5,306)	2,948
Other assets	(288)	(427)	5				(139)	(849)	94
Accrued interest	2,990	(1,325)	(24)				5,028	6,669	(6,673)
Accounts payable and accrued expenses	3,670	(105)	622				1,993	6,180	(910)
Net cash provided by (used for) operating activities	23,448	8,675	(1,111)				1,285	32,297	37,526
Cash flows from investing activities:									
Interest received on investments				$ 6,655	$ 17,840	$ 18,335		42,830	44,195
Payments of interest on long-term debt				(6,605)	(18,164)	(16,512)		(41,281)	(41,279)
Payments for construction of facility	(11,856)	339		(12,524)	(56,971)	(1,823)	(627)	(83,462)	(39,519)
Purchase of electric plant							(190,357)	(190,357)	
Purchases of investments	(171,311)	(98,844)		(6,665)	(20,733)		(33,817)	(331,370)	(841,841)
Proceeds from sale of investments	206,789	129,049	7,349	18,942	77,934		232,331	672,394	614,435
Advances for capacity and energy, net			1,001					1,001	41
Reimbursement from WAPA				187	60			247	
Reimbursement from project manager									14,048
Net cash provided by (used for) investing activities	23,622	30,544	8,350	(10)	(34)	-	7,530	70,002	(249,920)
Cash flows from capital and related financing activities:									
Proceeds from sale of bonds		142,012		76,721	215,628			434,361	961,803
Payment for defeasance of revenue bonds		(148,240)	(2,282)	(76,115)	(213,593)			(440,230)	(362,069)
Repayment of principal on long-term debt	(19,825)	(10,290)	(905)					(31,020)	(29,840)
Payment for bond issue costs		(1,144)		(596)	(2,001)		(176)	(3,917)	(14,124)
Transfer of funds from Multiple Project									365,148
Transfer of funds to Mead-Phoenix									(267,775)
Transfer of funds to Mead-Adelanto									(97,373)
Repayment of advances from participants							(10,000)	(10,000)	(14,249)
Advances from participants									10,000
Amount deposited in escrow accounts related to crossover bonds									(365,757)
Net cash (used for) provided by capital and related financing activities	(19,825)	(17,662)	(3,187)	10	34	-	(10,176)	(50,806)	185,764
Net increase (decrease) in cash and cash equivalents	27,245	21,557	4,052				(1,361)	51,493	(26,630)
Cash and cash equivalents at beginning of year	35,463	26,996	1,399	5			10,000	73,863	100,493
Cash and cash equivalents at end of year	$ 62,708	$ 48,553	$ 5,451	$ 5	$ -	$ -	$ 8,639	$ 125,356	$ 73,863
Supplemental disclosure of cash flow information:									
Cash paid during the year for interest (net of amount capitalized)	$ 59,818	$ 70,994	$ 2,155	$ -	$ -	$ -	$ 6,027	$ 138,994	$ 144,155

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

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND PURPOSE:

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

The members have the following participation percentages in the Authority's interest in the projects at June 30, 1994 and 1993:

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

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

Mead-Phoenix participation reflects three ownership components.

Palo Verde Project

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

NOTE 1: (Continued)

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

Southern Transmission System Project

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

Hoover Uprating Project

The Authority and six participants entered into an agreement dated as of March 1, 1986, pursuant to which each participant assigned its entitlement to capacity and associated firm energy to the Authority in return for the Authority's agreement to make advance payments to the United States Bureau of Reclamation (USBR) on behalf of such participants. 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 Uprating Project (HU). All seventeen "uprated" generators of the Hoover Uprating Project have commenced commercial operations.

Mead-Phoenix Project

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

NOTE 1: (Continued)

Mead-Adelanto Project

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

Multiple Project Fund

During fiscal year 1990, the Authority issued Multiple Project Revenue Bonds for net proceeds of approximately $600 million to provide funds to finance costs of construction and acquisition of ownership interests or capacity rights in one or more projects for the generation or transmission of electric energy which were expected to be undertaken within the next five years.

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

San Juan Project

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

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

Utility Plant

The Authority's share of all expenditures, including general administrative and other overhead expenses, payments-in-aid of construction, interest net of related investment income, deferred cost amortization and the fair value of test power generated and delivered to the participants are capitalized as utility plant construction work in progress until a facility commences commercial operation.

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

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

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

Advances for Capacity and Energy

Advance payments to USBR for the uprating of the 17 generators at the Hoover Power Plant are included in advances for capacity and energy. These advances are being reduced by the WAPA billings to participants for energy and capacity. During fiscal 1993, WAPA reimbursed $83,000 of the advances to the participants in addition to the energy and capacity provided.

NOTE 2: (Continued)

Nuclear Decommissioning

Decommissioning of PVNGS is projected to commence subsequent to the year 2022. Based upon an updated study performed by an independent engineering firm, the Authority's share of the estimated decommissioning costs is $79.3 million in 1992 dollars. The Authority is providing for its share of the estimated future decommissioning costs over the life of the nuclear power plant through annual charges to expense which amounted to $13.4 million in 1994 and $12.6 million in 1993. The decommissioning liability is included as a component of accumulated depreciation and was $62.2 million and $48.8 million at June 30, 1994 and 1993, respectively.

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

Demolition and Site Reclamation

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

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

Unamortized Debt Expenses

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

Investments

Investments include United States Government and governmental agency securities and repurchase agreements which are collateralized by such securities. Additionally, the Mead-Adelanto Project, the Mead-Phoenix Project and the Multiple Project Fund's investments are comprised of an investment agreement with a financial institution earning a guaranteed rate of return. The Southern Transmission System Project has debt service reserve funds associated with the 1991 and 1992 Subordinate Refunding Series Bonds invested with a financial institution under a specific investment agreement allowed under the Bond Indenture earning a guaranteed rate of return. Investments are stated at amortized cost, which in general is not in excess of market. As discussed in Note 3, all of the investments are restricted as to their use.

NOTE 2: (Continued)

Cash and Cash Equivalents

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

Revenues

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

Debt Expense

Debt expense includes interest on debt, and the amortization of bond discounts, debt issue and refunding costs.

Arbitrage Rebate

A rebate payable to the Internal Revenue Service (IRS) results from the investment of the proceeds from the Multiple Project Revenue Bond offering in a taxable financial instrument that yields a higher rate of interest income than the cost of the associated funds. The excess of interest income over costs is payable to the IRS within five years of the date of the bond offering and each consecutive five years thereafter. The first rebate payment to the IRS is due in fiscal year 1995.

Reclassifications

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

NOTE 3 - SPECIAL FUNDS:

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

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

NOTE 3: (Continued)

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

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

NOTE 3: (Continued)

Special funds, in thousands, were as follows:

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

Palo Verde Project

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

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

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

NOTE 3: (Continued)

Southern Transmission System Project

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

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

In addition, at June 30, 1994 and 1993, the Authority had non-interest bearing advances outstanding to IPA of $19,550,000.

Hoover Uprating Project

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

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

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

NOTE 3: (Continued)

Mead-Phoenix Project

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

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

Mead-Adelanto Project

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

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

Multiple Project Fund

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

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

NOTE 3: (Continued)

San Juan Project

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

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

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

NOTE 4 - LONG-TERM DEBT:

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

Palo Verde Project

To finance the purchase and construction of the Authority's share of the Palo Verde Project, the Authority issued Power Project Revenue Bonds pursuant to the Authority's Indenture of Trust dated as of July 1, 1981 (Senior Indenture), as amended and supplemented. The Authority also has issued and has outstanding Power Project Subordinated Refunding Series Bonds issued under an Indenture of Trust dated as of January 1, 1993 (Subordinated Indenture). The Subordinated Refunding Bonds were issued to advance refund certain bonds previously issued under the Senior Indenture.

The bond indentures provide that the Revenue Bonds and Subordinated Refunding Bonds shall be special, limited obligations of the Authority payable solely from and secured solely by (1) proceeds from the sale of bonds, (2) all revenues, incomes, rents and receipts attributable to the Palo Verde Project (see Note 6) and interest on all moneys or securities (other than in the Construction Fund) held pursuant to the Bond Indenture and (3) all funds established by the Bond Indenture.

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

NOTE 4: (Continued)

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

Southern Transmission System Project

To finance payments-in-aid of construction to IPA for construction of STS the Authority issued Transmission Project Revenue Bonds pursuant to the Authority's Indenture of Trust dated as of May 1, 1983 (Senior Indenture), as amended and supplemented. The Authority also has issued and has outstanding Transmission Project Revenue Bonds 1991 Subordinated Refunding Series and 1992 Subordinated Refunding Series issued under Indenture of Trusts dated as of March 1, 1991 and June 1, 1992, respectively. The 1991 subordinated bonds and the 1992 subordinated bonds were issued to advance refund certain bonds previously issued under the Senior Indenture.

The bond indentures provide that the Revenue Bonds and the Subordinated Refunding Series Bonds shall be special, limited obligations of the Authority payable solely from and secured solely by (1) proceeds from the sale of bonds, (2) all revenues, incomes, rents and receipts attributable to STS (see Note 6) and interest on all moneys or securities (other than in the Construction Fund) held pursuant to the Bond Indenture and (3) all funds established by the Bond Indenture.

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

The Bond Indenture requires mandatory sinking fund installments to be made beginning in fiscal year 2003 (for the 1986 Series A Bonds), 2002 (1986 Series B Bonds) and 2007 (1988 Series A Bonds). Scheduled principal maturities for STS during the five fiscal years following June 30, 1994 are $13,615,000 in 1995, $14,325,000 in 1996, $12,620,000 in 1997, $24,045,000 in 1998, and $23,310,000 in 1999. The average interest rate on outstanding debt during fiscal year 1994 and 1993 was 6.6% and a 6.9%, respectively.

Hoover Uprating Project

To finance advance payments to USBR for application to the costs of the Hoover Uprating Project, the Authority issued Hydroelectric Power Project Revenue Bonds pursuant to the Authority's Indenture of Trust dated as of March 1, 1986 (Bond Indenture).

The Bond Indenture provides that the Revenue Bonds shall be special, limited obligations of the Authority payable solely from and secured solely by (1) the proceeds from the sale of the bonds, (2) all revenues from sales of energy to participants (see Note 6), (3) interest or other receipts derived from any moneys or securities held pursuant to the Bond Indenture and (4) all funds established by the Indenture of Trust (except for the Interim Advance Payments Account in the Advance Payments Fund).

NOTE 4: (Continued)

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

The Bond Indenture requires mandatory sinking fund installments to be made beginning in fiscal year 2007 for the 1981 Series A Bonds maturing on October 1, 2010 and fiscal year 2011 for the 1991 Series A bonds. Scheduled principal maturities for the Hoover Uprating Project during the five fiscal years following June 30, 1994 are $860,000 in 1995, $610,000 in 1996, $1,085,000 in 1997, $1,130,000 in 1998, and $1,235,000 in 1999. The average interest rate on outstanding debt during fiscal year 1994 and 1993 was 5.7% and 5.2%, respectively.

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

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

Multiple Project Fund

To finance costs of construction and acquisition of ownership interests or capacity rights in one or more projects expected to be undertaken within the next five years, the Authority issued Multiple Project Revenue Bonds pursuant to the Authority's Indenture of Trust dated as of August 1, 1989 (Bond Indenture), as amended and supplemented.

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

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

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

The Bond Indenture requires mandatory sinking fund installments to be made beginning in fiscal year 2006 for the 1989 Series Bonds. The first scheduled principal maturity for the Multiple Project Revenue Bonds is $13,500,000 in 1999. The average interest rate on outstanding debt during fiscal year 1994 and 1993 was 6.9%.

NOTE 4: (Continued)

The Bond Indenture provides that the Revenue Bonds shall be special, limited obligations of the Authority payable solely from and secured solely by (1) proceeds from the sale of bonds, (2) all revenues, incomes, rents and receipts attributable to Mead-Adelanto (see Note 6) and interest on all moneys or securities and (3) all funds established by the Bond Indenture.

All outstanding Mead-Adelanto Revenue Bonds, at the option of the Authority, are subject to redemption prior to maturity.

The Bond Indenture requires mandatory sinking fund installments to be made beginning in fiscal year 2018 for the 1994 Series Bonds. The first scheduled principal maturity for the Mead-Adelanto Revenue Bonds is $10,135,000 in 2006. The average interest rate on outstanding debt during fiscal year 1994 and 1993 was 6.5% and 6.9%, respectively.

San Juan Project

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

The Bond Indenture provides that the Revenue Bonds shall be special, limited obligations of the Authority payable solely from and secured solely by (1) proceeds from the sale of bonds, (2) all revenues, incomes, rents and receipts attributable to San Juan (see Note 6) and interest on all moneys or securities and (3) all funds established by the Bond Indenture.

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

The Bond Indenture requires mandatory sinking fund installments to be made beginning in fiscal year 2012 for the 1993 Series A Bonds. The first scheduled principal maturity for the San Juan Project Revenue Bonds is $6,065,000 in 1997. The average interest rate on outstanding debt during fiscal year 1994 and 1993 was 5.6%.

Refunding Bonds

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

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

NOTE 4: (Continued)

In connection therewith, the net proceeds of the refunding bonds have been invested in securities of the United States Government, the principal and interest from which will be sufficient to fund the remaining principal, interest and call premium payments on the refunded bonds until the stated first call dates of the respective issues. Accordingly, all amounts related to the refunded bonds have been removed from the balance sheet and the cost of refunding the debt is included in unamortized debt expense.

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

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

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

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

NOTE 4: (Continued)

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

Interest Rate Swap

In fiscal year 1991, the Authority entered into an Interest Rate Swap agreement with a third party for the purpose of hedging against interest rate fluctuations arising from the issuance of the Transmission Project Revenue Bonds, 1991 Subordinate Refunding Series as variable rate obligations. The notional amount of the Swap Agreement is equal to the par value of the bond ($292,900,000 at June 30, 1994). The Swap Agreement provides for the Authority to make payments to the third party on a fixed rate basis at 6.38%, and for the third party to make reciprocal payments based on a variable rate basis (2.1% at June 30, 1994). The bonds mature in 2019.

NOTE 4: (Continued)

COMBINED SCHEDULE OF LONG-TERM DEBT
AT JUNE 30, 1994
(In thousands)

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

Bonds which have been refunded are excluded from this schedule.

NOTE 5 - DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS:

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

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

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

Investments/Decommissioning trust fund/Crossover escrow accounts

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

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

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

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

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

NOTE 6 - POWER SALES AND TRANSMISSION SERVICE CONTRACTS:

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

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

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

In August 1992, the Authority entered into transmission service contracts with nine participants of the Mead-Phoenix Project (see Note 1). Under the terms of the contracts, the participants are entitled to transmission service utilizing the Mead-Phoenix Project and are obligated to make payments on a "take or pay" basis for their proportionate share of operating and maintenance expenses and debt service on the Multiple Project Revenue Bonds and other debt, whether or not the Mead-Phoenix Project or any part thereof has been completed, is operating and operable, or its service is suspended, interfered with, reduced or curtailed or terminated in whole or in part. The contracts expire in 2030 and, as long as any Multiple Project Revenue Bonds are outstanding, cannot be terminated or amended in any manner which will impair or adversely affect the rights of the bondholders.

In August 1992, the Authority entered into transmission service contracts with nine participants of the Mead-Adelanto Project (see Note 1). Under the terms of the contracts, the participants are entitled to transmission service utilizing the Mead-Adelanto Project and are obligated to make payments on a "take or pay" basis for their proportionate share of operating and maintenance expenses and debt service on the Multiple Project Revenue Bonds and other debt, whether or not the Mead-Adelanto Project or any part thereof has been completed, is operating and operable, or its service is suspended, interfered with, reduced or curtailed or terminated in whole or in part. The contracts expire in 2030 and, as long as any Multiple Project Revenue Bonds are outstanding, cannot be terminated or amended in any manner which will impair or adversely affect the rights of the bondholders.

NOTE 6: (Continued)

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

NOTE 7 - COSTS RECOVERABLE FROM FUTURE BILLINGS TO PARTICIPANTS:

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

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

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

NOTE 8 - 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.

Palo Verde

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

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

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

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

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SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

PALO VERDE PROJECT

SUPPLEMENTAL BALANCE SHEET
(In thousands)

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

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

PALO VERDE PROJECT

SUPPLEMENTAL STATEMENT OF OPERATIONS
(In thousands)

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

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

PALO VERDE PROJECT

SUPPLEMENTAL STATEMENT OF CASH FLOWS
(In thousands)

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

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

PALO VERDE PROJECT

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

	Construction Fund Initial Facilities Account	Debt Service Fund	Cost of Issuance Fund	Revenue Fund	Operating Fund	Reserve & Contingency Fund	1994 Issue Fund	Decommissioning Funds I & II	Total
Balance at June 30, 1993	$ 13,165	$ 127,665	$ 27	$ -	$ 27,244	$ 6,962	$ 11,166	$ 51,003	$ 237,232
Additions:									
Investment earnings	257	8,334		66	1,092	272	743	2,047	12,811
Distribution of investment earnings		(8,207)		10,265	(1,043)	(272)	(743)		
Revenue from power sales				78,826	111	7			78,944
Distribution of revenues		36,577		(89,107)	41,232	5,974	5,324		
Distribution of investments	(12,831)	42,760						(29,929)	
Transfer from escrow for principal and interest payments		237,220							237,220
Miscellaneous	(413)	484	(27)	122				(71)	95
Total	(12,987)	317,168	(27)	172	41,392	5,981	5,324	(27,953)	329,070
Deductions:									
Construction expenditures	178					4,605			4,783
Operating expenditures					36,000				36,000
Fuel costs					7,159				7,159
Payment of principal		19,825							19,825
Interest paid		59,818							59,818
Payment of principal and interest on escrow bonds		233,212					4,008		237,220
Interest paid on investment purchases		84			24		1		109
Miscellaneous		172						5	177
Total	178	313,111	-	-	43,183	4,605	4,009	5	365,091
Balance at June 30, 1994	$ -	$ 131,722	$-	$ 172	$ 25,453	$ 8,338	$ 12,481	$ 23,045	$ 201,211

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable of $1,350 and $1,732 and Decommissioning Fund accrued interest receivable of $142 and $396 at June 30, 1994 and 1993, respectively, nor do they include total amortized net investment discounts of $170 and $100 at June 30, 1994 and 1993, respectively.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SOUTHERN TRANSMISSION SYSTEM PROJECT

SUPPLEMENTAL BALANCE SHEET
(In thousands)

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

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SOUTHERN TRANSMISSION SYSTEM PROJECT

SUPPLEMENTAL STATEMENT OF OPERATIONS
(In thousands)

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

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

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SOUTHERN TRANSMISSION SYSTEM PROJECT

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

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

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable of $2,122 and $2,671 at June 30, 1994 and 1993, respectively, nor do they include total amortized net investment discount of $805 and $1,003 at June 30, 1994 and 1993, respectively.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

HOOVER UPRATING PROJECT

SUPPLEMENTAL BALANCE SHEET
(In thousands)

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

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

HOOVER UPRATING PROJECT

SUPPLEMENTAL STATEMENT OF OPERATIONS
(In thousands)

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

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

HOOVER UPRATING PROJECT

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

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

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable of $80 and $179 at June 30, 1994 and 1993, respectively, nor do they include total amortized net investment premiums of $43 and $12 at June 30, 1994 and 1993, respectively.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

MEAD-PHOENIX PROJECT

SUPPLEMENTAL BALANCE SHEET
(In thousands)

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

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

MEAD-PHOENIX PROJECT

SUPPLEMENTAL STATEMENT OF CASH FLOWS
(In thousands)

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

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

MEAD-PHOENIX PROJECT

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

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

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable of $2,332 and $3,260 at June 30, 1994 and 1993, respectively, nor do they include total amortized net investment premiums of $25 at June 30, 1994.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

MEAD-ADELANTO PROJECT

SUPPLEMENTAL BALANCE SHEET
(In thousands)

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

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

MEAD-ADELANTO PROJECT

SUPPLEMENTAL STATEMENT OF CASH FLOWS
(In thousands)

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

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

MEAD-ADELANTO PROJECT

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

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

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable of $6,144 and $8,871 at June 30, 1994 and 1993, respectively, nor do they include total amortized net investment premiums of $83 at June 30, 1994.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

MULTIPLE PROJECT FUND

SUPPLEMENTAL BALANCE SHEET
(In thousands)

	June 30, 1994	June 30, 1993
ASSETS		
Special funds:		
Investments	$ 250,819	$ 248,997
Interest receivable	9,218	9,151
	$ 260,037	$ 258,148
LIABILITIES		
Long-term debt	$ 241,427	$ 240,989
Arbitrage rebate payable	3,855	8,903
Deferred costs	6,499	
Current liabilities:		
Accrued interest	8,256	8,256
Commitments and contingencies		
	$ 260,037	$ 258,148

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

MULTIPLE PROJECT FUND

SUPPLEMENTAL STATEMENT OF CASH FLOWS
(In thousands)

	Year Ended June 30, 1994	1993
Cash flows from operating activities	$ -	$ -
Cash flows from investing activities:		
Interest received on investments	18,335	37,991
Payments of interest on long-term debt	(16,512)	(35,088)
Purchases of investments	(1,823)	(2,904)
Proceeds from sale of investments		365,149
Net cash provided by investing activities	-	365,148
Cash flows from capital and related financing activities:		
Transfer of funds to Mead-Adelanto Project		(267,775)
Transfer of funds to Mead-Phoenix Project		(97,373)
Net cash used for capital and financing activities	-	(365,148)
Net increase in cash and cash equivalents	$ -	$ -

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

MULTIPLE PROJECT FUND

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

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

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable of $9,218 and $9,151 at June 30, 1994 and 1993, respectively.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SAN JUAN PROJECT

SUPPLEMENTAL BALANCE SHEET
(In thousands)

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

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SAN JUAN PROJECT

SUPPLEMENTAL STATEMENT OF OPERATIONS

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

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

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SAN JUAN PROJECT

SUPPLEMENTAL STATEMENT OF CASH FLOWS
(In thousands)

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

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SAN JUAN PROJECT

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

	Revenue Fund	Operating Fund	Project Fund	Reserve & Revenue Contingency	Operating Reserve	Debt Service Reserve	Debt Service	Total
Balance at June 30, 1993	$ -	$ -	$194,891	$ 7,500	$ 4,000	$18,025	$ 966	$225,382
Additions:								
Investment earnings	19	41	25	368	27	1,006	27	1,513
Discount on investment purchases	4	3	2	12	12		56	89
Distribution of investment earnings	1,552	(44)		(380)	(39)	(1,006)	(83)	
Revenue from power sales	47,836							47,836
Distribution of revenues	(15,848)	13,670					2,178	
Transfer of investments		(440)					440	
Miscellaneous transfers	(33,563)	25,972	75	1,557	(3,444)		9,403	
Total	-	39,202	102	1,557	(3,444)	-	12,021	49,438
Deductions:								
Bond issue costs			857					857
Administrative expenditures		36,823	254					37,077
Payments for utility plant		544	193,852					194,396
Interest paid							6,993	6,993
Total	-	37,367	194,963	-	-	-	6,993	239,323
Balance at June 30, 1994	$ -	$ 1,835	$ 30	$ 9,057	$ 556	$18,025	$ 5,994	$ 35,497

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable of $10 at June 30, 1994, nor do they include total amortized net investment discount of $10 at June 30, 1994.

Southern California Public Power Authority

1992-93 Annual Report



SCPPA

Photo (page 1): The Adelanto Converter Station near Victorville, CA. The Mead-Adelanto transmission project will tie Adelanto with the Marketplace Substation near Boulder City, NV.



What Is SCPPA?

The Southern California Public Power Authority is a joint powers authority composed 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 acquire reliable, cost-efficient electrical generation facilities and transmisson systems for its members. SCPPA's primary role has been to secure financing for joint power projects among its members.

To date, SCPPA has issued more than $7.6 billion in bonds, notes and refunding bonds, of which $3.7 billion is still outstanding. This debt is 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 acquire electrical generating capacity and transmission facilities throughout the southwestern U.S.

The low-interest rate environment has enabled SCPPA to refinance more than $1.1 billion of its debt over the last 36 months at rates substantially below those of the original borrowings. These refunding transactions have lowered the average interest rate of SCPPA's outstanding debt and will result in gross savings to southern California utility customers of more than $148 million over the next quarter-century.

The change of administration in Washington in 1993 has prompted the utility industry to reexamine many of its assumptions of the previous 12 years. To remain abreast of current government trends and actions — particularly the proposal to increase energy taxes — SCPPA and its individual members have become increasingly active players on the Washington scene.

In today's shifting economic and political climate, SCPPA's interlinked and cooperative approach to utility industry problem-solving continues to provide substantial benefits to its 11 members and their customers.

Management



Bill D. Carnahan
Vice President

George R. Spencer
Assistant Secretary

Eldon A. Cotton
Secretary

Linda M. Lazzerino
Executive Director

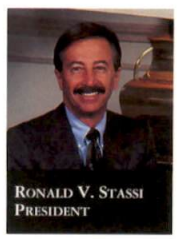
Ronald V. Stassi
President

President's and Executive Director's Letter

The 1992-93 fiscal year was one of unique financial opportunity for SCPPA. An unprecedented period of low interest rates during the period permitted two major refundings of SCPPA bonds that will reduce interest payments by some $105 million over the life of these obligations.

Although interest rates seem to have stabilized, SCPPA will continue to seek opportunities to lower its financing costs.

We were able to move forward with two major construction projects, the Mead-Adelanto and Mead-Phoenix transmission lines, which we expect to begin carrying electricity into southern California late in 1995. In August, 1992, SCPPA executed long-term contracts that committed the agency to the projects, and in October, 1992, $360 million of SCPPA's Multiple Project Revenue Bond funds were allocated to their funding. Ground breaking is expected to begin on both projects before the end of 1993.



Ronald V. Stassi
President

SCPPA was successful last year in purchasing an interest in one of four coal-fired generating units of the San Juan Generating Station in northwestern New Mexico for approximately $193 million. The purchase will provide the participating members, the cities of Azusa, Banning, Colton and Glendale and the Imperial Irrigation District, with an additional 204 megawatts of power.

The uprating of the last of 17 generating units at the Hoover Power Plant was completed, and members' full entitlements became available in the first half of 1993. In addition, our successful negotiation of a Hoover uprating credit conversion agreement two years ago continued to bear fruit.



Linda M. Lazzerino
Executive Director

The Palo Verde Nuclear Generating Station (PVNGS) in Arizona experienced another successful year of operation in 1992-93. All three units of the seven-year-old station have undergone refueling over the last two years, with Unit 3 concluding the process in November, 1992, 12 days ahead of schedule. PVNGS received an improved performance and safety rating from the Nuclear Regulatory Commission in 1993.

The nation's economic picture remained uncertain throughout the fiscal year, as did the shape of the new economic program being drafted in Washington. As this Report went to press, it appeared that the impact on utility operations of any new taxes enacted in the 104th Congress would not be significant. SCPPA's Washington representative remains alert, however, to any revisions in this assessment.

Looking ahead, we anticipate a period of continuing opportunity for SCPPA and its members.

Ronald V. Stassi Linda M. Lazzerino

1992-93 Highlights

- More than $726.4 million in bonds were refunded, at a gross savings of $105 million and a net present-value savings to SCPPA members of $52 million.
- 204 megawatts of generating capacity at the San Juan Generating Station in New Mexico was purchased through SCPPA for $193 million.
- SCPPA allocated $360 million from its 1989 Multiple Project Revenue Bonds to fund construction and related financing costs connected with the Mead-Adelanto and Mead-Phoenix Transmission Projects.
- Six participating members began receiving full entitlements from the Hoover Uprating Project.
- Unit 3 of the Palo Verde Nuclear Generating Station underwent its fourth successful refueling, in record-setting time.
- Mead-Phoenix and Mead-Adelanto Project Managers began awarding contracts for construction of the two transmission lines.
- Our Washington advocate continued to track and respond to legislative and regulatory actions of concern to SCPPA members.



Refunding Opportunities Two SCPPA refunding bond issues, covering the Authority's interests in the Southern Transmission System (STS) and the Palo Verde Nuclear Generating Station (PVNGS), were completed during fiscal year 1992-93 to take advantage of prevailing low interest rates.

The $385.4 million in STS bonds, with an original average interest rate of 7.48 percent, were refunded at an average interest rate of 6.16 percent, and will yield a gross savings of $52.5 million in interest by the date of final maturity in 2021.

The PVNGS bonds, with a face value of $341 million, were originally issued with an average interest rate of 6.98 percent and have been refunded at an average interest rate of 5.55 percent, which will save SCPPA members another $52.4 million in gross interest savings by the bonds' final date of maturity.

Overall, SCPPA has completed five bond refundings since 1991, involving an aggregate $1.1 billion in obligations, resulting in a total savings in interest payments of more than $148 million by the year 2021. At the close of fiscal year 1992-93, the agency was nearing completion of the third STS refunding in the last two years. This is projected to save another $17 million in interest payments.



The City of Riverside's Public Utilities Department, headquartered in Riverside City Hall, served nearly 90,000 customers in 1992-93.

SCPPA REFUNDING BOND ISSUES, 1991 TO 1993

Project	*Date*	*Issue Size*	*Refunded Bonds*	*Gross Savings*	*Net PV Savings*
STS	April, 1991	$ 293.9 million	$ 240.6 million	$ 25.3 million	$14.1 million
Hoover	August, 1991	$ 35.7 million	$ 28.5 million	$ 4.6 million	$ 1.5 million
Palo Verde	January, 1992	$ 130.5 million	$ 114.3 million	$ 13.2 million	$ 7.1 million
STS	July, 1992	$ 475.0 million	$ 385.4 million	$ 52.5 million	$25.0 million
Palo Verde	March, 1993	$ 370.8 million	$ 341.0 million	$ 52.4 million	$27.0 million
Total		$1,305.9 million	$1,109.8 million	$148.0 million	$74.7 million

San Juan Generating Station SCPPA negotiated the purchase of a 41.8 percent interest in one of four units of the San Juan Generating Station in northwestern New Mexico from Century Power Corporation, for $193 million.

The purchase is on behalf of five SCPPA members, the cities of Azusa, Banning, Colton and Glendale and the Imperial Irrigation District. These five members will buy from SCPPA the approximately 204 megawatts of power obtained by this transaction.

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 1982 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 1992 only four percent of the city's power was bought from Southern California Edison.

Customers served	103,276
Power Generated and Purchased (in Megawatt Hours)	
Self-generated	576,764
Purchased	2,485,894
Total	3,062,658
Transmission facilities (in miles)	1,398
Total Revenues (000's)	$ 243,878
Operating Costs (000's)	$ 187,864



L: EDWARD K. AGHJAYAN
City of Anaheim
R: JOSEPH F. HSU
City of Azusa

CITY OF AZUSA Both the city's water and electric utilities were established 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 Power Plant, and contracted for short-term capacity from different utilities.

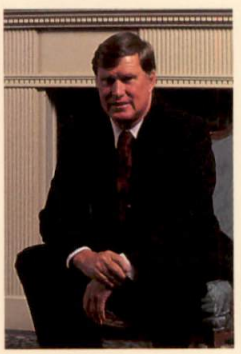
Customers served	14,134
Power Generated and Purchased (in Megawatt Hours)	
Self-generated	19,335
Purchased	181,901
Total	201,236
Transmission facilities (in miles)	0
Total Revenues (000's)	$ 17,469
Operating Costs (000's)	$ 13,831



GALE A. DREWS
City of Colton

CITY OF BANNING Established in 1913, the Banning electrical system now serves an area of 19.2 square miles of the city. The city purchased all its electric power requirements from Southern California Edison until 1986 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.

Customers served	8,600
Power Generated and Purchased (in Megawatt Hours)	
Self-generated	435
Purchased	105,680
Total	106,115
Transmission facilities (in miles)	220
Total Revenues (000's)	$ 11,851
Operating Costs (000's)	$ 10,693



TERRY COLLINS
City of Banning

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

Customers served	50,520
Power Generated and Purchased (in Megawatt Hours)	
Self-generated	171,946
Purchased	941,932
Total	1,113,878
Transmission facilities (in miles)	398
Total Revenues (000's)	$ 94,190
Operating Costs (000's)	$ 94,215

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

Customers served	16,322
Power Generated and Purchased (in Megawatt Hours)	
Self-generated	0
Purchased	220,357
Total	220,357
Transmission facilities (in miles)	2.3
Total Revenues (000's)	$ 18,061
Operating Costs (000's)	$ 17,020

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.

Customers served	81,885
Power Generated and Purchased (in Megawatt Hours)	
Self-generated	157,672
Purchased	917,453
Total	1,075,125
Transmission facilities (in miles)	69
Total Revenues (000's)	$ 91,007
Operating Costs (000's)	$ 78,385



L: RONALD V. STASSI
City of Burbank
R: MICHAEL P. HOPKINS
City of Glendale

KENNETH S. NOLLER
Imperial Irrigation District



ELDON A. COTTON
Los Angeles Department of Water and Power



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 1943 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 three-fourths of its power needs.

Customers served	82,174
Power Generated and Purchased (in Megawatt Hours)	
Self-generated	613,194
Purchased	1,782,163
Total	2,395,357
Transmission facilities (in miles)	1,277
Total Revenues (000's)	$ 177,353
Operating Costs (000's)	$ 150,769



DAVID C. PLUMB
City of Pasadena

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 Francisquito Power Plant No. 1. 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	1,363,000
Power Generated and Purchased (in Megawatt Hours)	
Self-generated	25,151,613
Purchased	1,484,373
Total	26,635,986
Transmission facilities (in miles)	3,541
Total Revenues (000's)	$2,038,000
Operating Costs (000's)	$1,718,000

CITY OF PASADENA Established in 1906, the city built its first electric generating steam plant in 1907 and took over operation of its municipal street lighting from Edison Electric. In 1909, Pasadena began the extension of its operations to commercial and residential customers that resulted in the replacement of all Edison electric service in the city by 1920. In 1992, Pasadena purchased approximately three-fourths of its power needs.

Customers served	57,245
Power Generated and Purchased (in Megawatt Hours)	
Self-generated	300,190
Purchased	992,490
Total	1,292,680
Transmission facilities (in miles)	515
Total Revenues (000's)	$ 103,363
Operating Costs (000's)	$ 99,507



BILL D. CARNAHAN
City of Riverside

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 1992, the city purchased approximately 86 percent of its power needs.

Customers served	88,900
Power Generated and Purchased (in Megawatt Hours)	
Self-generated	311,979
Purchased	1,341,303
Total	1,653,282
Transmission facilities (in miles)	1,806
Total Revenues (000's)	$ 165,589
Operating Costs (000's)	$ 139,778



BRUCE V. MALKENHORST
City of Vernon

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 gets power from Palo Verde, Hoover, CDWR, SRP, BPA and Edison, as well as interruptible energy from other utilities and government agencies.

Customers served	1,974
Power Generated and Purchased (in Megawatt Hours)	
Self-generated	21,492
Purchased	1,033,859
Total	1,055,351
Transmission facilities (in miles)	12.4
Total Revenues (000's)	$ 67,590
Operating Costs (000's)	$ 53,144

Hoover Uprating Project The uprating of all 17 hydroelectric generating units at Hoover Dam has been completed, and although the full uprated capacity is available, completion of the total project remains on schedule for mid-1996. As of June 30, 1993, SCPPA on behalf of six SCPPA members (SCPPA Upraters) had advanced approximately $27 million to the U.S. Bureau of Reclamation for uprating Hoover Power Plant. These advances are returned to SCPPA members by the Western Area Power Administration in the form of credits against their power bills.



Anaheim's Public Utilities Department will celebrate its 100th birthday next year. Shown is Anaheim's City Hall-East.

From 1987, the credits available for the payment of purchased power exceeded the amount required for the purchase power available to SCPPA Upraters. Last year SCPPA agreed with the Bureau and Western to a cash redemption of $6 million for the accumulated but unredeemed credits through September 1991.

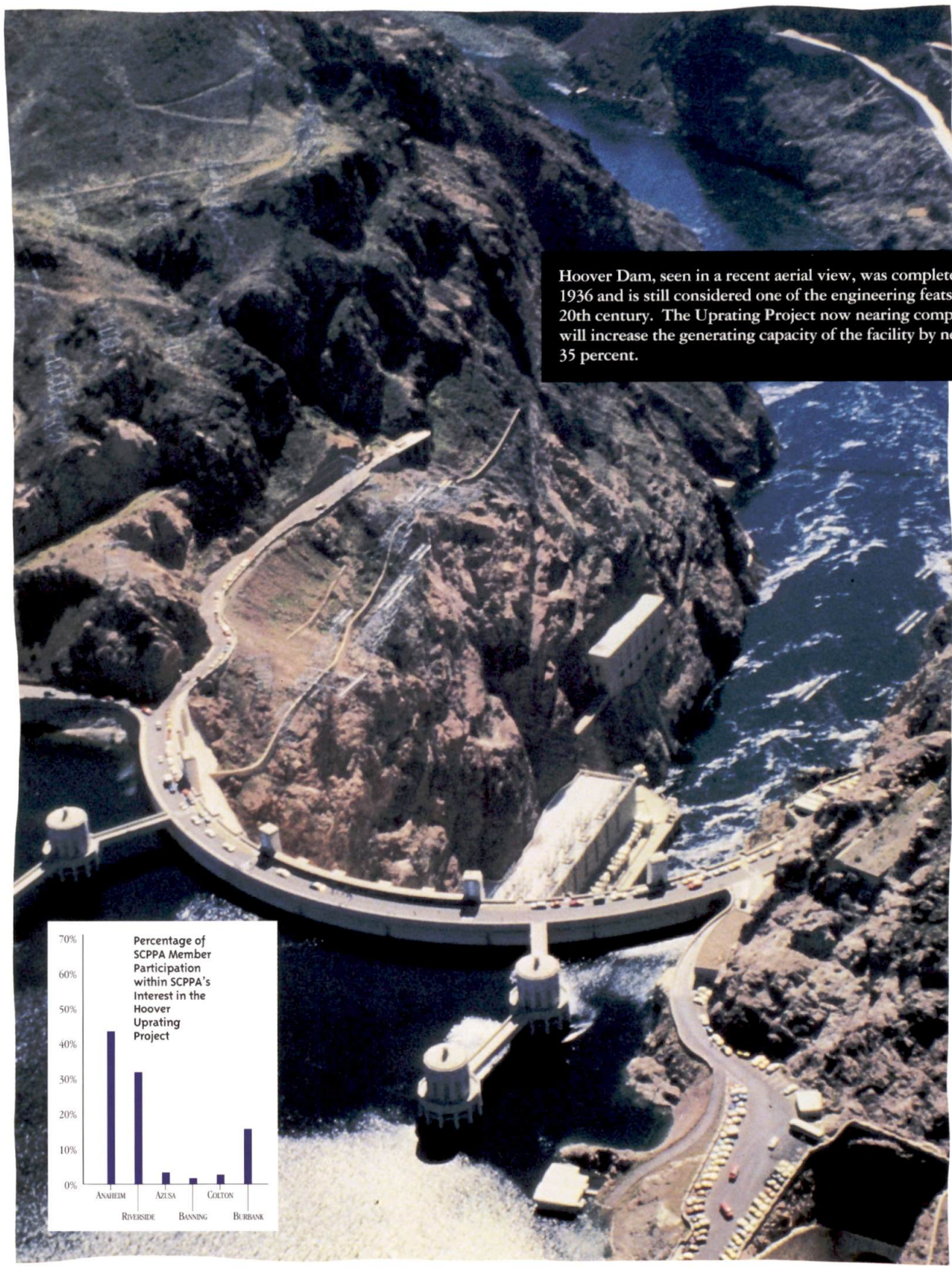
With completion of the uprating of the Hoover generating units, the Uprating Contractors expect to redeem all future credits through application to their respective power bills. The cities of Anaheim, Azusa, Banning, Burbank, Colton and Riverside are participating through SCPPA in the uprating of the Hoover Power Plant.

SCPPA Bonds Are Rated As Follows:	*Moody's Investor Service*	*Standard & Poor's Corporation*
Southern Transmission System Project —		
Senior Lien Bonds	Aa	AA
Subordinate Lien Bond	Aa	AA-
Palo Verde Project —		
Senior Lien Bonds	Aa	AA
Subordinate Lien Bond	Aa	AA
Hoover Uprating Project —		
Revenue & Refunding Bonds	(Cond.) Aa	AA-
Multiple Project —		
Revenue Bonds	A	A
San Juan Unit 3 Project*	Aaa*	AAA*

**Insured*

Palo Verde Nuclear Generating Station On January 8, 1992, El Paso Electric Company, which holds a 15.8 percent interest in the Palo Verde Nuclear Generating Station (PVNGS), filed for bankruptcy protection, raising questions about its obligations toward the project.

A bankrupcy court ruled the following month that El Paso may pay PVNGS costs invoiced after February 7, 1992, plus decommissioning costs from January 1, 1992, until a final order is filed by the court. Meanwhile, some $9.3 million in PVNGS costs billed to El Paso prior to the court order remain unpaid.



Hoover Dam, seen in a recent aerial view, was completed in 1936 and is still considered one of the engineering feats of the 20th century. The Uprating Project now nearing completion will increase the generating capacity of the facility by nearly 35 percent.

On May 4, 1993, El Paso filed an amended reorganization plan that would, if approved, make that company a wholly-owned subsidiary of Central and South West Corporation. SCPPA cannot predict (1) when this matter may be resolved, (2) what the impact will be on El Paso's PVNGS obligations, and (3) what the potential costs to SCPPA and other PVNGS owners may be.

SCPPA Advocacy Program SCPPA's Washington, D.C. advocacy program, begun in 1992, continued to provide valuable access and information about activities affecting the utility industry at the federal level in fiscal year 1992-93.

Major initiatives were launched to build closer relationships with other utilities, consumer and environmental groups, and to acquaint legislators, particularly the California delegation, with SCPPA's operations and concerns.

Thanks to these efforts, SCPPA was able to have a voice in drafting the Energy Policy Act of 1992, which encompassed a number of issues of concern to SCPPA members. These included transmission access, regional transmission groups, renewable energy initiatives and research into the health effects of electric and magnetic fields (EMFs).





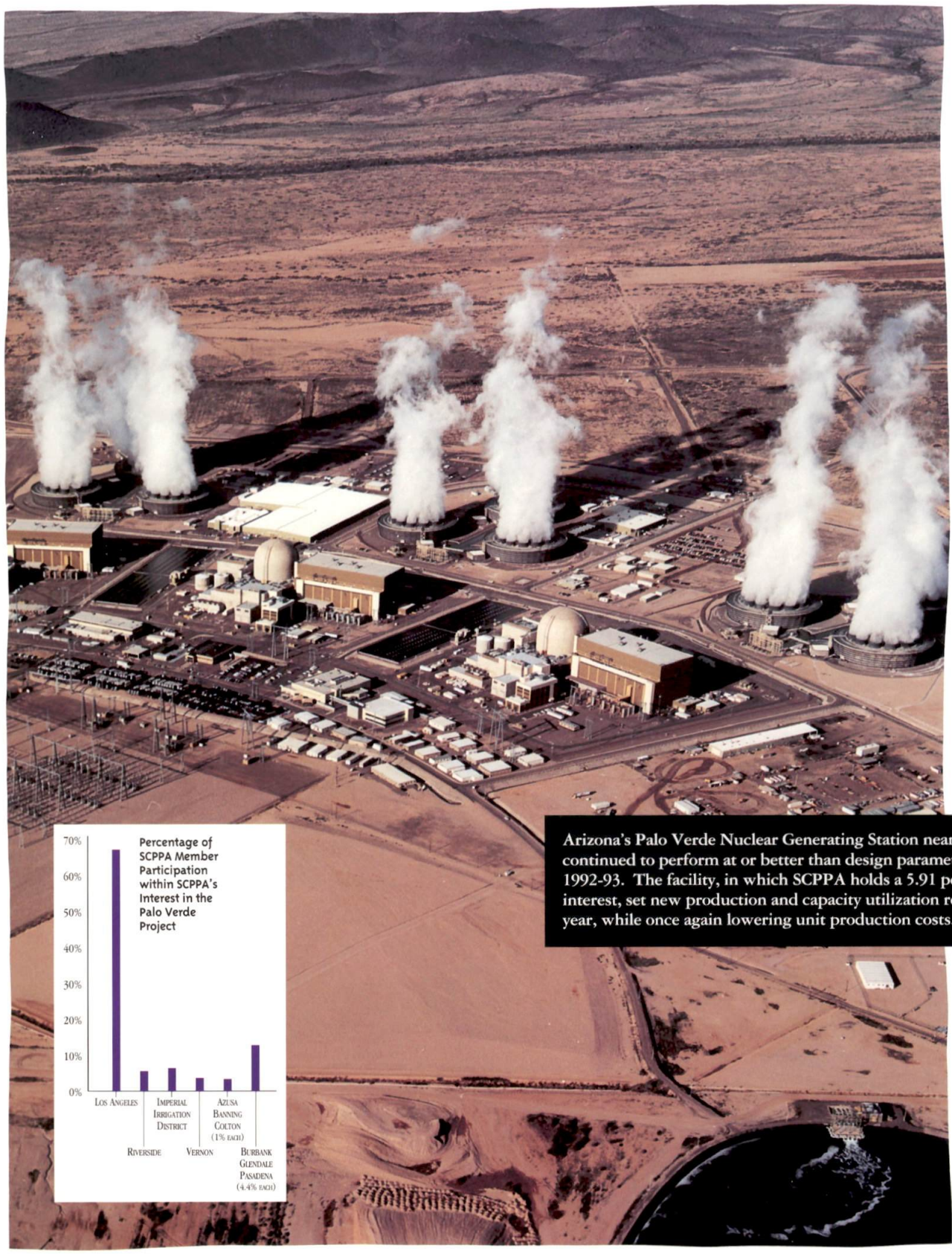


SCCPA hosted a breakfast for utility joint action agency managers from around the nation and international industry guests at the American Public Power Association conference last June in Anaheim.

In the 104th Congress, our advocacy has focused on securing funding for several programs in the Energy Policy Act, and close monitoring of the President's deficit reduction program, which includes a number of provisions related to utility operations.

Other federal-level issues of interest to SCPPA and its members are the elimination of the "private use" restriction on public power bonds, passage of incentives for renewable energy use in power production, access for power transmission rights of way and a rational approach to environmental legislation and rule-making.

The decade of the 1990s shows no sign of slowing the pace of change that swept across the public utility industry over the last 10-15 years, and Washington, D.C. will continue as the point of origin for many of the changes to come. Keeping abreast of these changes is a must for SCPPA and its membership.



Arizona's Palo Verde Nuclear Generating Station near Phoenix continued to perform at or better than design parameters during 1992-93. The facility, in which SCPPA holds a 5.91 percent interest, set new production and capacity utilization records last year, while once again lowering unit production costs.

Hoover Uprating Project On May 25, 1993, hydroelectric generating unit N-8 on the Nevada side of the Hoover Power Plant was commissioned and returned to commercial service, the last of the facility's 17 generators to be uprated. Related Uprating Project improvements to be completed by 1996 include installation of computer control systems, an auxiliary control board for each unit, and consolidation of the Hoover and Mead switchyards. This uprating activity has increased the generating capacity of the plant from 1,448 megawatts to 1,951 megawatts at a cost of around $170 million.

The original units were installed between 1936 and 1961, and have generated more than 4 billion kilowatt-hours of electrical energy each year for customers in Arizona, California and Nevada.

Palo Verde Nuclear Generating Station Although two of its three generating units were idled for refueling during several months of fiscal year 1992-93, the Palo Verde Nuclear Generating Station near Phoenix once again set new records for electrical production and plant capacity utilization.

In all, the station generated nearly 26.5 million megawatt-hours of power in fiscal year 1992-93, and operated at 79.4 percent of capacity. Both figures are well above the facility's design parameters of 23.4 million MWh production per year and 70 percent annual capacity factor.

1992-93 PRODUCTION PARAMETERS

	*Generation**	*% Plant Capacity*
Unit 1	10.5	94.4
Unit 2	7.5	67.4
Unit 3	8.5	76.4
Total	26.5	79.4

**in millions of megawatt-hours*

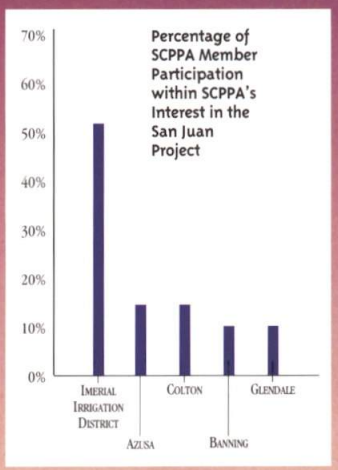
Unit 1, which was last refueled from February to May, 1992, operated throughout the 1992-93 fiscal year without interruption. Unit 2 entered its fourth refueling cycle in March, 1993, and was still idle at the end of the fiscal year. Unit 3 completed its fourth refueling cycle last November 25, only 68 days after shutdown and 12 days ahead of schedule. This was the shortest refueling cycle to date at PVNGS.

SCPPA's ten participants share a 5.91 percent interest in the three units of the generating station, which entitles them to 225 megawatts of power, based on the net design electrical rating of 1,270 megawatts for each of the three units .

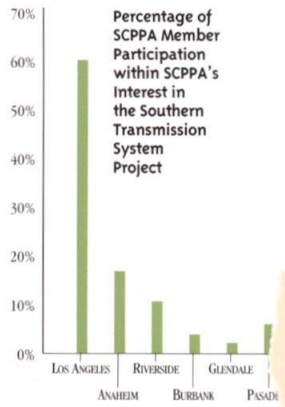
The Arizona Public Service Company is the operator of PVNGS and its adjacent water reclamation facility. The Salt River Project Agricultural Improvement and Power District operates the facility's switchyard.

SCPPA had $1,185,065,000 of Palo Verde debt outstanding as of June 30, 1993. The average interest rate of the outstanding Palo Verde debt during fiscal year 1992-93 was 6.4 percent, compared to 6.7 percent for the previous year.

New Mexico's San Juan Generating Station near the Four Corners area became the latest acquisition of SCPPA in 1992-93. The agency, on behalf of five members — Azusa, Banning, Colton, Glendale, and Imperial Irrigation District — purchased 41.8 percent of one of the facility's four units for $193 million.



Southern Transmission System SCPPA, on behalf of six members, was the financing agent for construction of the Southern Transmission System (STS), a 488-mile ±500-kV DC transmission line and associated converter stations which delivers power from the Intermountain Generating Station (IGS) in Utah to the Adelanto Converter Station in southern California.



The STS in 1992-93 continued to operate with near-perfect availability and reliability, as it has since its completion in 1986. During the last fiscal year the STS had 99.63 percent transmission availability, compared with 99.7 percent in 1991-92.

Southern California users received a total of 13.7 million megawatt-hours of energy over the line, including power from non-IGS sources. This represented an increase of 2.9 percent from the power carried in 1991-92. Overall capacity utilization in 1992-93 was 84.24 percent, an increase of 1.9 percent from the previous year.

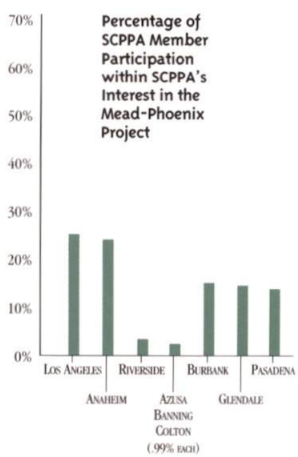
As of June 30, 1993, SCPPA had $1,583,825,000 of STS debt outstanding, at an average interest rate of 6.3 percent, compared to 6.9 percent for the previous year.

Mead-Phoenix/Mead-Adelanto Transmission Projects Two major 500-kV alternating current transmission lines between Phoenix, AZ and Boulder City, NV and between Boulder City and Adelanto, CA, moved toward completion last year with the execution of joint-venture contracts and award of construction contracts. Nine cities acting through SCPPA, as well as the Salt River Project, M-S-R Public Power Agency, Arizona Public Service, the City of Vernon (acting independently) and the Western Area Power Administration (Western), a federal agency, are participants in one or both of the projects.



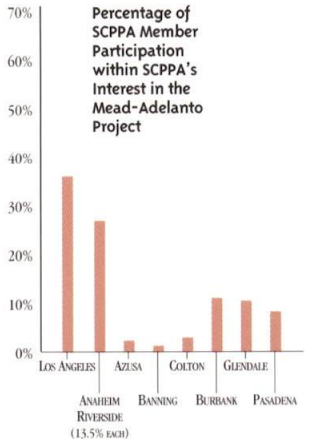
Vernon's 60-year-old Light and Power Department is a participant in two SCPPA projects, Palo Verde Nuclear Generating Station and the Hoover Uprating Project.

Mead-Phoenix The Mead-Phoenix Transmission Project will consist of a 256-mile 500-kV AC transmission line from the Westwing Substation near Phoenix through the Mead Substation near Boulder City, NV, and terminating at the new Marketplace Substation, also near Boulder City.



SCPPA's share in Mead-Phoenix is approximately 19 percent, and its share of construction costs is estimated to be $64 million. SCPPA's share will be funded from proceeds of the Multiple Project Revenue Bonds and secured by payments from participants on a "take or pay" basis under transmission service contracts. Construction is expected to start in the last quarter of 1993, with completion by the end of 1995.

Mead-Adelanto The Mead-Adelanto Transmission Project will consist of a 202-mile 500-kV AC transmission line between Adelanto Substation near Victorville, CA and the new Marketplace Substation near Boulder City. SCPPA's nearly 68 percent share of Mead-Adelanto is expected to cost approximately $186 million. SCPPA's share of Mead-Adelanto will also be funded from proceeds of the Multiple Project Revenue Bonds and secured by payments from participants on a "take-or-pay" basis under transmission service contracts.



The construction contract for the transmission line was awarded in April, 1993. Modifications to the Adelanto Substation will begin in late 1993, and work on the Marketplace Substation will begin in the first quarter of 1994. Commercial operation for the project is expected to be in December, 1995.

Adelanto-Lugo Transmission Project Certain members of SCPPA have executed a planning agreement among themselves that calls for detailed studies of the feasibility and costs of a 15- to 20-mile 500-kV AC transmission line between the Adelanto Substation and the Lugo Substation owned by Southern California Edison. If constructed, it is expected that SCPPA would own and finance a portion of the project on behalf of its participating members, who would purchase transmission service from SCPPA. M-S-R Public Power Agency and Western are also involved in the feasibility studies.

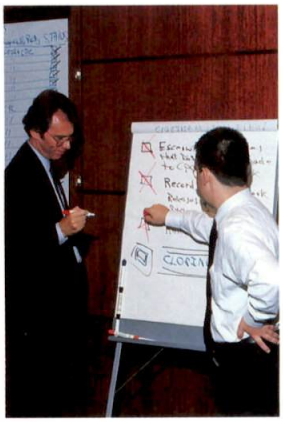
San Juan Unit 3 Project Through SCPPA, members took major strides in 1992-93 toward securing long-term, low-cost power supplies through the purchase of a share in the San Juan Generating Station in New Mexico from Century Power Corporation. The four units of the San Juan Generating Station were completed between 1976 and 1982, and have a combined net generating capacity of 1,614 megawatts.



Using SCPPA borrowing authority to finance the purchase, the five members — the cities of Azusa, Banning, Colton and Glendale, and the Imperial Irrigation District — paid $193 million for a 41.8 percent share (204 MW) of the station's coal-fired generating Unit 3 which began operation in December 1979.

The purchase will enable the participants to reduce their dependence on higher-cost power sources and stabilize future costs.





Representatives of SCPPA and its five member agencies met with representatives of the Century Power Corporation July 1, 1993, to close the purchase of an interest in the San Juan Generating Station Unit 3.

Report of Independent Accountants

September 2, 1993

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, 1993 and 1992, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Authority's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

In our opinion, the accompanying separate balance sheets and the related separate statements of cash flows of the Authority's Palo Verde Project, Southern Transmission System Project, Hoover Uprating Project, Mead-Phoenix Project, Mead-Adelanto Project, Multiple Project Fund and San Juan Project and the separate statements of operations of the Authority's Palo Verde Project, Southern Transmission System Project and Hoover Uprating Project present fairly, in all material respects, the financial position of each of the Projects at June 30, 1993, and their cash flows, and the results of operations of the Authority's Palo Verde Project, Southern Transmission System Project and Hoover Uprating Project for the year in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Authority's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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, 1993								
	Palo Verde Project	*Southern Transmission System Project*	*Hoover Uprating Project*	*Mead-Phoenix Project*	*Mead-Adelanto Project*	*Multiple Project Fund*	*San Juan Project*	*Total*	*June 30, 1992 Total*
ASSETS									
Utility plant:									
Production	$ 606,728							$ 606,728	$ 599,479
Transmission	14,140	$ 674,778						688,918	684,715
General	2,387	18,893						21,280	21,161
	623,255	693,671						1,316,926	1,305,355
Less - Accumulated depreciation	159,082	134,966						294,048	244,218
	464,173	558,705						1,022,878	1,061,137
Construction work in progress	10,453	1,236		$ 5,648	$ 19,910		$ 633	37,880	30,786
Nuclear fuel, at amortized cost	13,876							13,876	15,227
Net utility plant	488,502	559,941		5,648	19,910		633	1,074,634	1,107,150
Special funds:									
Decommissioning fund	51,178							51,178	48,040
Investments	151,087	150,779	$ 12,965	89,548	241,762	$ 243,856	225,382	1,115,379	887,978
Advance to Intermountain Power Agency		19,550						19,550	19,550
Advances for capacity and energy, net			14,319					14,319	14,360
Interest receivable	1,732	2,671	179	3,260	8,871	9,151		25,864	26,955
Cash and cash equivalents	35,463	26,996	1,399	5			10,000	73,863	100,493
Escrow account - Subordinate Refunding Crossover Series		365,757						365,757	
	239,460	565,753	28,862	92,813	250,633	253,007	235,382	1,665,910	1,097,376
Accounts receivable	1,885	868		13	1			2,767	3,883
Materials and supplies	10,060							10,060	13,008
Costs recoverable from future billings to participants	118,415	150,953	4,556					273,924	234,013
Unamortized debt expenses, less accumulated amortization of $87,907 and $84,441	234,146	171,390	3,599	2,246	6,167		3,833	421,381	390,448
	$ 1,092,468	$ 1,448,905	$ 37,017	$ 100,720	$ 276,711	$ 253,007	$ 239,848	$ 3,448,676	$ 2,845,878
LIABILITIES									
Long-term debt	$ 1,034,370	$ 1,037,741	$ 35,529	$ 96,395	$ 265,088	$ 240,989	$ 227,569	$ 2,937,681	$ 2,696,132
Subordinate Refunding Crossover Series		368,312						368,312	
Arbitrage rebate payable				942	2,484	3,762		7,188	6,012
Current liabilities:									
Long-term debt due within one year	19,825	10,290	905					31,020	29,840
Accrued interest	28,414	29,931	542	3,303	9,082	8,256	966	80,494	86,201
Accounts payable and accrued expenses	9,859	2,631	41	80	57		1,313	13,981	13,493
	58,098	42,852	1,488	3,383	9,139	8,256	2,279	125,495	129,534
Advances from participants							10,000	10,000	14,200
Commitments and contingencies									
	$ 1,092,468	$ 1,448,905	$ 37,017	$ 100,720	$ 276,711	$ 253,007	$ 239,848	$ 3,448,676	$ 2,845,878

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, 1993				
	Palo Verde Project	*Southern Transmission System Project*	*Hoover Uprating Project*	*Total*	*Year Ended June 30, 1992*
Operating revenues:					
Sales of electric energy	$ 124,914		$ 2,922	$ 127,836	$ 126,762
Sales of transmission services		$ 88,245		88,245	90,700
Total operating revenues	124,914	88,245	2,922	216,081	217,462
Operating expenses:					
Nuclear fuel	7,788			7,788	8,639
Other operations	28,561	11,062	2,117	41,740	43,334
Maintenance	7,673	3,010		10,683	11,153
Depreciation	19,046	19,575		38,621	38,277
Decommissioning	12,560			12,560	8,767
Reimbursement of capacity and energy charges			83	83	5,714
Total operating expenses	75,628	33,647	2,200	111,475	115,884
Operating income	49,286	54,598	722	104,606	101,578
Investment income	12,129	9,346	732	22,207	27,623
Income before debt expense	61,415	63,944	1,454	126,813	129,201
Debt expense	81,058	83,203	2,463	166,724	169,769
Costs recoverable from future billings to participants	($ 19,643)	($ 19,259)	($ 1,009)	($ 39,911)	($ 40,568)

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

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

	June 30, 1993								
	Palo Verde Project	*Southern Transmission System Project*	*Hoover Uprating Project*	*Mead-Phoenix Project*	*Mead-Adelanto Project*	*Multiple Project Fund*	*San Juan Project*	*Total*	*June 30, 1992 Total*
Cash flows from operating activities:									
Costs recoverable from future billings to participants	($ 19,643)	($ 19,259)	($ 1,009)					($ 39,911)	($ 40,568)
Adjustments to arrive at net cash provided by (used for) operating activities -									
Depreciation	19,046	19,575						38,621	38,277
Decommissioning	12,560							12,560	8,767
Amortization of nuclear fuel	7,788							7,788	7,329
Amortization of debt costs	14,478	10,148	292					24,918	24,491
Changes in assets and liabilities:									
Decommissioning fund	(3,138)							(3,138)	(2,721)
Interest receivable	(427)	471	55					99	746
Accounts receivable	405	724	1					1,130	2,982
Materials and supplies	2,948							2,948	(1,772)
Other assets	111	(22)	5					94	(67)
Accrued interest	(5,971)	(699)	(3)					(6,673)	(320)
Accounts payable and accrued expenses	(1,183)	274	(1)					(910)	2,720
Net cash provided by (used for) operating activities	26,974	11,212	(660)					37,526	39,864
Cash flows from investing activities:									
Interest received on investments				$ 1,657	$ 4,547	$ 37,991		44,195	44,377
Payments of interest on long-term debt				(1,651)	(4,540)	(35,088)		(41,279)	(41,281)
Payments for construction of facility	(13,364)	(1,145)		(5,322)	(19,688)			(39,519)	(16,300)
Payments for feasibility study									(174)
Purchases of investments	(148,259)	(89,450)	(10,680)	(97,384)	(267,782)	(2,904)	($225,382)	(841,841)	(265,342)
Proceeds from sale of investments	119,825	84,600	11,010	7,831	26,020	365,149		614,435	237,493
Advances for capacity and energy, net			41					41	1,040
Reimbursement from project manager				14,048				14,048	
Net cash (used for) provided by investing activities	(41,798)	(5,995)	371	(80,821)	(261,443)	365,148	(225,382)	(249,920)	(40,187)
Cash flows from capital and related financing activities:									
Proceeds from sale of bonds	353,142	381,994					226,667	961,803	144,820
Payment for defeasance of revenue bonds	(346,824)	(15,245)						(362,069)	(72,999)
Repayment of principal on long-term debt	(17,735)	(11,795)	(310)					(29,840)	(26,870)
Payment for bond issue costs	(4,100)	(104)		(2,303)	(6,332)		(1,285)	(14,124)	(2,397)
Transfer of funds from Multiple Project				97,373	267,775			365,148	
Transfer of funds to Mead-Phoenix						(267,775)		(267,775)	
Transfer of funds to Mead-Adelanto						(97,373)		(97,373)	
Repayment of advances from participants				(14,249)				(14,249)	
Advances from participants							10,000	10,000	152
Repayment of bank loan									(100)
Amount deposited in escrow accounts related to crossover bonds		(365,757)						(365,757)	(70,382)
Net cash (used for) provided by capital and related financing activities	(15,517)	(10,907)	(310)	80,821	261,443	(365,148)	235,382	185,764	(27,776)
Net (decrease) increase in cash and cash equivalents	(30,341)	(5,690)	(599)	—	—	—	10,000	(26,630)	(28,099)
Cash and cash equivalents at beginning of year	65,804	32,686	1,998	5	—	—	—	100,493	128,592
Cash and cash equivalents at end of year	$ 35,463	$ 26,996	$ 1,399	$ 5	$	$ —	$ 10,000	$ 73,863	$ 100,493
Supplemental disclosure of cash flow information:									
Cash paid during the year for interest (net of amount capitalized)	$ 68,099	$ 73,882	$ 2,174	$ —	$ —	$ —	$ —	$ 144,155	$ 145,594

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

NOTE 1 — Organization and Purpose:

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

The members have the following participation percentages in the Authority's interest in the projects at June 30, 1993:

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

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

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

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

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

Hoover Uprating Project — The Authority and six participants entered into an agreement dated as of March 1, 1986, pursuant to which each participant assigned its entitlement to capacity and associated firm energy to the Authority in return for the Authority's agreement to make advance payments to the United States Bureau of Reclamation (USBR) on behalf of such participants. 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 Uprating Project. All seventeen "uprated" generators of the Hoover Uprating Project have commenced commercial operations.

Mead-Phoenix Project — The Authority entered into an agreement dated as of December 17, 1991 to acquire an interest in the Mead-Phoenix Project, a transmission line extending between the Westwing substation in Arizona and the Marketplace substation in Nevada. The agreement provided the Authority with an 18.31% interest in the Westwing-Mead project component, a 17.76% interest in the Mead Substation project component and a 22.41% interest in the Mead-Marketplace project component. The Authority has entered into transmission service contracts for the entire capability of its interest with nine members of the Authority on a "take or pay" basis. The Authority will have two separate and independent ownership interests in this project: one interest for the Authority's members participating in the project, and one interest for Western Area Power Administration (WAPA), which will provide the funding for the WAPA interest. Construction will commence in the first quarter of 1994 with an estimated commercial operations commencement date of December 1995. The Authority's share, excluding WAPA's interest, of the construction costs is estimated to be $63.5 million and is obtained by transfer from the Multiple Project Fund.

Mead-Adelanto Project — The Authority entered into an agreement dated as of December 17, 1991 to acquire a 67.92% interest in the Mead-Adelanto Project, a transmission line extending between the Adelanto substation in Southern California and the Marketplace substation in Nevada. The Authority has entered into transmission service contracts for the entire capability of its interest with nine members of the Authority on a "take or pay" basis. The Authority will have two separate and independent ownership interests in this project: one interest for the Authority's members participating in the project, and one interest for WAPA, which will provide the funding for the WAPA interest. The Authority's share, excluding WAPA's interest, of the construction costs is expected to be $186.3 million and is obtained by transfer from the Multiple Project Fund. Modifications to the Adelanto substation will begin in the fourth quarter of 1993 and the construction of the Marketplace substation will begin in the first quarter of 1994. The estimated commercial operations date is December 1995. The LADWP serves as both construction and operations manager.

Multiple Project Fund — During fiscal year 1990, the Authority issued Multiple Project Revenue Bonds for net proceeds of approximately $600 million to provide funds to finance costs of construction and acquisition of ownership interests or capacity rights in one or more projects for the generation or transmission of electric energy which were expected to be undertaken within the next five years.

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

San Juan Project — The Authority, pursuant to an agreement dated as of March 25, 1993 with Century Power Corporation, purchased a 41.80% interest in the 488 megawatt Unit 3 and common facilities of the San Juan Generating Station, a four-unit coal-fired power generating station in New Mexico, for approximately $193 million. The purchase has been financed through the issuance of approximately $237 million (par value) of San Juan Project Revenue Bonds. The Authority has entered into power sales contracts for the entire capability of its interest with five members of the Authority on a "take or pay" basis.

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

The Authority's share of direct expenses of joint projects are included in the corresponding operating expense of the statement of operations.

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

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

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

Nuclear Decommissioning — Decommissioning of PVNGS is projected to commence subsequent to the year 2022. Based upon an updated study performed by an independent engineering firm, the Authority's share of the estimated decommissioning costs is $79.3 million in 1992 dollars, compared to the original estimate of $45.6 million 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 revised decommissioning cost estimate has increased the annual charges to expense from $8.8 million in 1992 to $12.6 million in 1993 and future years. The decommissioning liability is reflected as a component of accumulated depreciation and was $48.8 million and $36.2 million at June 30, 1993 and 1992, respectively.

A Decommissioning Fund has been established and partially funded at $51.2 million at June 30, 1993.

Unamortized Debt Expenses — Unamortized debt issue costs, including the loss on refundings, are amortized over the terms of the respective issues and are reported net of accumulated amortization. Total deferred loss on refundings, net of accumulated amortization, was $380,774,000 and $362,179,000 at June 30, 1993 and 1992, respectively.

Investments — Investments include United States Government and governmental agency securities and repurchase agreements which are collateralized by such securities. Additionally, the Mead-Adelanto Project, the Mead-Phoenix Project and the Multiple Project Fund's investments are comprised of an investment agreement with a financial institution earning a guaranteed rate of return. The Southern Transmission System Project has debt service reserve funds associated with the 1991 and 1992 Subordinate Refunding Series Bonds invested with a financial institution under a specific investment agreement allowed under the Bond Indenture earning a guaranteed rate of return. Investments are stated at amortized cost, which in general is not in excess of market. As discussed in Note 3, all of the investments are restricted as to their use.

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

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

Debt Expense — Debt expense includes interest on debt, and the amortization of bond discounts, debt issue and refunding costs.

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

NOTE 3 — Special Funds:

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

Fund	Purpose
Construction	To disburse funds for the acquisition and construction of the Project
Debt Service	To pay interest and principal related to the Revenue Bonds
Revenue	To initially receive all revenues and disburse them to other funds
Operating	To pay operating expenses
Reserve and Contingency	To pay capital improvements and make up deficiencies in other funds and accumulate funds for PVNGS decommissioning
General Reserve	To make up any deficiencies in other funds
Advance Payments	To disburse funds for the cost of acquisition of capacity
Proceeds Account	To initially receive the proceeds of the sale of the Multiple Project Revenue Bonds
Earnings Account	To receive investment earnings on the Multiple Project Revenue Bonds
Revolving Fund	To pay the Authority's operating expenses
Decommissioning Fund	To accumulate estimated future decommissioning costs of PVNGS
Issue Fund	To initially receive pledged revenues associated with the 1991 Subordinated Refunding Series' Indenture of Trust and pay the related interest and principal
Cost of Issuance Fund	To pay a portion of the costs of issuance of the 1992 Special Obligation Crossover Series Bonds
1993 Issue Fund	To initially receive pledged revenues associated with the 1993 Subordinated Refunding Series' Indenture of Trust and pay the related interest and principal
Escrow account – Subordinate Refunding Crossover Series	To initially receive pledged revenues associated with the components 1, 2 and 3 of the 1992 Subordinate Refunding Crossover Series' Indenture of Trust and pay the related interest and principal
Acquisition Account	To disburse funds for the acquisition and construction of the Mead-Phoenix, Mead-Adelanto and San Juan projects

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

Special funds, in thousands, were as follows:

	June 30,			
	1993		1992	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Palo Verde Project	$ 239,460	$ 244,574	$ 237,802	$ 241,190
Southern Transmission System Project	565,753	567,116	201,307	202,862
Hoover Uprating Project	28,862	29,038	29,887	29,929
Mead-Phoenix Project	92,813	92,813	5	5
Mead-Adelanto Project	250,633	250,633		
Multiple Project Fund	253,007	253,007	628,375	628,375
San Juan Project	235,382	235,382		
	$ 1,665,910	$ 1,672,563	$ 1,097,376	$ 1,102,361

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

	June 30,	
	1993	1992
Construction Fund –		
Initial Facilities Account	$ 13,333	$ 12,804
Debt Service Fund –		
Debt Service Account	48,102	55,091
Debt Service Reserve Account	80,888	90,696
Cost of Issuance Fund	27	28
Revenue Fund	2	1
Operating Fund	27,522	24,451
Reserve and Contingency Fund	7,041	6,638
Decommissioning Trust Fund	51,178	48,040
1993 Issue Fund		
Reserve Account	9,968	
Payment Account	1,346	
Revolving Fund	53	53
	$ 239,460	$ 237,802

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

	June 30,	
	1993	1992
Construction Fund –		
Initial Facilities Account	$ 76	$ 1,551
Debt Service Fund –		
Debt Service Account	37,913	40,026
Debt Service Reserve Account	89,879	90,031
Revenue Fund		3
Operating Fund	7,351	5,204
General Reserve Fund	10,335	11,520
Issue Fund	34,882	33,415
Escrow Account — Subordinate Refunding Crossover Series	365,757	
Revolving Fund	10	7
	$ 546,203	$ 181,757

At June 30, 1993 and 1992, the Authority had non-interest bearing advances outstanding to IPA of $19,550,000.

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

	June 30, 1993	1992
Advance Payments Fund	$ 9,502	$ 10,892
Operating-Working Capital Fund	573	571
Debt Service Fund –		
Debt Service Account	1,363	922
Debt Service Reserve Account	3,097	3,137
Revolving Fund	8	5
	$ 14,543	$ 15,527

At June 30, 1993 and 1992, the Authority had advances to USBR of $14,319,000 and $14,360,000, respectively.

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

	June 30, 1993	1992
Acquisition Account	$ 60,930	
Debt Service Fund –		
Debt Service Account	22,586	
Debt Service Reserve Fund	9,292	
Revolving Fund	5	$ 5
	$ 92,813	$ 5

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

	June 30, 1993
Acquisition Account	$162,968
Debt Service Fund –	
Debt Service Account	62,113
Debt Service Reserve Account	25,552
	$ 250,633

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

	June 30, 1993	1992
Multiple Project Fund –		
Proceeds Account	$ 251,690	$ 620,063
Earnings Account	1,317	8,312
	$ 253,007	$ 628,375

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

	June 30, 1993
Operating Reserve	$ 4,000
Acquisition Account	194,890
Debt Service Fund –	
Debt Service Account	966
Debt Service Reserve Account	18,026
Reserve and Contingency	7,500
	$ 225,382

At June 30, 1993, the Authority held in an escrow account advances from participants of $10,000,000.

NOTE 4 — Long Term Debt:

Reference is made below to the Combined Schedule of Long-Term Debt at June 30, 1993 for details related to all of the Authority's outstanding bonds.

Palo Verde Project — To finance the purchase and construction of the Authority's share of the Palo Verde Project, the Authority issued Power Project Revenue Bonds pursuant to the Authority's Indenture of Trust dated as of July 1, 1981 (Bond Indenture), as amended and supplemented.

The Bond Indenture provides that the Revenue Bonds shall be special, limited obligations of the Authority payable solely from and secured solely by (1) proceeds from the sale of bonds, (2) all revenues, incomes, rents and receipts attributable to the Palo Verde Project (see Note 6) and interest on all moneys or securities (other than in the Construction Fund) held pursuant to the Bond Indenture and (3) all funds established by the Bond Indenture (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 2003 (1986 Series A Bonds and 1987 Series A Bonds), 2005 (1989 Series A Bonds) and 2010 (1993 Series A Bonds). Scheduled principal maturities for the Palo Verde Project during the five fiscal years following June 30, 1993 are $19,825,000 in 1994, $22,425,000 in 1995, $23,855,000 in 1996, $25,580,000 in 1997 and $27,415,000 in 1998. The average interest rate on outstanding debt during fiscal years 1993 and 1992 was 6.4% and 6.7%, 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.

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 6) and interest on all moneys or securities (other than in the Construction Fund) held pursuant to the Bond Indenture and (3) all funds established by the Bond Indenture.

All outstanding Transmission Project Revenue 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 2003 (for the 1986 Series A Bonds), 2002 (1986 Series B Bonds) and 2007 (1988 Series A Bonds). Scheduled principal maturities for STS during the five fiscal years following June 30, 1993 are $10,290,000 in 1994, $13,955,000 in 1995, $16,840,000 in 1996, $20,000,000 in 1997 and $17,090,000 in 1998. The average interest rate on outstanding debt during fiscal years 1993 and 1992 was 6.3% and 6.9%, respectively.

Hoover Uprating Project — To finance advance payments to USBR for application to the costs of the Hoover Uprating Project, the

Authority issued Hydroelectric Power Project Revenue Bonds pursuant to the Authority's Indenture of Trust dated as of March 1, 1986 (Bond Indenture).

The Bond Indenture provides that the Revenue Bonds shall be special, limited obligations of the Authority payable solely from and secured solely by (1) the proceeds from the sale of the bonds, (2) all revenues from sales of energy to participants (see Note 6), (3) interest or other receipts derived from any moneys or securities held pursuant to the Bond Indenture and (4) all funds established by the 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 Uprating Project during the five fiscal years following June 30, 1993 are $905,000 in 1994, $965,000 in 1995, $1,025,000 in 1996, $1,085,000 in 1997 and $1,160,000 in 1998. The average interest rate on outstanding debt during fiscal years 1993 and 1992 was 5.9% and 6.3%, respectively.

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

Multiple Project Fund — To finance costs of construction and acquisition of ownership interests or capacity rights in one or more projects expected to be undertaken within the next five years, the Authority issued Multiple Project Revenue Bonds pursuant to the Authority's Indenture of Trust dated as of August 1, 1989 (Bond Indenture), as amended and supplemented.

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

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

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

The Bond Indenture requires mandatory sinking fund installments to be made beginning in fiscal year 2006 for the 1989 Series Bonds. The first scheduled principal maturity for the Multiple Project Revenue Bonds is $13,500,000 in 1999. The average interest rate on outstanding debt during fiscal 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 LADWP advanced $7,219,000 to the Authority for the payment of the costs. The advance plus 7.09% interest was repaid to the LADWP after the first transfer of bond proceeds by the Authority from the Multiple Project Fund to the Mead-Adelanto Project and the Mead-Phoenix Project.

Mead-Phoenix Project — Prior to fiscal year 1989, the Authority borrowed $14,148,000 to finance the feasibility study and development costs of the Mead-Phoenix Project. During fiscal year 1989, the participants advanced monies to the Authority to retire the note. During the fiscal year 1993, Salt River, project manager of the Mead-Phoenix Project, reimbursed the participants for their advances to the Authority.

In October 1992, $103,640,000 of the Multiple Project Revenue Bonds were transferred to the Mead-Phoenix Project to finance the Authority's ownership interest in the estimated cost of the project.

The Bond Indenture provides that the Revenue Bonds shall be special, limited obligations of the Authority payable solely from and secured solely by (1) proceeds from the sale of bonds, (2) all revenues, incomes, rents and receipts attributable to Mead-Phoenix (see Note 6) and interest on all moneys or securities and (3) all funds established by the Bond Indenture.

Mead-Adelanto Project — In October 1992, $285,010,000 of the Multiple Project Revenue Bonds were transferred to the Mead-Adelanto Project to finance the Authority's ownership interest in the estimated cost of the project.

The Bond Indenture provides that the Revenue Bonds shall be special, limited obligations of the Authority payable solely from and secured solely by (1) proceeds from the sale of bonds, (2) all revenues, incomes, rents and receipts attributable to Mead-Adelanto (see Note 6) and interest on all moneys or securities and (3) all funds established by the Bond Indenture.

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

The Bond Indenture provides that the Revenue Bonds shall be special, limited obligations of the Authority payable solely from and secured solely by (1) proceeds from the sale of bonds, (2) all revenues, incomes, rents and receipts attributable to San Juan (see Note 6) and interest on all moneys or securities and (3) all funds established by the Bond Indenture.

All outstanding San Juan Project Revenue 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 2012 for the 1993 Series A Bonds. The first scheduled principal maturity for the San Juan Project is $6,065,000 in 1997.

Refunding Bonds — In July 1992, the Authority issued $475,000,000 of Southern Transmission Project Revenue Bonds to refund $385,385,000 of previously issued bonds. Principal and interest with respect to the 1992 bonds are allocated into four separate components. Each of components 1, 2 and 3 is secured by and payable from investments in its escrow fund until scheduled crossover dates. Component 4 proceeds of $14,100,000 were used to advance refund approximately $9,000,000 of bonds in fiscal year

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINED SCHEDULE OF LONGTERM DEBT
AT JUNE 30, 1993
(In thousands)

PROJECT	*Series*	*Date of Sale*	*Effective Interest Rate*	*Maturity on July 1*	*Total*
Principal:					
Palo Verde Project Revenue and Refunding Bonds	1982B	11/12/82	7.7%	1993	$ 1,465
	1983A	04/08/83	8.8%	1993 to 1994	3,510
	1984A	07/18/84	10.3%	1993 to 1995	5,680
	1985A	05/22/85	8.7%	1993 to 1999	7,620
	1985B	07/02/85	9.1%	1993 to 2000	23,385
	1986A	03/13/86	8.2%	1993 to 2006	75,020
	1986B	12/16/86	7.2%	1993 to 2017	118,855
	1987A	02/11/87	6.9%	1993 to 2017	257,020
	1989A	02/15/89	7.2%	1993 to 2015	292,885
	1992	01/01/92	6.0%	1993 to 2010	28,860
	1993	03/01/93	5.5%	1994 to 2017	370,765
					1,185,065
Southern Transmission System Project Revenue and Refunding Bonds	1984A	02/09/84	9.3%	1993 to 1997	20,745
	1984B	10/17/84	10.2%	1993 to 1997	8,210
	1985A	08/15/85	8.9%	1993 to 1999	10,410
	1986A	03/18/86	8.0%	1993 to 2021	129,090
	1986B	04/29/86	7.5%	1993 to 2023	469,420
	1988A	11/22/88	7.2%	1993 to 2015	177,550
	1991	04/17/91	6.4%	2019	293,400
	1992 Comp 4	07/20/92	6.1%	1994 to 2021	17,229
	1992 Comp 1-3	07/20/92	6.1%	1994 to 2021	457,771
					1,583,825
Hoover Uprating Project Revenue and Refunding Bonds	1986A	08/13/86	8.1%	1993 to 2017	5,905
	1991	08/01/91	6.2%	1993 to 2017	35,385
					41,290
Multiple Project Revenue Bonds					
Mead-Phoenix Project	1989	01/04/90	6.9%	1999 to 2020	103,640
Mead-Adelanto Project	1989	01/04/90	6.9%	1999 to 2020	285,010
Multiple Project Fund	1989	01/04/90	6.9%	1999 to 2020	259,100
					647,750
San Juan Project Revenue Bonds	1993	06/01/93	5.6%	1997 to 2020	237,375
Total principal amount					3,695,305
Unamortized bond discount:					
Palo Verde Project					(130,870)
Southern Transmission System Project					(167,482)
Hoover Uprating Project					(4,856)
Mead-Phoenix Project					(7,245)
Mead-Adelanto Project					(19,922)
Multiple Project Fund					(18,111)
San Juan Project					(9,806)
Total unamortized bond discount					(358,292)
					3,337,013
Long-term debt due within one year					(31,020)
Total long-term debt, net					$ 3,305,993

Bonds which have been refunded are excluded from this schedule.

1993. Additionally, the proceeds from components 1, 2 and 3 of $371,522,000 were placed in an irrevocable trust and will be used to redeem $367,894,000 of bonds currently included within long-term debt at scheduled call dates. The combined refunding is expected to reduce total debt service payments over the next 25 years by approximately $52,585,000 and is expected to result in an overall net present value savings of approximately $25,060,000.

Until the bonds to be refunded by components 1, 2 and 3 are called, interest on the bonds is payable from interest earned on investments with a financial institution under a specific investment agreement purchased out of the proceeds of the sales and held in bank escrow accounts. After the monies in the escrow accounts are applied to redeem the bonds to be called, primarily through 1996, interest on the bonds will be payable from revenues. The trust account assets ($365,757,000 in escrow accounts and $2,555,000 in unamortized debt expense) and liabilities ($368,312,000, net of bond discounts) for components 1, 2 and 3 are included in the Authority's financial statements. The revenue bonds to be refunded are also included in the financial statements until the scheduled call dates, at which time the refunded bonds and related trust account assets will be removed from the balance sheet and the cost of refunding the debt will be included in unamortized debt expenses. Interest earnings on investments in the escrow accounts are presented net of an equal amount of interest expense on the Subordinate Refunding Crossover Series Bonds in the Authority's financial statements. In addition, interest receivable for the escrow accounts is offset by an equal amount of accrued interest payable at fiscal yearend.

In March 1993, the Authority issued $370,765,000 of Palo Verde Project Revenue Bonds to refund $341,025,000 of previously issued bonds. The refunding is expected to reduce total debt service payments over the next 20 years by approximately $52,378,000 and is expected to result in a net present value savings of approximately $26,964,000. In connection therewith, the net proceeds of the refunding bonds have been invested in securities of the United States Government, the principal and interest from which will be sufficient to fund the remaining principal, interest and call premium payments on the refunded bonds until the stated first call dates of the respective issues. Accordingly, all amounts related to the refunded bonds have been removed from the balance sheet and the cost of refunding the debt is included in unamortized debt expense.

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

Until the bonds to be refunded by the Palo Verde Special Obligation Crossover Series Bonds are called, interest on the Palo Verde Special Obligation Crossover Series Bonds is payable from interest earned on securities of the United States Government purchased out of the proceeds of the sales and held in bank escrow accounts. After the monies in the escrow accounts are applied to redeem the bonds to be called, primarily through 1996, interest on the Palo Verde Special Obligation Crossover Series Bonds will be payable from revenues. The trust account assets and the liability for the Palo Verde Special Obligation Crossover Series Bonds are not included in the Authority's financial statements. At June 30, 1993 and 1992, $72,975,000 and $72,394,000, respectively, of these trust assets have been offset against the Palo Verde Special Obligation Crossover Series Bonds.

At June 30, 1993 and 1992, the aggregate amount of debt considered to be extinguished was $2,919,555,000 and $2,525,005,000, respectively.

Revenue Bonds — In June 1993, the Authority issued $237,375,000 of San Juan Project Revenue Bonds to finance the purchases of Unit 3 of the San Juan Project from Century Power Corporation.

Interest Rate Swap — In fiscal year 1991, the Authority entered into an Interest Rate Swap agreement with a third party for the purpose of hedging against interest rate fluctuations arising from the issuance of the 1991 Transmission System 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 — Disclosures about Fair Value of Financial Instruments:

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

Cash and cash equivalents/Escrow account - Subordinate Refunding Crossover Series — The carrying value approximates fair value because of the short maturity of those instruments.

Investments/Decommissioning fund/Investment escrow accounts — The fair values of investments are estimated based on quoted market prices for those or similar investments.

Long-term debt/Special Obligation Crossover Series Bonds/Subordinate Refunding Crossover Series — The fair value of the Authority's debt is estimated based on the quoted market prices for the same or similar issues or on the current average rates offered to the Authority for debt of approximately the same remaining maturities, net of the effect of a related interest rate swap agreement.

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

	June 30, 1993	
	Carrying Amount	Fair Value
Cash and cash equivalents	$ 73,863	$ 73,900
Escrow account - Subordinate Refunding Crossover Series	365,757	365,800
Decommissioning fund	51,178	53,900
Investments	1,115,379	1,118,900
Long-term debt	2,968,701	3,398,500
Subordinate Refunding Crossover Series	368,312	403,300
Unrecognized financial instruments:		
Special Obligation Crossover Series Bonds	70,680	72,700
Investment escrow accounts	72,975	75,800

NOTE 6 — Power Sales and Transmission Service Contracts:
The Authority has power sales contracts with ten participants of the Palo Verde Project (see Note 1). Under the terms of the contracts, the participants are entitled to power output from the Palo Verde Nuclear Generating Station and are obligated to make payments on a "take or pay" basis for their proportionate share of operating and maintenance expenses and debt service on Power Project Revenue Bonds and other debt. The contracts expire in 2030 and, as long as any Power Project Revenue Bonds are outstanding, cannot be terminated or amended in any manner which will impair or adversely affect the rights of the bondholders.

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

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

In August 1992, the Authority entered into transmission service contracts with nine participants of the Mead-Phoenix Project (see Note 1). Under the terms of the contracts, the participants are entitled to transmission service utilizing the Mead-Phoenix Project and are obligated to make payments on a "take or pay" basis for their proportionate share of operating and maintenance expenses and debt service on the Multiple Project Revenue Bonds and other debt, whether or not the Mead-Phoenix Project or any part thereof has been completed, is operating and operable, or its service is suspended, interfered with, reduced or curtailed or terminated in whole or in part. The contracts expire in 2030 and, as long as any Multiple Project Revenue Bonds are outstanding, cannot be terminated or amended in any manner which will impair or adversely affect the rights of the bondholders.

In August 1992, the Authority entered into transmission service contracts with nine participants of the Mead-Adelanto Project (see Note 1). Under the terms of the contracts, the participants are entitled to transmission service utilizing the Mead-Adelanto Project and are obligated to make payments on a "take or pay" basis for their proportionate share of operating and maintenance expenses and debt service on the Multiple Project Revenue Bonds and other debt, whether or not the Mead-Adelanto Project or any part thereof has been completed, is operating and operable, or its service is suspended, interfered with, reduced or curtailed or terminated in whole or in part. The contracts expire in 2030 and, as long as any Multiple Project Revenue Bonds are outstanding, cannot be terminated or amended in any manner which will impair or adversely affect the rights of the bondholders.

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

NOTE 7 — Costs Recoverable from Future Billings to Participants:
Billings to participants are designed to recover "costs" as defined by the power sales and transmission service agreements. The billings are structured to systematically provide for debt service requirements, operating funds and reserves in accordance with these agreements. Those expenses, according to generally accepted accounting principles (GAAP), which are not included as "costs" are deferred to such periods as they are intended to be recovered through billings for the repayment of principal on related debt.

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

	Balance June 30, 1992	Fiscal 1993 Activity	Balance June 30, 1993
GAAP items not included in billings to participants:			
Depreciation of plant	$ 213,635	$ 38,621	$ 252,256
Amortization of bond discount, debt issue costs, and cost of refunding	123,730	24,918	148,648
Nuclear fuel amortization	13,949	1,614	15,563
Decommissioning expense	29,647	12,560	42,207
Interest expense	5,861	(751)	5,110
Bond requirements included in billings to participants:			
Operations and maintenance, net of investment income	(44,530)	(973)	(45,503)
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	(116,890)	(30,115)	(147,005)
Other	(14,038)	(5,963)	(20,001)
	$ 234,013	$ 39,911	$ 273,924

NOTE 8 — 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.

Palo Verde — Under the Palo Verde Nuclear Generating Station ("PVNGS") Participation Agreement, if an owner defaults in the performance of its obligation, non-defaulting owners shall (in proportion to their generation entitlement shares) remedy the default, either by advancing the necessary funds and/or commencing to render the necessary performance. On January 8, 1992, an owner of a portion of PVNGS filed for protection under Chapter 11 of the Federal Bankruptcy Code in the United States Bankruptcy Court. Subsequent to the Chapter 11 filing, the owner is under a court order to continue making payments to PVNGS. Pre-petition general unsecured claims that remain unpaid are approximately $9.3 million. The Authority is unable to predict (i) how long the Bankruptcy court order will continue to remain in effect, (ii) the impact the Chapter 11 proceedings will have on the owner's performance of obligations with respect to PVNGS generally, or (iii) what costs will be incurred by the Authority and the other owners of PVNGS if the owner fails to perform obligations with respect to PVNGS.

NOTE 9 — Subsequent Events (Unaudited):
Refunding — In July 1993, the Authority entered into a transaction to issue $150,010,000 of Transmission Project Revenue Refunding Bonds to refund $123,890,000 of previously issued bonds of the Southern Transmission System Project. The refunding is expected to reduce total debt service payments over the next 30 years by approximately $16,947,000 (the difference between the debt service payments on the old and new debt) and is expected to result in an overall net present value savings of approximately $7,478,000.

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

	June 30, 1993	June 30, 1992
ASSETS		
Utility plant:		
Production	$ 606,728	$ 599,479
Transmission	14,140	14,188
General	2,387	2,268
	623,255	615,935
Less - Accumulated depreciation	159,082	128,827
	464,173	487,108
Construction work in progress	10,453	12,197
Nuclear fuel, at amortized cost	13,876	15,227
Net utility plant	488,502	514,532
Special funds:		
Decommissioning fund	51,178	48,040
Investments	151,087	122,653
Interest receivable	1,732	1,305
Cash and cash equivalents	35,463	65,804
	239,460	237,802
Accounts receivable	1,885	2,290
Materials and supplies	10,060	13,008
Costs recoverable from future billings to participants	118,415	98,772
Unamortized debt expenses, less accumulated amortization of $47,672 and $50,386	234,146	209,190
	$ 1,092,468	$ 1,075,594
LIABILITIES		
Long-term debt	$ 1,034,370	$ 1,012,432
Current liabilities:		
Long-term debt due within one year	19,825	17,735
Accrued interest	28,414	34,385
Accounts payable and accrued expenses	9,859	11,042
	58,098	63,162
Commitments and contingencies		
	$ 1,092,468	$ 1,075,594

See notes to financial statements.

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

	Year Ended June 30, 1993	Year Ended June 30, 1992
Operating revenue:		
Sales of electric energy	$ 124,914	$ 123,031
Operating expenses:		
Nuclear fuel	7,788	8,639
Other operations	28,561	28,787
Maintenance	7,673	7,267
Depreciation	19,046	18,739
Decommissioning	12,560	8,767
Total operating expenses	75,628	72,199
Operating income	49,286	50,832
Investment income	12,129	15,167
Income before debt expense	61,415	65,999
Debt expense	81,058	82,715
Costs recoverable from future billings to participants	($ 19,643)	($ 16,716)

See notes to financial statements.

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

	Year Ended June 30,	
	1993	*1992*
Cash flows from operating activities:		
Costs recoverable from future billings to participants	($ 19,643)	($ 16,716)
Adjustments to arrive at net cash provided by (used for) operating activities -		
Depreciation	19,046	18,739
Decommissioning	12,560	8,767
Amortization of nuclear fuel	7,788	7,329
Amortization of debt costs	14,478	13,189
Changes in assets and liabilities:		
Decommissioning fund	(3,138)	(2,721)
Interest receivable	(427)	1,222
Accounts receivable	405	2,226
Materials and supplies	2,948	(1,772)
Other assets	111	(11)
Accrued interest	(5,971)	(1,259)
Accounts payable and accrued expenses	(1,183)	4,310
Net cash provided by operating activities	26,974	33,303
Cash flows from investing activities:		
Payments for construction of facility	(13,364)	(13,048)
Purchases of investments	(148,259)	(133,966)
Proceeds from sale of investments	119,825	128,163
Net cash used for investing activities	(41,798)	(18,851)
Cash flows from capital and related financing activities:		
Proceeds from sale of bonds	353,142	114,133
Payment for defeasance of revenue bonds	(346,824)	(42,245)
Repayments of principal on long-term debt	(17,735)	(16,325)
Payment for bond issue costs	(4,100)	(1,830)
Amount deposited in escrow accounts and offset against refunding bonds		(70,382)
Net cash used for capital and related financing activities	(15,517)	(16,649)
Net decrease in cash and cash equivalents	(30,341)	(2,197)
Cash and cash equivalents at beginning of year	65,804	68,001
Cash and cash equivalents at end of year	$ 35,463	$ 65,804
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest (net of amount capitalized)	$ 68,099	$ 70,781

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, 1993
(In thousands)

	Construction Fund Initial Facilities Account	*Debt Service Fund*	*Cost of Issuance Fund*	*Revenue Fund*	*Operating Fund*	*Reserve & Contingency Fund*	*1993 Issue Fund*	*Decommissioning Funds I & II*	*Total*
Balance at June 30, 1992	$ 12,688	$ 142,294	$ 29	$ —	$ 24,402	$ 6,556	$ —	$ 48,118	$ 234,087
Additions:									
Bond proceeds	1,398	1,133					9,820		12,351
Investment earnings	554	9,242	1	42	972	287		2,950	14,048
Distribution of investment earnings		(8,965)	(1)	10,163	(910)	(287)			
Revenue from power sales				123,719					123,719
Distribution of revenues		77,913		(128,429)	43,516	5,654	1,346		
Other income					77	10			87
Transfer for principal and interest payments		536,019							536,019
Other		(7,799)		(5,495)					(13,294)
Total	1,952	607,543	—	—	43,655	5,664	11,166	2,950	672,930
Deductions:									
Bond issue costs	1,183		2						1,185
Construction expenditures	276					5,255			5,531
Operating expenditures					32,820				32,820
Fuel costs					7,910				7,910
Payment of principal		17,735							17,735
Interest paid		68,099							68,099
Payment of principal and interest on escrow bonds		536,019							536,019
Interest paid on investment purchases	16	319			83	3		57	478
Miscellaneous								8	28
Total	1,475	622,172	2	—	40,813	5,258	—	65	669,785
Balance at June 30, 1993	$ 13,165	$ 127,665	$ 27	($ —)	$ 27,244	$ 6,962	$ 11,166	$ 51,003	$ 237,232

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 $1,732 and $1,305 and Decommissioning Fund accrued interest receivable of $396 and $426 at June 30, 1993 and 1992, respectively, nor do they include total amortized net investment discounts of $100 and $1,984 at June 30, 1993 and 1992, respectively.

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

	June 30, 1993	June 30, 1992
ASSETS		
Utility plant:		
Transmission	$ 674,778	$ 670,527
General	18,893	18,893
	693,671	689,420
Less - Accumulated depreciation	134,966	115,391
	558,705	574,029
Construction work in progress	1,236	4,342
Net utility plant	559,941	578,371
Special funds:		
Investments	150,779	145,929
Advance to Intermountain Power Agency	19,550	19,550
Interest receivable	2,671	3,142
Cash and cash equivalents	26,996	32,686
Escrow account - Subordinate Refunding Crossover Series	365,757	
	565,753	201,307
Accounts receivable	868	1,592
Costs recoverable from future billings to participants	150,953	131,694
Unamortized debt expenses, less accumulated amortization of $39,515 and $33,771	171,390	177,445
	$ 1,448,905	$ 1,090,409
LIABILITIES		
Long-term debt	$ 1,037,741	1,045,627
Subordinate Refunding Crossover Series	368,312	
Current liabilities:		
Long-term debt due within one year	10,290	11,795
Accrued interest	29,931	30,630
Accounts payable and accrued expenses	2,631	2,357
	42,852	44,782
Commitments and contingencies		
	$ 1,448,905	$ 1,090,409

See notes to financial statements.

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

	Year Ended June 30, 1993	1992
Operating revenue:		
Sales of transmission services	$ 88,245	$ 90,700
Operating expenses:		
Other operations	11,062	12,574
Maintenance	3,010	3,886
Depreciation	19,575	19,538
Total operating expenses	33,647	35,998
Operating income	54,598	54,702
Investment income	9,346	11,202
Income before debt expense	63,944	65,904
Debt expense	83,203	84,573
Costs recoverable from future billings to participants	($ 19,259)	($ 18,669)

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, 1993	Year Ended June 30, 1992
Cash flows from operating activities:		
Costs recoverable from future billings to participants	($ 19,259)	($ 18,669)
Adjustments to arrive at net cash provided by (used for) operating activities -		
Depreciation	19,575	19,538
Amortization of debt costs	10,148	11,042
Changes in assets and liabilities:		
Interest receivable	471	(450)
Accounts receivable	724	752
Other assets	(22)	(53)
Accrued interest	(699)	1,083
Accounts payable and accrued expenses	274	(1,575)
Net cash provided by operating activities	11,212	11,668
Cash flows from investing activities:		
Payments for construction of facility	(1,145)	(3,252)
Purchases of investments	(89,450)	(106,041)
Proceeds from sale of investments	84,600	87,600
Net cash used for investing activities	(5,995)	(21,693)
Cash flows from capital and related financing activities:		
Proceeds from sale of bonds	381,994	
Payment for defeasance of revenue bonds	(15,245)	
Repayment of principal on long-term debt	(11,795)	(10,545)
Payment for bond issue costs	(104)	
Amount deposited in escrow accounts related to crossover bonds	(365,757)	
Net cash used for capital and related financing activities	(10,907)	(10,545)
Net decrease in cash and cash equivalents	(5,690)	(20,570)
Cash and cash equivalents at beginning of year	32,686	53,256
Cash and cash equivalents at end of year	$ 26,996	$ 32,686
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest (net of amount capitalized)	$ 73,882	$ 72,448

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, 1993
(In thousands)

	Construction Fund Initial Facilities Account	*Debt Service Fund*	*Revenue Fund*	*Operating Fund*	*General Reserve Fund*	*Issue Fund*	*Escrow Fund*	*Total*
Balance at June 30, 1992	$ 1,549	$127,446	$ —	$ 5,214	$ 11,468	$ 33,228	$ —	$178,905
Additions:								
Bond Proceeds						1,979	396,934	398,913
Investment earnings	23	7,073	100	198	793	2,531		10,718
Distribution of investment earnings		(6,201)	9,391	(199)	(564)	(2,427)		
Revenue from transmission sales			87,729					87,729
Distribution of revenue		62,710	(97,204)	14,329	20,165			
Transfer for interest payment		116,411				2,502	(32,229)	86,684
Other		16	(16)		(21,419)	29,669		8,250
Total	23	180,009	—	14,328	(1,025)	34,254	364,705	592,294
Deductions:								
Payments-in-aid of construction	1,152			1,329				2,481
Operating expenditures				10,874		15		10,889
Payment of principal		11,295						11,295
Interest paid		169,689				32,022	102	201,813
Premium and interest paid on investment purchases		692			167			859
Other	344	217				770		1,331
Total	1,496	181,893	—	12,203	167	32,807	102	228,668
Balance at June 30, 1993	$ 76	$125,562	$ —	$ 7,339	$ 10,276	$ 34,675	$364,603	$542,531

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable of $2,671 and $3,142 at June 30, 1993 and 1992, respectively, nor do they include total amortized net investment discount of $1,001 and investment premium of $290 at June 30, 1993 and 1992, respectively.

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

	June 30, 1993	June 30, 1992
ASSETS		
Special funds:		
Investments	$ 12,965	$ 13,295
Advances for capacity and energy, net	14,319	14,360
Interest receivable	179	234
Cash and cash equivalents	1,399	1,998
	28,862	29,887
Accounts receivable		1
Costs recoverable from future billings to participants	4,556	3,547
Unamortized debt expenses, less accumulated amortization of $487 and $284	3,599	3,813
	$ 37,017	$ 37,248
LIABILITIES		
Long-term debt	$ 35,529	$ 36,351
Current liabilities:		
Long-term debt due within one year	905	310
Accrued interest	542	545
Accounts payable and accrued expenses	41	42
	1,488	897
Commitments and contingencies		
	$ 37,017	$ 37,248

See notes to financial statements.

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

	Year Ended June 30, 1993	Year Ended June 30, 1992
Operating revenue:		
Sales of electric energy	$ 2,922	$ 3,731
Operating expenses:		
Capacity charges	1,130	967
Energy charges	697	686
Other operations	290	320
Reimbursement of advances for capacity and energy	83	5,714
Total operating expenses	2,200	7,687
Operating income	722	(3,956)
Investment income	732	1,254
Income before debt expense	1,454	(2,702)
Debt expense	2,463	2,481
Costs recoverable from future billings to participants	($ 1,009)	($ 5,183)

See notes to financial statements.

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

	Year Ended June 30,	
	1993	*1992*
Cash flows from operating activities:		
Costs recoverable from future billings to participants	($ 1,009)	($ 5,183)
Adjustments to arrive at net cash used for operating activities -		
Amortization of debt costs	292	260
Changes in assets and liabilities:		
Interest receivable	55	(26)
Accounts receivable	1	4
Other assets	5	(3)
Accrued interest	(3)	(144)
Accounts payable and accrued expenses	(1)	(15)
Net cash used for operating activities	(660)	(5,107)
Cash flows from investing activities:		
Purchases of investments	(10,680)	(22,239)
Proceeds from sale of investments	11,010	21,634
Advances for capacity and energy, net	41	1,040
Net cash provided by investing activities	371	435
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)
Repayment of principal on long-term debt	(310)	
Net cash used for capital and related financing activities	(310)	(634)
Net decrease in cash and cash equivalents	(599)	(5,306)
Cash and cash equivalents at beginning of year	1,998	7,304
Cash and cash equivalents at end of year	$ 1,399	$ 1,998
Supplemental disclosure of cash flow information:		
Cash paid during year for interest (net of amount capitalized)	$ 2,174	$ 2,365

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, 1993
(In thousands)

	Advance Payments Fund	*Interim Advance Payments Fund*	*Revenue Fund*	*Operating Working Capital Fund*	*Debt Service Account*	*Debt Service Reserve Account*	*Total*
Balance at June 30, 1992	$ 10,103	$ 748	$ —	$ 559	$ 920	$ 3,082	$ 15,412
Additions:							
Investment earnings	740	16	1	31	10	77	875
Discount on investment purchases	82	14			14	128	238
Distribution of investment earnings	261	(30)	(1)	(30)	(24)	(176)	
Revenue from power sales			2,922				2,922
Distribution of revenues			(2,922)		2,922		
Transfer of investments	(1,496)	1,496					
Transfer for interest payment					2,318		2,318
Miscellaneous transfers	(186)	186					
Total	(599)	1,682	—	1	5,240	29	6,353
Deductions:							
Advances for capacity and energy		1,869					1,869
Administrative expenditures	284						284
Interest paid					4,493		4,493
Premium and interest paid on investment purchases	405					28	433
Payment of principal					310		310
Total	689	1,869	—	—	4,803	28	7,389
Balance at June 30, 1993	$ 8,815	$ 561	$ —	$ 560	$ 1,357	$ 3,083	$ 14,376

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 $179 and $234 at June 30, 1993 and 1992, respectively, nor do they include total amortized net investment premiums of $12 and $119 at June 30, 1993 and 1992, respectively.

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

	June 30, 1993	June 30, 1992
ASSETS		
Utility plant:		
Construction work in progress	$ 5,648	$ 14,247
Special funds:		
Investments	89,548	
Interest receivable	3,260	
Cash	5	5
	92,813	5
Accounts receivable	13	
Unamortized debt expenses, less accumulated amortization of $62	2,246	
	$ 100,720	$ 14,252
LIABILITIES		
Long-term debt	$ 96,395	
Arbitrage rebate payable	942	
Current liabilities:		
Accrued interest	3,303	
Accounts payable	80	$ 52
Total current liabilities	3,383	52
Advances from participants		14,200
Commitments and contingencies		
	$ 100,720	$ 14,252

See notes to financial statements.

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

	Year Ended June 30, 1993	Year Ended June 30, 1992
Cash flows from operating activities	$ —	$ —
Cash flows from investing activities:		
Interest received on investments	1,657	
Payment of interest on long-term debt	(1,651)	
Payments for construction of facility	(5,322)	
Payments for feasibility study		(174)
Purchases of investments	(97,384)	
Proceeds from sale of investments	7,831	96
Reimbursement from project manager	14,048	
Net cash used for investing activities	(80,821)	(78)
Cash flows from capital and related financing activities:		
Payment for bond issue costs	(2,303)	
Transfer of funds from Multiple Project Fund	97,373	
Repayment of advances from participants	(14,249)	
Proceeds from advances from participants		152
Repayment of bank loan		(100)
Net cash provided by capital and related financing activities	80,821	52
Net increase (decrease) in cash and cash equivalents	—	(26)
Cash and cash equivalents at beginning of year	5	31
Cash and cash equivalents at end of year	$ 5	$ 5

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
MEAD-PHOENIX PROJECT
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE
YEAR ENDED JUNE 30, 1993
(In thousands)

	Acquisition Account	*Debt Service Account*	*Debt Service Reserve Account*	*Total*
Balance at June 30, 1992	$ —	$ —	$ —	$ —
Additions:				
Transfer from Multiple Project Fund	65,486	23,086	8,801	97,373
Investment earnings	1,097	398	162	1,657
Reimbursements of participants' advances from project manager	14,048			14,048
Total	80,631	23,484	8,963	113,078
Deductions:				
Construction expenditures	5,322			5,322
Interest paid		1,651		1,651
Repayment of participants' advances	14,249			14,249
Bond issue costs	2,303			2,303
Total	21,874	1,651	—	23,525
Balance at June 30, 1993	$ 58,757	$ 21,833	$ 8,963	$ 89,553

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 $3,260 at June 30, 1993.

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

	June 30, 1993
ASSETS	
Utility plant:	
Construction work in progress	$ 19,910
Special funds:	
Investments	241,762
Interest receivable	8,871
	250,633
Accounts receivable	1
Unamortized debt expenses, less accumulated amortization of $171	6,167
	$ 276,711
LIABILITIES	
Long-term debt	$ 265,088
Arbitrage rebate payable	2,484
Current liabilities:	
Accrued interest	9,082
Accounts payable	57
Total current liabilities	9,139
Commitments and contingencies	
	$ 276,711

See notes to financial statements.

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

	Year Ended June 30, 1993
Cash flows from operating activities	$ —
Cash flows from investing activities:	
Interest received on investments	4,547
Payments of interest on long-term debt	(4,540)
Payments for construction of facility	(19,688)
Purchases of investments	(267,782)
Proceeds from sale of investments	26,020
Net cash used for investing activities	(261,443)
Cash flows from capital and related financing activities:	
Payment for bond issue costs	(6,332)
Transfer of funds from Multiple Project Fund	267,775
Net cash provided by capital and related financing activities	261,443
Net increase in cash and cash equivalents	$ —

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
MEAD-ADELANTO PROJECT
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE
YEAR ENDED JUNE 30, 1993
(In thousands)

	Acquisition Account	*Debt Service Account*	*Debt Service Revenue Account*	*Total*
Balance at June 30, 1992	$ —	$ —	$ —	$ —
Additions:				
Transfer from Multiple Project Fund	180,087	63,486	24,202	267,775
Investment earnings	3,005	1,097	445	4,547
Total	183,092	64,583	24,647	272,322
Deductions				
Construction expenditures	19,688			19,688
Interest paid		4,540		4,540
Bond issue costs	6,332			6,332
Total	26,020	4,540	—	30,560
Balance at June 30, 1993	$ 157,072	$ 60,043	$ 24,647	$ 241,762

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 $8,871 at June 30, 1993.

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

	June 30, 1993	June 30, 1992
ASSETS		
Special funds:		
Investments	$ 243,856	$ 606,101
Interest receivable	9,151	22,274
	$ 253,007	$ 628,375
LIABILITIES		
Long-term debt	$ 240,989	$ 601,722
Arbitrage rebate payable	3,762	6,012
Current liabilities:		
Accrued interest	8,256	20,641
Commitments and contingencies		
	$ 253,007	$ 628,375

See notes to financial statements.

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

	Year Ended June 30, 1993	Year Ended June 30, 1992
Cash flows from operating activities	$ —	$ —
Cash flows from investing activities:		
Interest received on investments	37,991	44,377
Payments of interest on long-term debt	(35,088)	(41,281)
Purchases of investments	(2,904)	(3,096)
Proceeds from sale of investments	365,149	
Net cash provided by investing activities	365,148	—
Cash flows from capital and related financing activities:		
Transfer of funds to Mead-Adelanto Project	(267,775)	
Transfer of funds to Mead-Phoenix Project	(97,373)	
Net cash used for capital and financing activities	(365,148)	—
Net increase in cash and cash equivalents	$ —	$ —

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
MULTIPLE PROJECT FUND
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE
YEAR ENDED JUNE 30, 1993
(In thousands)

	Proceeds Account	*Debt Service Account*	*Earnings Account*	*Total*
Balance at June 30, 1992	$ 600,012	$ —	$ 6,089	$ 606,101
Additions:				
Investment earnings	37,627		364	37,991
Transfer to earnings account	(37,627)		37,627	
Transfer to debt service account		35,088	(35,088)	
Total	—	35,088	2,903	37,991
Deductions:				
Interest paid		35,088		35,088
Transfer to Mead-Phoenix Project	89,650		7,723	97,373
Transfer to Mead-Adelanto Project	267,775			267,775
Total	357,425	35,088	7,723	400,236
Balance at June 30, 1993	$ 242,587	$ —	$ 1,269	$ 243,856

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable of $9,151 and $22,274 at June 30, 1993 and 1992, respectively.

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

	June 30, 1993
ASSETS	
Utility plant	
Construction work in process	$ 633
Special funds:	
Investments	225,382
Cash in escrow	10,000
	235,382
Unamortized debt expenses	3,833
Total assets	$ 239,848
LIABILITIES	
Long-term debt	$ 227,569
Current liabilities	
Accrued interest	966
Accounts payable	1,313
Total current liabilities	2,279
Advances from participants	10,000
Commitments and contingencies	
Total liabilities	$ 239,848

See notes to financial statements.

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

	Year Ended June 30, 1993
Cash flows from operating activities:	$ —
Cash flows from investing activities:	
Purchases of investments	(225,382)
Net cash used for investing activities	(225,382)
Cash flows from capital and related financing activities:	
Proceeds from sale of bonds	226,667
Payment of bond issue costs	(1,285)
Advances from participants	10,000
Net cash provided by capital and related financing activities	235,382
Net increase in cash in escrow	10,000
Cash in escrow at beginning of period	—
Cash in escrow at end of period	$ 10,000

See notes to financial statements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
SAN JUAN PROJECT
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE
YEAR ENDED JUNE 30, 1993
(In thousands)

	Project Fund	*Reserve & Revenue Contingency*	*Operating Reserve*	*Debt Service Reserve*	*Debt Service*	*Total*
Balance at June 30, 1992	$ —	$ —	$ —	$ —	$ —	$ —
Additions:						
Bond proceeds	196,176	7,500	4,000	18,025	966	226,667
	196,176	7,500	4,000	18,025	966	226,667
Deductions:						
Bond issue costs	1,285					1,285
	1,285	—	—	—	—	1,285
Balance at June 30, 1993	$ 194,891	$ 7,500	$ 4,000	$ 18,025	$ 966	$ 225,382

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.



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