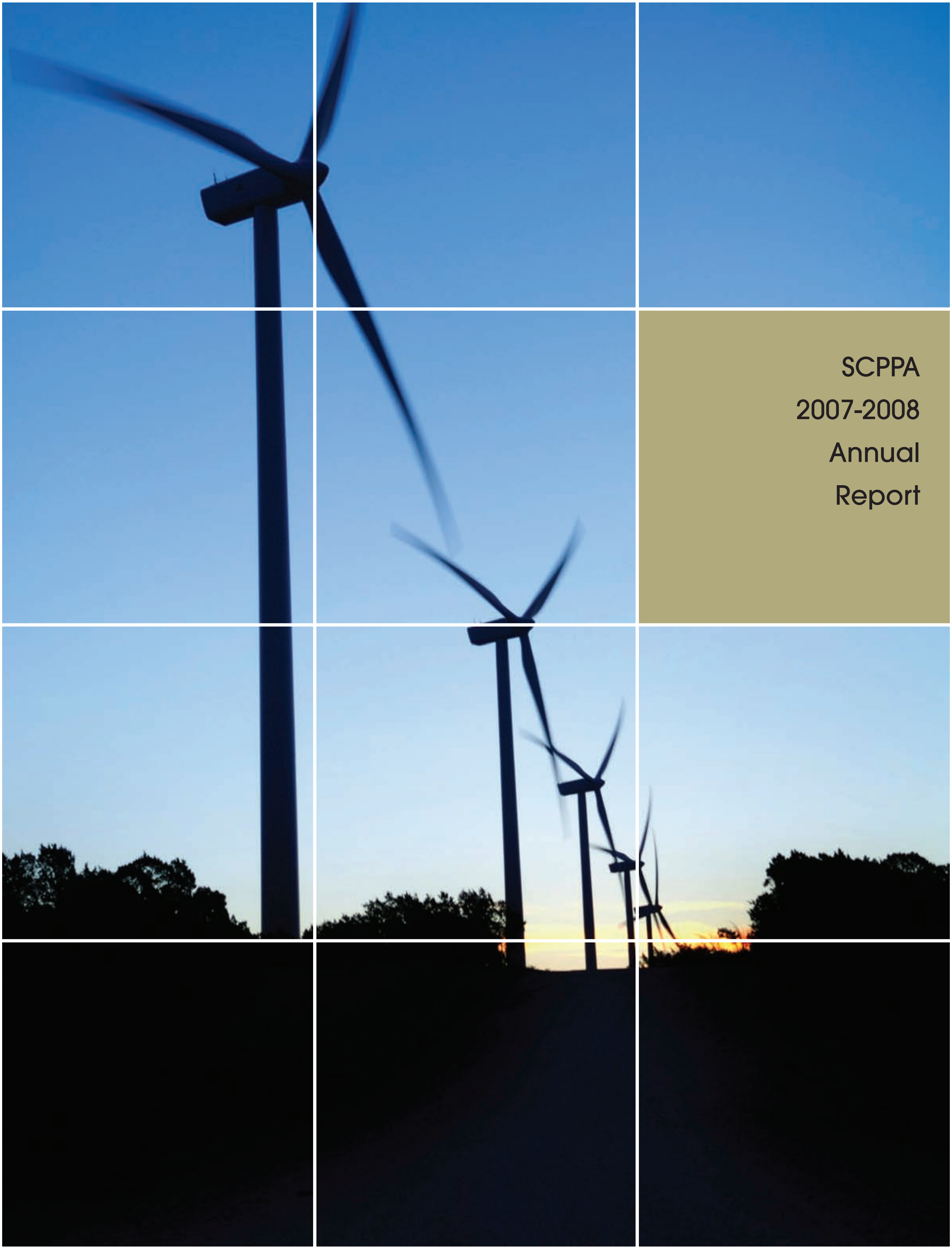

SCPPA 2007-2008 Annual Report


Pinedale Natural
Gas Reserves Project
WYOMING
Salt
Lake
City
NEVADA
Lake Tahoe
Intermountain
Converter
Station
CALIFORNIA
UTAH
Southern
Transmission
System
Las Vegas
Mead-Adelanto
Project
Adelanto
Converter Station
500 KV AC
Hoover
500 KV AC
Adelanto
Substation
Mead 500KV
Substation
ARIZONA
San Juan Unit 3
Farmington
Burbank
Ormat Geothermal
Pasadena
Glendale
Los Angeles
Vernon
Cerritos
Anaheim
Azusa
Banning
Imperial Irrigation
District
Colton
Riverside
Mead-Phoenix
Project
Phoenix
Westwing Station
Palo Verde
NEW MEXICO
Barnett Natural
Gas Reserves Project
TEXAS
Southern Transmission
System Project
Mead-Phoenix
Transmission Project
Mead-Adelanto
Transmission Project
Palo Verde Nuclear
Generating Station
Hoover Uprating Project
San Juan Generating Station
Magnolia Power Project
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Pinedale Natural Gas Reserves Project
Barnett Natural Gas Reserves Project
Member Agencies

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Southern California Public Power Authority (SCPPA), with headquarters in Pasadena California, is a joint powers agency comprising eleven municipal utilities and one irrigation district. SCPPA's members consist of the municipal utilities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, Vernon, and the Imperial Irrigation District. Together they deliver electricity to over six million people in the southern California basin, spanning an area of 7,000 square miles. Formed in 1980, SCPPA was created for the purpose of providing joint financing, construction and operation of transmission and generation projects. Today, SCPPA fulfills a broad range of services for its members by providing effective forums of collaboration though committees such as Customer Service, Finance, Public Benefit programs, Resource Planning, Risk Management, Transmission and Distribution, Engineering and Operations, Natural Gas, and Renewable Energy Resources.

What is SCPPA?

MISSION

SCPPA provides financing and oversight for large joint projects in the electric utility industry and through coordinated efforts, facilitates, implements, and communicates information relative to issues and projects of mutual interest to its members as determined by the Board of Directors.

In order to support its primary purpose, SCPPA is also involved in legislative advocacy, contracting for support services, information sharing, training and regulatory monitoring on behalf of its members. To accomplish its mission, SCPPA is:

- Not-for-profit (public agency)
- Governed locally (locally elected officials)
- Customer owned (no stockholders seeking high profits)
- Vertically integrated (focuses on and remains responsible for power supply, transmission, distribution, and customer service)
- Meeting local mandates of obligation to serve by planning to meet long-term needs of customers through ownership of generation and/or transmission and long-and-short term contracts for power supplies or transmission
- Providing diversity of power supplies, including renewable resources (solar, wind, and electric generation from geothermal, and landfill gas)
- Optimizing its energy resources, and
- Providing aggressive, local demand-side management programs.

The Authority currently has interests in five generation projects, three transmission projects, and three natural gas projects in operation, generating power in California; and generating and bringing power from Arizona, Nevada, New Mexico, Texas, Utah, and Wyoming. One of the generation projects is a combined cycle natural gas-fired generating plant with a nominally rated net base capacity of 242 megawatts, and is wholly owned by the Authority. Its most recent acquisition is a prepaid contract for a thirty year supply of natual gas at a fixed discount.

VISION

SCPPA will provide cost-effective joint action services that supplement member programs and activities, and that secure long-term physical supplies at predictable pricing levels for usage in power generation to assure continued member success.

SCPPA's projects have been financed through the issuance of tax-exempt bonds, backed by the combined credit of the SCPPA members participating in each project. As of June 30, 2008, SCPPA had issued $11.0 billion in bonds, notes, and refunding bonds, of which $2.3 billion was outstanding. It is backed by one of the highest credit ratings, and is rated AA- by Moody's and Standard and Poor's.

SCPPA Officers & Staff

David Wright
President

Marcie Edwards
Vice President

Bill Carnahan
Executive Director

Leilani Johnson Kowal
Secretary

Mario Ignacio
Assistant Secretary

From left to right: Bill Carnahan, Executive Director; David Walden, Energy Systems Manager; Geri Mitchell, Office Manager; Craig Koehler, Finance and Accounting Manager; Salpi Bouboushian, Administrative Analyst; Phyllis Brown, Government Affairs Manager; Steve Homer, Project Administrator; and Richard Helgeson, General Counsel.

President's Letter

Once again, the SCPPA Member utilities did their part in adding renewable resources in their total power mix in order to support the Governor's 33 percent by 2020 RPS goals. Many of the SCPPA Member utilities are well on their way to meeting this goal, and in some cases have exceeded it. Riverside for example, will have gone from zero to 50 percent in just over a decade, and will probably have one of the highest renewable energy portfolios in the state, with the exception of those that had legacy hydro. Los Angeles Department of Water and Power has committed an investment of $5 billion dollars to renewables over the next five years. SCPPA's Members are committed to sustainable, renewable resources, and are continuing to find new ways to maximize their resources to ensure that supplies remain abundant for years to come. All this, as the state's investor owned utilities are finding it difficult to meet their RPS goals in the timeframe established.

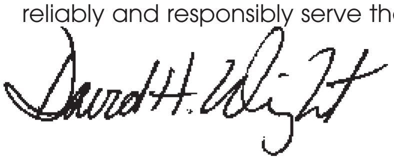
Today, SCPPA serves its Members in many ways and has evolved from its historical role of providing financing for generation and transmission projects. As a Joint Action Agency, SCPPA also provides effective forums of collaboration and as a conduit for joint contracting for services and acquisition of fuel for power generation and renewable energy supplies. In addition to generating electricity in California, SCPPA also brings electricity to Southern California from Arizona, Nevada, New Mexico, Texas, Utah, and Wyoming on a combined basis and currently delivers electricity and services to over six million people in the communities we serve.

During the year, SCPPA had a number of achievements in assisting its members in key areas, including financing, project development, and legislative advocacy. This again is largely attributable to the member's effective use of joint action. Over the years, SCPPA's members have added locally-owned generation, with the addition of the Magnolia Power Project that operates under one of the most stringent environmental standards in the nation. SCPPA also continues its commitment in renewable energy with its latest request for proposals and consideration for additional renewable resource supplies.

SCPPA continues as a strong advocate on the regulatory fronts, with its involvement at both state and federal levels, to protect represented customers by assuring adequate resources, reliability, and environmental stewardship to the communities we proudly serve. Recently, several SCPPA Member utilities, including Riverside, Burbank, Pasadena, and Los Angeles Department of Water and Power, testified at the State of California Air Resources Board meeting in connection with the Assembly Bill 32 Scoping Plan. Although SCPPA is generally supportive of the Scoping Plan, concerns remain in connection with its cap and trade provisions and wealth transfers, and we would like to also include some regulatory safeguards as it is further developed.

Energy Efficiency and renewable measures are the cornerstones of AB 32 compliance for the electricity sector, and public power agencies have been some of the most aggressive in renewable energy and energy efficiency programs. Energy efficiency and demand reduction programs are vital parts of public power's resource strategy. Over the last ten years SCPPA members have spent over $350 million on energy efficiency and demand reduction management programs. Utility customers benefit from rebates and incentives for energy efficiency measures such as high-efficiency lighting, appliances, air conditioners, and motors. Other programs include tree planting for shading purposes, energy management systems to passively turn off lighting and air conditioning when not in use, and LED lighted traffic signals. In addition to monetary incentives, member utilities conduct education and communication programs designed to educate customers about the benefits of energy efficiency. SCPPA member utilities have established 10-year energy efficiency targets which, in aggregate, amount to an average reduction of 1% per year.

SCPPA members continue to deliver reliable service, at competitive and stable rates. Through proactive advocacy impacting energy legislation and regulation in California and at the Federal level, and collectively meeting our commitments for green power and renewable energy resources, SCPPA members are working together to successfully meet the challenges in California's electric energy industry. By making investments today, we can assure that we are in a position to reliably and responsibly serve the energy demands of our customers in the future.



David H. Wright
President

I am proud to report that it has been another monumental year for SCPPA in terms of its achievements and assisting its members in a number of key areas, including financing, project development, and legislative advocacy.

Executive Director's Letter

On the financing front, SCPPA successfully completed the Natural Gas Prepayment No. 1 transaction that resulted in a contracted thirty-year supply of natural gas benefiting its Participants (Anaheim, Burbank, Colton, Glendale, and Pasadena). This was one of the most economically beneficial and most complex natural gas prepayment transactions completed to date. Over the thirty-year term, approximately 134 billion cubic feet will be delivered and is expected to produce approximately $120 million in savings for SCPPA. In addition, SCPPA also completed the first phase of the natural gas reserves acquisition by financing the Wyoming Natural Gas Pinedale and Texas Barnett Projects.

The year was also marked by unprecedented events and changes in the financial industry brought about by the subprime mortgage crisis and related credit issues. Nationally, outstanding mortgage debt exceeded $14 trillion with a large proportion of the mortgage backed securities held by Financial Institutions and Federal Agencies. As mortgages started to go bad, industry write downs approached $600 billion that led to frozen markets on a global scale, and dramatic reduction in liquidity and downgrades to the bond insurers. Despite strong Federal/Treasury actions, problems still persist within the financial markets. Many financial institutions on SCPPA's underwriter team are no longer in business or have merged with other banks. All of this has affected several of SCPPA's outstanding bond issues. Through the SCPPA Finance Committee along with its financial advisor, SCPPA has been able to successfully navigate its way through the crisis and has already taken remedial action across a number of projects, similar to other major public power issuers across the country. The Finance Committee continues to closely monitor the markets and SCPPA's other projects as the future is unknown and stability is not likely to return until 2009.

SCPPA supports the members in meeting the challenges facing the electric industry by acquiring additional reliable energy sources. To assist the members, SCPPA issued new Request for Proposals (RFP) for Renewable Energy Projects to solicit competitive proposals for additional megawatts of renewable energy, through facility ownership or power purchase agreements with an early buyout option, in one or more renewable energy facilities. In response to the RFP, SCPPA is pursuing several renewable energy projects, including wind, solar thermal, biomass, ethanol power, and geothermal, which are in the early stages of development. At fiscal year-end, several wind projects were also under way, involving a mix of Power Purchase Agreements and ownership options, and are expected to be in production in late 2008 through 2010.

On the legislative front, SCPPA continues to be a strong and active voice at both the state and federal levels. These efforts include advocating SCPPA's commitment to local control and issues vital to Publicly-Owned Utilities; updating legislators on SCPPA's mission to assist members in optimizing energy efficiency opportunities as well as building and acquiring new generation, with the emphasis on renewable energy sources; and efforts to implement the California Global Warming Solutions Act, Assembly Bill 32.

Today, SCPPA consists of its twelve members (Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, the Imperial Irrigation District, Los Angeles, Pasadena, Riverside, and Vernon) delivering electricity and providing services to over six million people. I am honored to be associated with SCPPA for most of its existence, and to have served as Executive Director for almost a decade. I have witnessed SCPPA's phenomenal growth and success in providing the members with the ability to maintain a balanced portfolio of sustainable and reliable energy sources that meets local demand for energy during this time. SCPPA is committed to continuing to proactively assist its members in aggressively meeting new challenges within California's electricity industry. The outstanding leadership of its members will continue to provide new and exciting solutions to the industry challenges to come.

Bill D. Carnahan
Executive Director

SCPPA's Year in Review

By Craig Koehler
SCPPA Finance and Accounting Manager

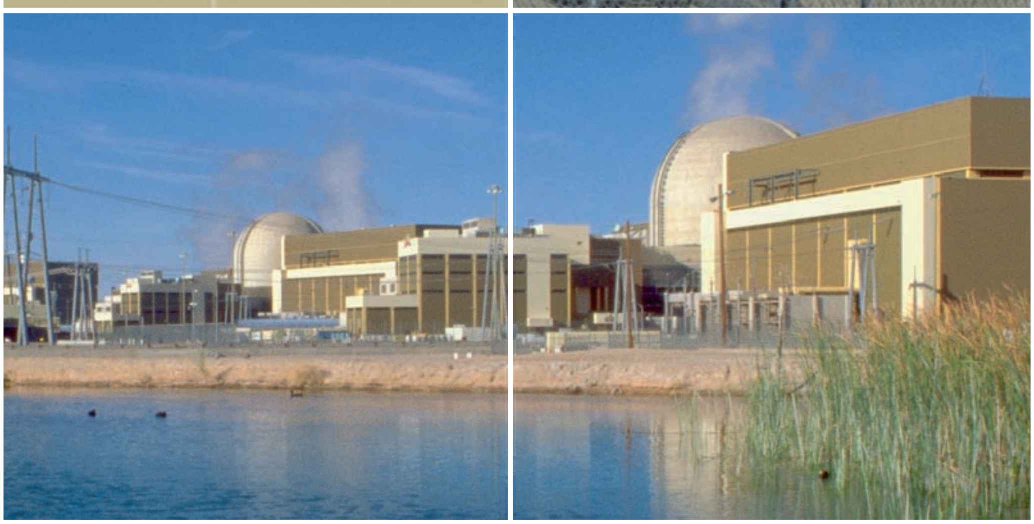
The year was singularly shaped by the dramatic events that took place in the financial markets. What began as isolated subprime mortgage related problems quickly grew into a full blown financial crisis. This had a domino effect, which led to the downgrade on the bond insurers, contraction of the financial markets globally, uncertainty in the viability of the auction rate and variable rate debt markets, and resulted in a complete loss of consumer confidence. The availability of liquidity and credit facilities was also severely curtailed and the price for obtaining these facilities has dramatically increased. We all witnessed U.S. history being rewritten, as the events that followed in the financial markets unfolded. In response, SCPPA proactively took remedial action across a number of its projects, similar to other major public power issuers across the country. With the Federal bailout in place, the markets have not realized a return to normalcy or stabilization. However, SCPPA's Financing Team continues to closely monitor the markets to protect SCPPA's project debt portfolio.

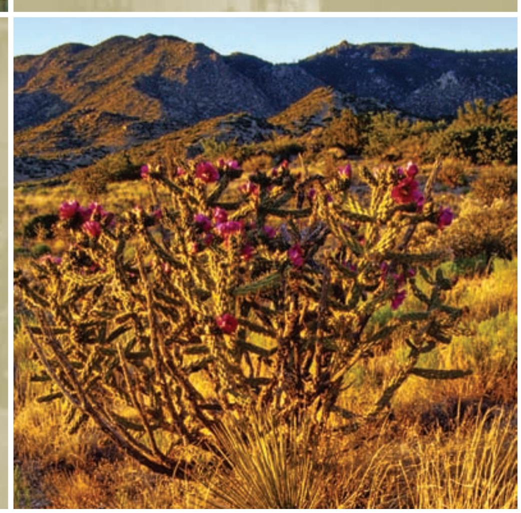
Amidst all of the financial market turmoil, SCPPA has continued to assist its members in the areas of traditional financing, and its commitment to acquire additional renewable energy sources on their behalf. Following a period of negotiations that culminated after approximately a year and six months, SCPPA executed one of the most complex natural gas prepayment transactions to date. The project resulted in a contracted thirty-year supply of natural gas of approximately 134 billion cubic feet totaling $504.4 million. It is expected to produce approximately $120 million in savings for SCPPA's Members over the life of the bonds. In addition, SCPPA also issued a new taxable rate money issue of $141.1 million. The purpose was to pay-off an outstanding and expiring short-term bridge loan in connection with the natural gas reserves that were acquired earlier in 2005 and 2007, and to provide for five years of capital drilling needs for both the Natural Gas Pinedale and Barnett Projects.

At fiscal year-end, financing was also underway for an upgrade to the Southern Transmission System; and an interim financing facility, utilizing Bond Anticipation Notes, for the purchase of turbines and other costs in connection with Anaheim's Canyon Power Project. The STS Upgrade and Canyon Power Project financing have schedules targeting a December 2008 closing.

In response to the increased pressure to meet the renewable energy mandate, SCPPA's Participants have been positioning their portfolios to acquire additional renewable energy sources as well. To assist the Members, SCPPA issued an open- ended Request for Proposals (RFP) for Renewable Energy Projects to solicit competitive proposals for renewable energy, through facility ownership or power purchase agreements with an early buyout option, in one or more renewable energy facilities. SCPPA received 60 replies offering 9 GW of potential renewable energy in response to the RFP and is pursuing several renewable energy projects, including wind, solar, biomass, and geothermal. At fiscal year-end, several wind projects were also under way, involving a mix of Power Purchase Agreements and ownership options, which are expected to be in production in late 2008 through 2010. SCPPA is also targeting a potential portfolio of approximately 3 GW of renewable energy by 2020.

As a Joint Action Agency, SCPPA strives to develop new ways to add value to its Members so they remain well-positioned to meet the challenges within our industry. Collectively, SCPPA's member utilities continue to leverage their talents, resources, and financial strengths to bring sustainable and reliable energy sources to their customers.





Palo Verde Operations

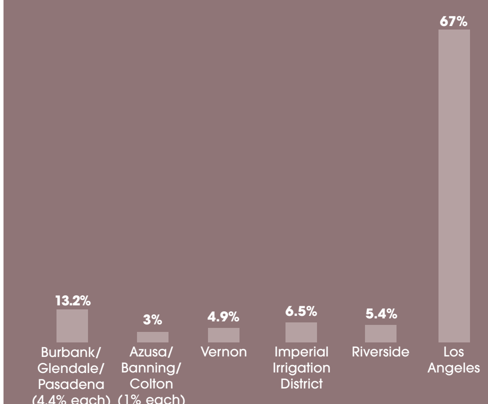
The steam generators in Unit 1 were successfully replaced during the fall of 2005. Unit 2's steam generators were replaced in 2003, and Unit 3's steam generators were replaced in October 2007.

PRODUCTION COST

(Operation and Maintenance plus Nuclear Fuel)

Calendar Year	Cents per kWh
1993	2.02
1994	1.93
1995	1.61
1996	1.45
1997	1.33
1998	1.28
1999	1.25
2000	1.25
2001	1.27
2002	1.28
2003	1.32
2004	1.45
2005	1.63
2006	2.07
2007	2.13

Percentage of SCPPA member participation in Palo Verde Project



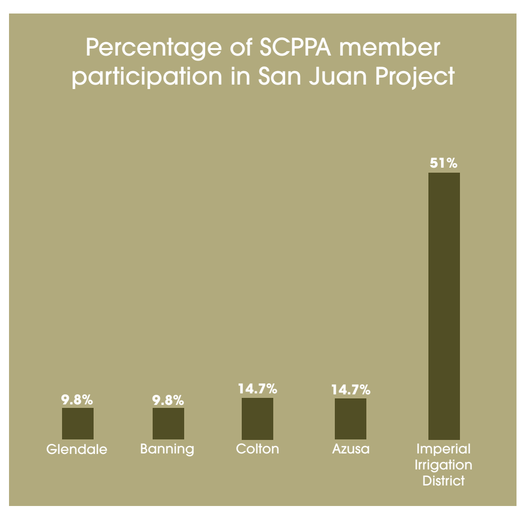
2007-2008 OPERATIONS

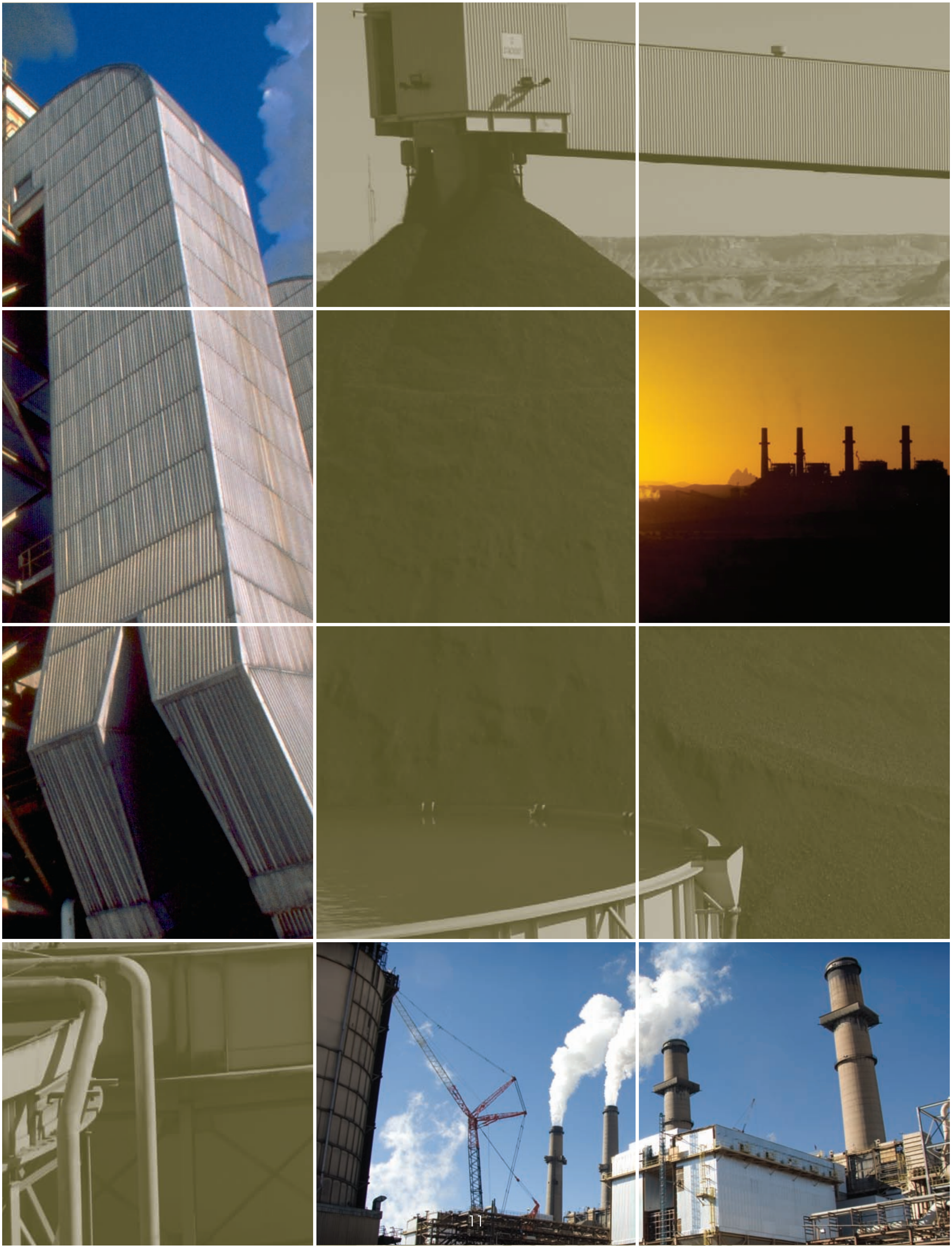
	Generation (Millions of MWHs)	Capacity Utilization (%)
Unit 1	10.1	87.9%
Unit 2	9.1	78.7%
Unit 3	7.7	68.1%
Aggregate	28.2	78.2%

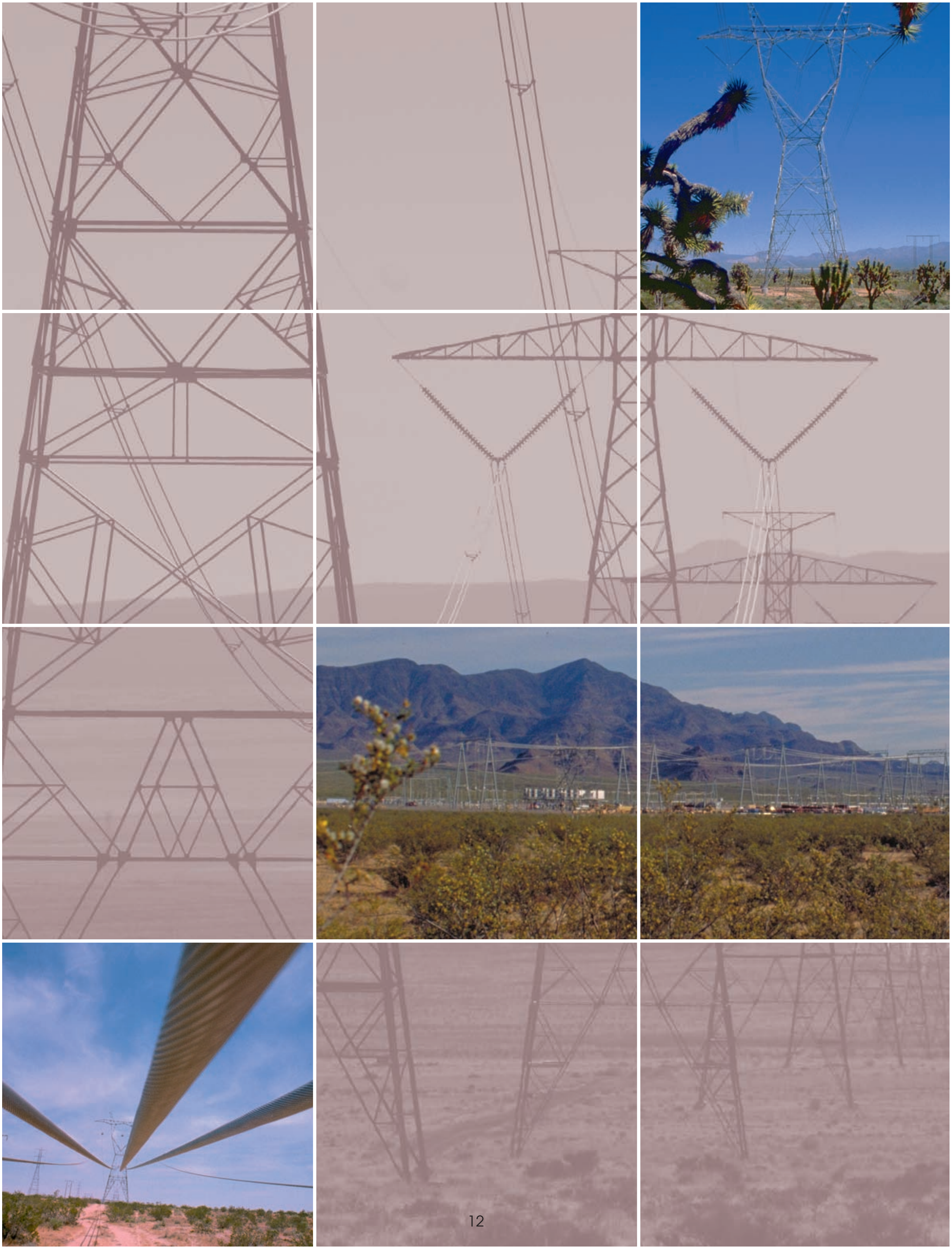
San Juan Unit 3 Operations

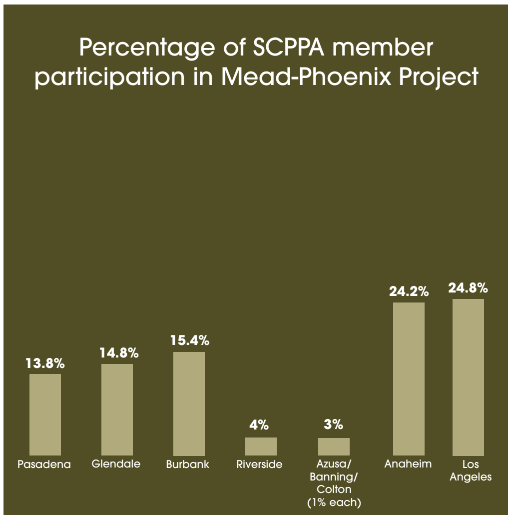
Five SCPPA participants own 41.8% of Unit 3 at the San Juan Generating Station, a coal-fired plant in New Mexico. A series of Interim Invoicing Agreements for fuel has led to high capacity factors and lower per unit fuel costs.

The underground mine is performing well, and the plant is in the midst of a major enviornmental upgrade project. Unit 3's major work was performed in January 2008.



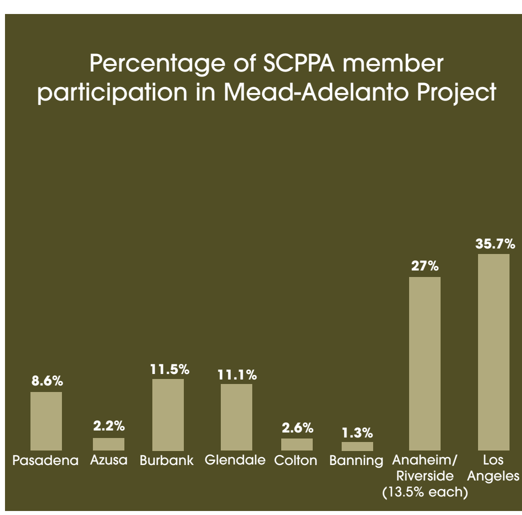






The two 500-kV transmission lines, which connect Phoenix to Las Vegas, and Las Vegas to Southern California, completed their tenth year of dependable operation for the nine SCPPA members who participate in the projects.

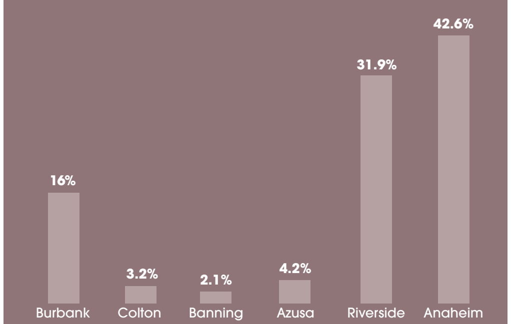
Mead-Phoenix/ Mead-Adelanto Transmission Projects

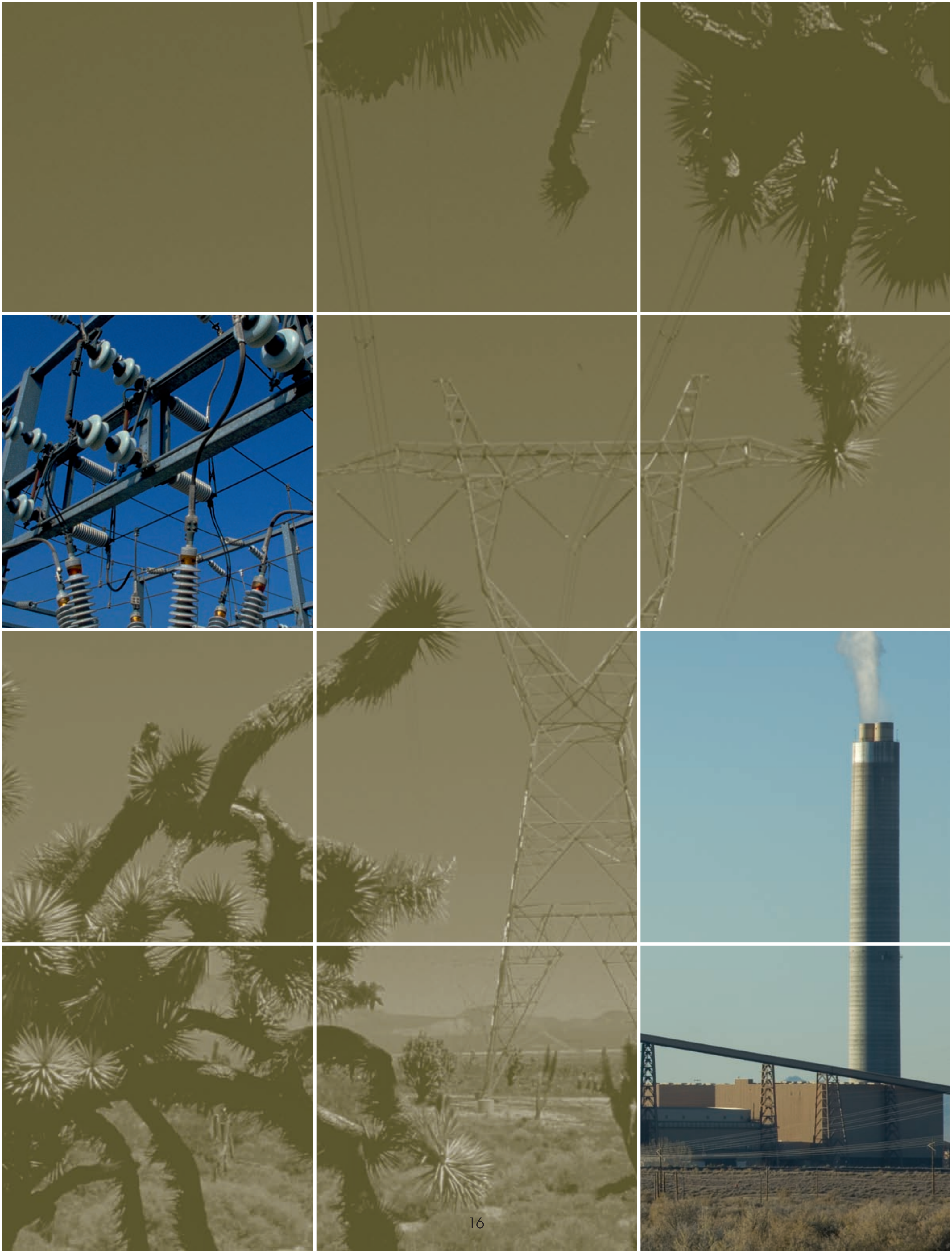


Hoover Uprating Project

The Hoover Uprating Project contiues to provide six SCPPA members with low-cost, renewable energy (hydro). A SCPPA representative is active in the implementation of the Lower Colorado River Multi-Species Conservation Program.

Percentage of SCPPA member participation in Hoover Uprating Project

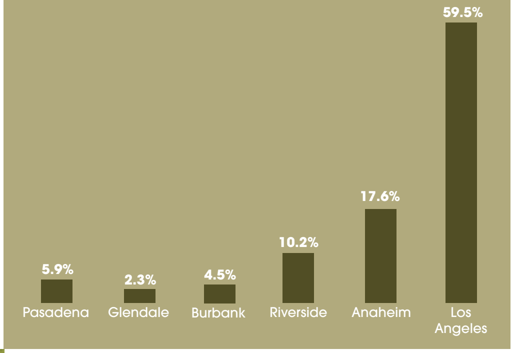


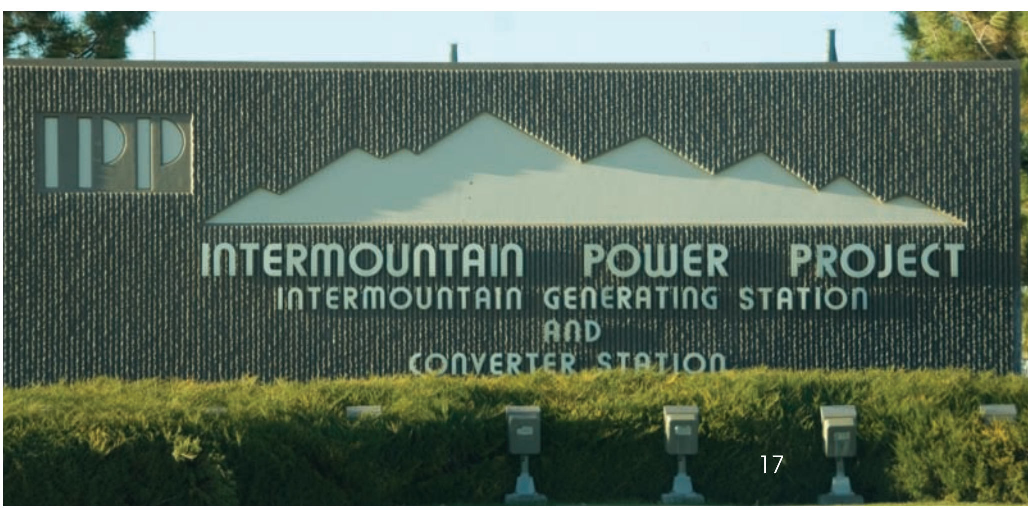


Southern Transmission System (STS)

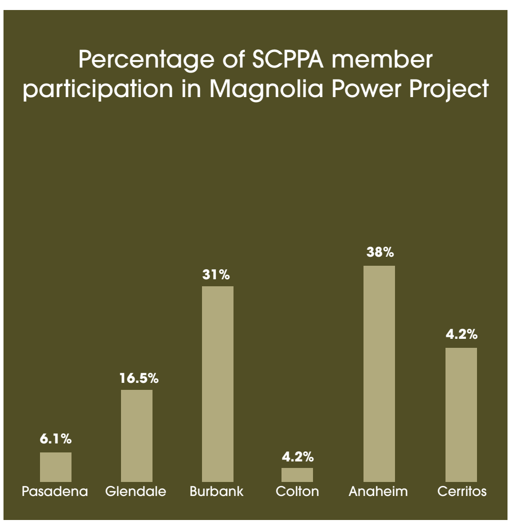
As usual, the STS operated with near-perfect availability (99.03%), delivering 13.9 million MWHs to the six SCPPA members who are participants. The power comes 488 miles from the Intermountain Power Project, in Utah, over the ± 500-kv DC line.

Percentage of SCPPA member participation in Southern Transmission System Project

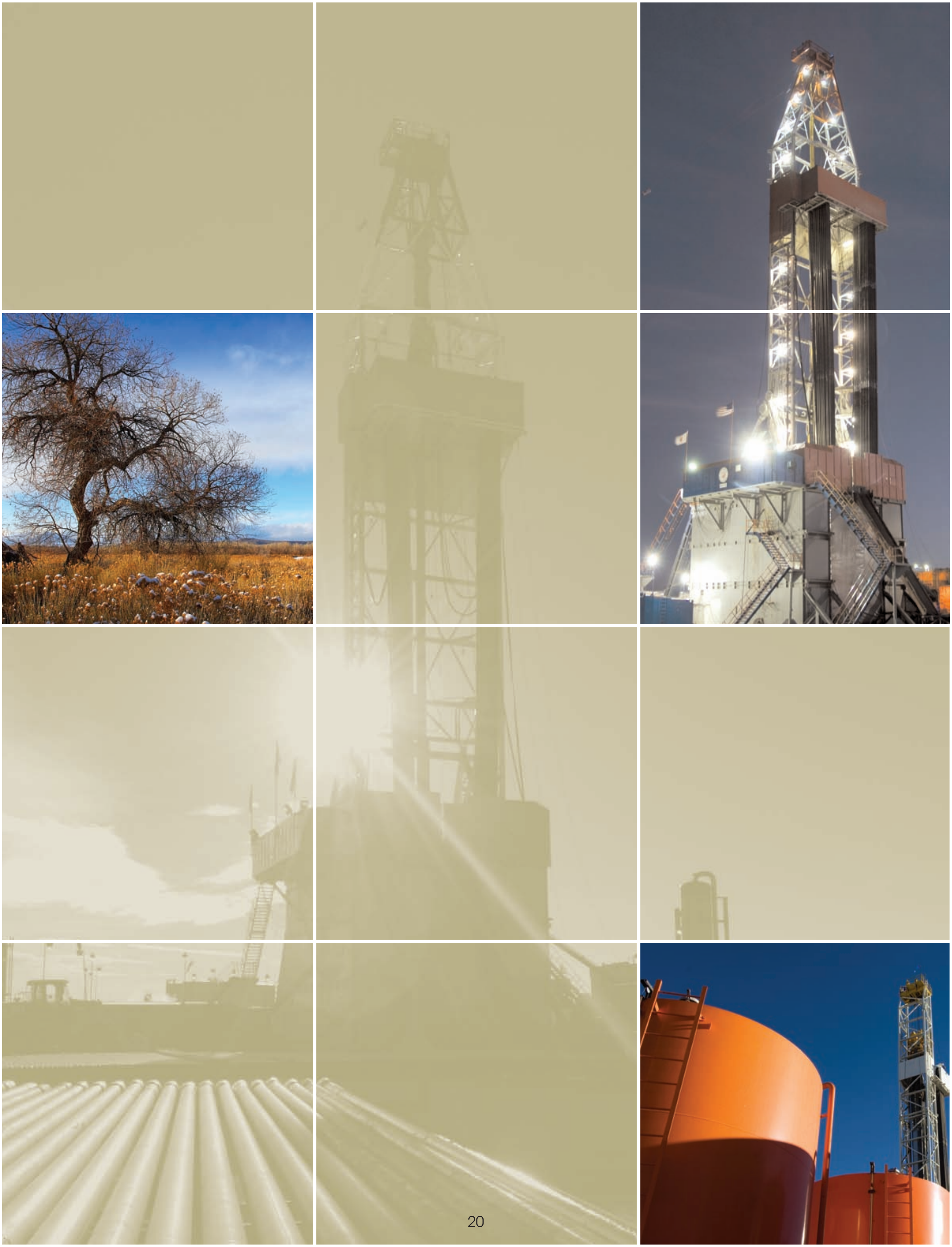




Magnolia Power Project

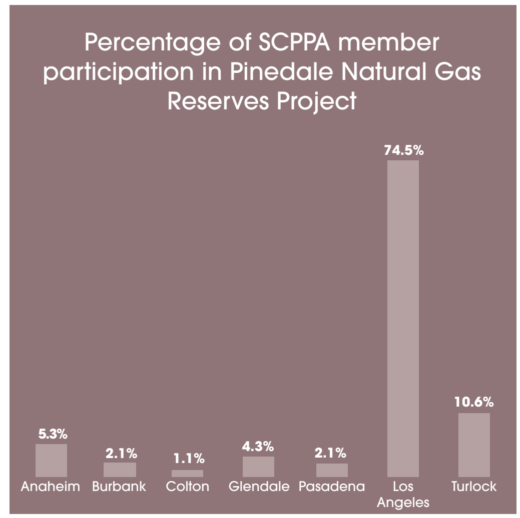


Construction was completed on the Magnolia Power Project, a 240 megawatt natural gas-fired, combined cycle plant, located on the site of an existing plant in the City of Burbank. The plant reached commercial operation in September, 2005, and is the first project to be wholly-owned and operated by SCPPA members. The participants are Anaheim, Burbank, Cerritos, Colton, Glendale, and Pasadena.

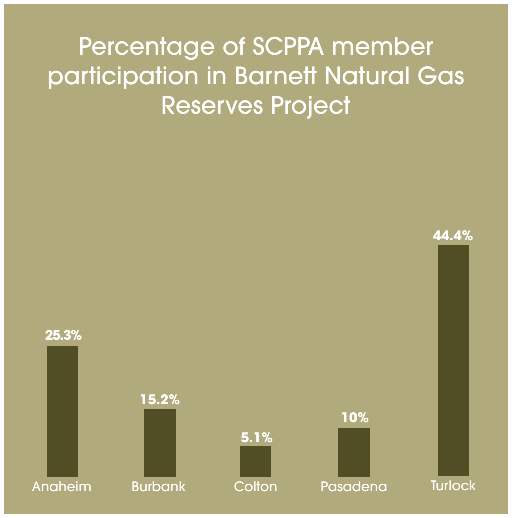


Pinedale Natural Gas Reserves Project

SCPPA negotiated its first purchase of gas in the ground, with the deal closing July 1, 2005. SCPPA Members Los Angeles, Anaheim, Burbank, Colton, Glendale, and Pasadena joined together with the Turlock Irrigation District to purchase shares of existing natural gas wells in the Pinedale area of Wyoming. This purchase, along with similar future purchases, will provide a secure source of gas for the participants, and hedge against volatile prices in the market.



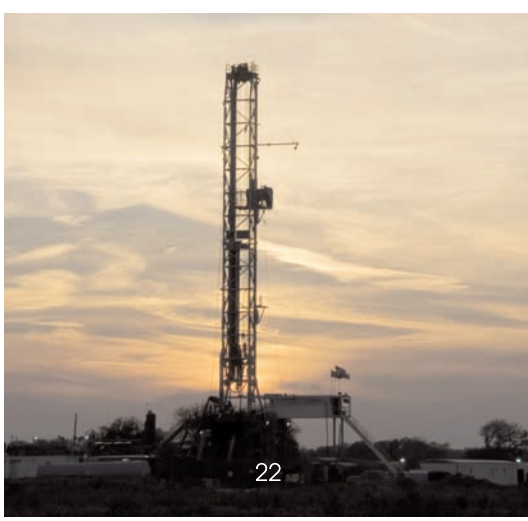
Los Angeles and Turlock hold their interests individually. Anaheim, Burbank, Colton, Glendale, and Pasadena have ownership through SCPPA. Los Angeles serves as Project Manager for the overall project, and SCPPA provides services for Los Angeles and Turlock under agency agreements.



Turlock holds its interest individually. Anaheim, Burbank, Colton, and Pasadena have ownership through SCPPA. SCPPA receives net revenues through a joint operating agreement with Devon Energy Production Company, L.P.

In 2006, SCPPA members purchased a share of natural gas leases in the Barnett Shale area of Texas.

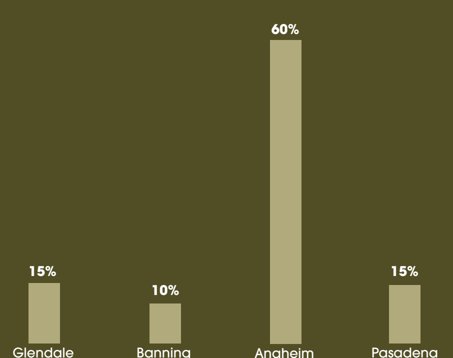
Barnett Natural Gas Reserves Project



Ormat Geothermal Project

SCPPA Members Anaheim, Banning, Glendale, and Pasadena receive up to 16 MWs of geothermal energy from plants in Heber, California, on a long-term purchase contract with Ormat.

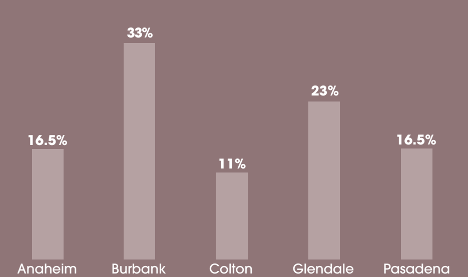
Percentage of SCPPA member participation in Ormat Geothermal Project



Prepaid Natural Gas Project No. 1

In October 2007, SCPPA executed a natural gas prepayment transaction that resulted in a contracted thirty-year supply of natural gas. The Participants are Anaheim, Burbank, Colton, Glendale, and Pasadena. The total quantity of gas to be delivered over the term of the Prepaid Gas Purchase and Sale Agreement is approximately 134 billion cubic feet. The transaction is expected to produce approximately $120 million in savings for SCPPA.

Percentage of SCPPA member participation in Prepaid Natural Gas Project No. 1



Financing Activities

In October 2007, SCPPA successfully executed a natural gas prepayment transaction with Goldman Sachs Group, Inc. that resulted in a contracted thirty-year supply of natural gas to be delivered by J. Aron & Company, as the gas supplier. The Participants (Anaheim, Burbank, Colton, Glendale, and Pasadena) for Gas Prepayment Project #1, were successfully able to secure a thirty-year supply of natural gas supply at a substantial discount of $0.91 per MMBtu through SCPPA. The total quantity of gas to be delivered over the term of the Prepaid Gas Purchase and Sale Agreement is approximately 134 billion cubic feet. The $504.4 million transaction was sold in part as $302.9 million fixed-rate (Series A) bonds, and $201.5 million LIBOR notes, to reduce the overall borrowing cost and to maintain a conservative structure with minimal risk to SCPPA. The transaction, which is expected to produce approximately $120 million in savings for SCPPA, was one of the most economically beneficial and most complex natural gas prepayment transactions completed to date.

In connection with the completion of the first phase of the natural gas reserves acquisition, on February 6, 2008, SCPPA issued $141.1 million Natural Gas Project A Revenue Bonds, 2008 Series A, related to the Natural Gas Projects. This fixed rate taxable bond transaction was issued to pay-off the outstanding $76 million of the expiring Natural Gas Project Revenue Bonds, Draw Down Series 2005A (the short-term bridge loan) and to provide for five years of capital drilling needs for both the Natural Gas Pinedale and Barnett Projects. Financing for the SCPPA Natural Gas Projects was executed as three separate transactions for each of the Project A Participants ($80.8 million Anaheim, $43.7 million Burbank, and $16.6 million Colton) with final maturity in 2032.

The financial market instability that was caused by subprime mortgage problems and related credit issues was the major driver for the majority of the financing activity for this year. One of these financings included a refunding for the Southern Transmission Project. On June 4, 2008, SCPPA issued $48,025,000 of Southern Transmission Revenue Bonds, 2008 Subordinate Refunding Series A. Due to the marked change in the performance of Auction-Rate Securities (ARS) versus Variable Rate Demand Obligations ("VRDOs") in the current market, which was driven by the credit crisis and subprime problems, SCPPA issued these fixed rate bonds to refund $50,050,000 of the Southern Transmission System Project Revenue Bonds, 2003 Subordinate Refunding Series A Bonds ("STS 2003 ARS") and to pay the related costs of issuance for the 2008 Series A Bonds. In refinancing the 2003 Series A Bonds, SCPPA successfully converted the STS 2003 ARS Bonds to fixed rate debt and completed the first step in its strategy to exit the uncertainty of the ARS market. In addition to the STS Project Refunding, SCPPA amended its STS 2004 floating-to-floating Fixed-Spread Basis Swap to create a Constant Maturity Swap, in which it pays the swap counterparty BMA index but will receive 58.99% of the 10-Year LIBOR plus 66.4% basis points, instead of 65% of 1-Month LIBOR plus 66.4% basis points. The amended swap terms for STS 2006 Swap became effective August 1, 2007. The notional amount of the Swap Agreement remains at $100 million. The swap expires on July 1, 2023. Based upon historical data, the expected gross savings to SCPPA from the amended swap are estimated at $24.28 million, or $17.40 million in present value savings.

In addition to the STS Project, SCPPA also took a proactive stance to address a number of other Project Bonds that were affected by the subprime mortgage problems. This included the Magnolia 2007 variable rate bonds, where terms were successfully negotiated with KBC Bank to amend the Standby Bond Purchase Agreement (SBPA). The amendment, which became effective on April 15, 2008, temporarily converts the KBC line of credit to a letter of credit for a period of 1 year, preventing the immediate and automatic termination of the SBPA if the bond insurer (MBIA) default occurs within the next year. In response to the subprime mortgage crisis, this action lowers SCPPA's interest cost, and provides SCPPA time to devise a permanent solution if the current market conditions persist.

SCPPA issued Palo Verde 2008 Series Subordinate Bonds in the aggregate principal amount of $99,830,000, consisting of $49,915,000 principal amount of 2008 Series A and $49,915,000 of 2008 Series B ("2008 Series A and B Bonds") in August 2008. The bonds were issued to provide funds, together with certain other available moneys, to refund all of SCPPA's outstanding Palo Verde 1996 Subordinate Refunding Series B & C Bonds ("Refunded Bonds"), which consisted of variable rate bonds insured by a bond insurer. This refunding was necessary to remove the current bond insurer, given the continued deterioration in the performance of certain bond insured VRDOs, and to replace them with VRDOs that are supported by bank issued Letter of Credit which are expected to perform better in the current market. No Senior Palo Verde Bonds are currently outstanding, and the 2008 Series A and B Bonds are the only bonds outstanding relating to SCPPA's interest in Palo Verde.

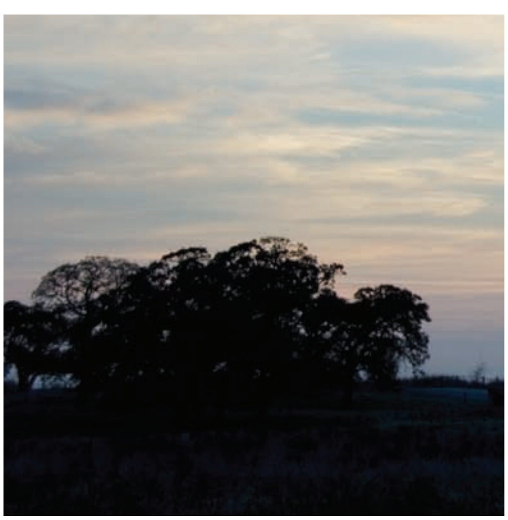
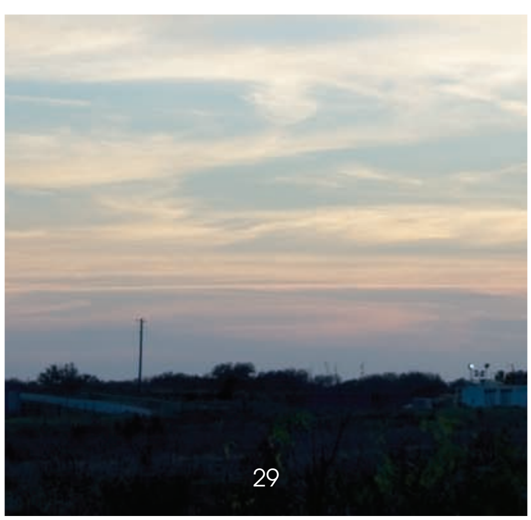
In October 2008, the Authority issued the Mead-Adelanto and Mead-Phoenix 2008 Series A and B Revenue Bonds in the aggregate principal amount of $145,730,000, consisting of $104,815,000 principal amount of Mead-Adelanto 2008 Series A; $7,085,000 principal amount of Mead-Adelanto 2008 Series B; $31,325,000 principal amount of Mead-Phoenix 2008 Series A; and $2,505,000 principal amount of Mead-Phoenix 2008 Series B ("2008 Series A and B Bonds"). The bonds were issued to provide funds, together with other available funds, to refund the Mead-Adelanto Project Revenue Bonds, 2004 Series A and the Mead-Phoenix Project Revenue Bonds, 2004 Series A, which consisted of insured auction rate bonds.

The STS 2003 interest rate swap with Citigroup was also terminated on May 7, 2008 and SCPPA paid the swap termination value of $1,287,000. The STS 2006 Constant Maturity Swap with JP Morgan was suspended for 5 years effective May 7, 2008 and SCPPA received a swap value of $3,745,000. The excess net proceeds of $2,458,000 will be used to pay debt service costs on other bonds.

SCPPA's Finance Committee continues to address a number of Project related bonds that have been affected by the subprime mortgage problems that have led to increased pressure on the variable rate debt market. At fiscal year – end, other SCPPA VRDOs were also being considered for refinancing.

Other Refunding and Related Financing Transactions

At fiscal year- end, financing to complete an upgrade to the Southern Transmission System, and an interim financing facility for Anaheim's Canyon Power project are underway. SCPPA also continues to aggressively pursue renewable energy projects, and several new financings are being anticipated in the near future.


SCPPA launched an ambitious policy agenda during the final year of the California State Legislature's 2007-08 Legislative Session. This included: a) advocating SCPPA's commitment to local control and issues vital to Publicly-Owned Utilities (POUs); b) updating legislators and staff on SCPPA's mission to build and acquire new generation, with highest priority given to renewables; and c) briefing delegation staff on SCPPA's efforts to implement the California Global Warming Solutions Act, commonly referred to as Assembly Bill 32 (AB 32).

Public power's cornerstone is the authority of SCPPA cities' local officials to make and set electricity policy for their communities. Senate Bill 980 (SB 980) would have moved responsibility for evaluating local distribution systems of certain POUs, the majority being SCPPA members, from local government officials to the California Energy Commission (CEC). SCPPA, along with the California Municipal Utility Association (CMUA), worked to oppose SB 980. Despite nearly-unanimous Republican opposition and opposition from like-minded Democrats, SB 980 passed in the final days of Session. However, it was the Governor's pen that delivered the final decision, as he vetoed the bill on September 28, 2008.

SCPPA's Annual Legislative Report

Three bills addressing "feed-in" tariffs, relating to the sale of excess electricity generated by solar customers to a POU, also raised local control concerns for SCPPA members. Assembly Bill 1920, authored by Assemblymember Huffman (D- San Luis Obispo), and Senate Bill 1714, introduced by Senator Negrete McLeod (D-Colton) initially presented barriers to local control. SCPPA and CMUA successfully worked with the bills' sponsors to add language providing latitude to Local Governing Boards similar to that contained in Assembly Bill 1807 by Assemblymember Fuentes (D- LA). Ultimately, none of the "feed-in" tariff bills reached the Governor's desk.

Following California's 2000-01 electricity crisis, legislators embarked on a policy of strongly encouraging development of renewable resources to generate electricity. As building and acquiring new generation are core to SCPPA's primary mission, SCPPA members immediately committed to investing in significant levels of renewable resources. Some SCPPA members have adopted goals at 33% and higher, calling for electricity generated from renewable resources in their portfolios; other SCPPA members intend to follow suit. Recently, the CEC acknowledged for a second time in an independent draft report that California's POUs are investing in renewables more aggressively than their Investor-Owned Utility (IOU) counterparts.

SCPPA's perspective on a spate of bills seeking to establish a 33% renewable mandate was determined by whether the bills would compromise local control. During the 2007-08 Legislative Session, Assembly Bill 94, sponsored by Assemblymember Levine (D-LA), would have required IOUs to increase the amount of electricity generated from renewable resources from 20% by 2010 to 33% by 2020. Senate Bill 411 by Senator Simitian (D-Monterey) would have required a retail seller to increase renewable procurement so at least 33% of retail sales are procured from renewables by 2020. Two additional bills carried by Assemblymember Levine would have set the renewables goal at 33% by 2020. Assembly Bill 1400 would have authorized the CEC to adopt regulations to enforce POUs' electricity generated from renewable resources at 33% by 2020 and to verify compliance. Assembly Bill 1489 was similar to Assembly Bill 1400, in that it required the CEC to design and implement a system to verify compliance with a 33% requirement by POUs. With limited time to respond, SCPPA pressed to prevent any shift of local control of renewable programs to the CEC. On August 31, 2008, Assembly Bills 1400 and 1489, along with Assembly Bill 94 and Senate Bill 411, died as the 2007-08 Legislative Session ended. Ultimately, progress was stalled by lack of consensus on building additional transmission infrastructure necessary to meet California's renewables electricity needs – not by legislative differences of opinion over increasing the renewables goal.

Assembly Bill 32, California's climate change bill, set an unprecedented standard for reducing greenhouse gas emissions to 1990 levels by 2020 using technologically feasible and cost-effective measures. Legislation advanced to help address carbon capture and sequestration development was of importance to six SCPPA cities participating in the Intermountain Power Project. Assembly Bill 114, authored by Assemblymember Blakeslee (R-San Luis Obispo), would have required the CEC to recommend that capture technologies that decrease carbon dioxide emission be added to thermal power plants. Assembly Bill 705, also authored by Assemblymember Blakeslee, would have required the California Environmental Protection Agency to take steps to enter into a "Memorandum of Understanding" with the U. S. Department of Environmental Protection Agency on developing standards and regulations related to carbon sequestration. Unfortunately, both bills failed; however, related Congressional action may follow.

Also linked to reducing greenhouse gas emissions was Senate Bill 1762 (SB 1762), authored by the termed-out Senate President Pro Tempore, Perata (D–East Bay). SB 1762 would have created the "Climate Change Research and Workforce Development Institute" (Institute) at the University of California. The work of the Institute would have included identifying and supporting research, education, and workforce training to reduce or mitigate greenhouse gas emissions. SB 1762 would have required POUs to fund the Institute at $7M annually, garnered from a fee on electricity service. The fact that the bill failed to include any representation of POUs on the Leadership Council, which was charged with providing advice and counsel to the University of California, was of particular concern to SCPPA members. Governor Schwarzenegger vetoed the bill on September 30, 2008.

Nationally, "metal theft" received almost daily news coverage, as the price of copper, brass and other metals skyrocketed. The issue emerged as another legislative priority as SCPPA member utilities, large and small, have been the victims of metal theft. Replacement of metal parts and equipment, necessary repairs to damaged equipment, and the cost of accompanying outages, placed hundreds of thousands in additional cost on electricity customers. Assembly Bill 844, by Assemblymember Berryhill (R-Modesto), Assembly Bill 2724, by Assemblymember Benoit (R-Riverside), and Senate Bill 691, by Senator Calderon (D–LA), would increase fines for metal theft, strengthen document retention, along with other similar policy requirements for junk dealers and recyclers. With the Governor's personal involvement and a spirit of bipartisan cooperation, both Assembly Bill 844 and Senate Bill 691 were approved by the legislature. Governor Schwarzenegger signed the bills into law on September 30, 2008. SCPPA members' efforts, including personal contacts with legislators and written communications to the Governor as well as key policy committees, were vital to obtaining his signature. Both bills, generally took effect immediately; however, certain implementation provisions were delayed until December 1, 2008.

In addition, California's electric utilities joined together to support legislation intended to avoid preventable electricity outages. Each year Californians experience outages caused by electrically conductive (metallic) materials used in certain balloons. These metallic balloons conduct electricity and cause serious and costly outages. For one SCPPA member, the cost to ratepayers was approximately $400,000 annually. Metallic balloons were the third leading cause of outages for another utility, while other SCPPA members have experienced back-to-back outages, outages lasting several hours, including one that affected the city's water supply. SCPPA members actively supported Senate Bill 1499. Thanks to the tireless efforts of the author, Senator Scott (D-Burbank, Glendale, and Pasadena) and his staff, as well as CMUA and SCPPA members, the bill survived the legislative process and reached the Governor's desk. Unfortunately, the Governor vetoed the bill on September 28, 2008.

Legislative Report (continued)

The 2007-08 Legislative Session presented numerous opportunities for SCPPA to present a purposeful and focused message: continuing support for and protection of local control, demonstrating SCPPA's continued commitment to investing in renewables and supporting legislation providing both realistic and practical responses to global warming.

In Washington DC, the second session of the 110th Congress was characterized by sharp, partisan disagreements over energy policy including: climate change; energy tax incentives; and the role of oil, gas, and renewable resources in the U.S energy portfolio. A large part of Congress' inability to resolve these issues was due, in part, to election-year politics. A significant part of the stalemate, however, was the lack of consensus among Members of Congress and the Bush Administration on a vision for the nation's energy future.

Just as it seemed that Congress would adjourn without enacting any significant energy measures, the Senate added a $17 billion package of energy tax incentives to the $700 billion *"Emergency Economic Stabilization Act of 2008"* a bill to rescue the financial markets. With the addition of the tax "sweeteners," House leadership found enough votes to pass the measure and send it to the President for signature.

On behalf of SCPPA, Morgan Meguire worked with a large and diverse coalition of businesses, energy, environmental, and manufacturing interests to advocate many of the incentives included in the final bill. Several of the incentives can assist SCPPA member utilities to acquire additional renewable resources, promote energy efficiency and green buildings, and encourage electric vehicle use. Included in the tax package were:

- A one-year extension of the existing Clean Renewable Energy Bonds (CREB) program, and authorization for $800 million in new CREB authority, divided 1/3 to state/local/tribal governments, 1/3 to public power utilities, and 1/3 to rural electric cooperatives. Also included in the New CREBs program were technical fixes advocated by SCPPA, the American Public Power Association (APPA), and the Large Public Power Council, that specify that bond authority for public power systems will be allocated "pro rata," based on the size/cost of projects. The changes ensure that more expensive projects will get a share of the bond volume cap, which did not occur under the "smallest to largest" methodology used in the first two rounds of CREB allocations;

- A one-year extension of the Production Tax Credit (PTC) for wind and refined coal and a two-year extension for other qualifying renewable facilities, such as biomass, geothermal, small irrigation, marine renewables (e.g. wave and tide power), and landfill gas. The PTC provides a 1.9-cent per kilowatt-hour (kWh) (indexed for inflation) tax credit benefit to private developers for the first ten years of a renewable energy facility's operation. The PTC can benefit SCPPA members that negotiate a "share the savings" purchase power agreements with a private developer;

- An eight-year extension of the 30% Investment Tax Credit (ITC) for solar and fuel cell technology, and a 10% Investment Tax Credit for combined heat and power systems and geothermal heat pumps. Again, the reduction in the cost of these investments does not flow directly to consumer-owned utilities, but SCPPA utilities may be able to benefit through purchase power agreements with individual developers;

- A five-year extension of the energy efficiency deductions for commercial buildings that achieve 50% energy savings targets;

- An eight-year extension of the residential solar credit, was expanded to also to residential wind equipment;

- A Plug-in Hybrid Electric Drive Vehicle (PHEV) tax credit for passenger vehicles and light trucks ranging from $2,500-$7,500 (based on the weight of the vehicle); and

- Creation of a new $800 million "tax credit" conservation bond program to assist state and local governments in reducing greenhouse gases. The new bonds can be used for reducing energy consumption in government buildings, implementing green community programs, developing certain renewable resources, expenditures for research into carbon capture and sequestration technologies.

The effort to pass the tax incentives package ran into numerous hurdles in the House and Senate. Initially, the bill stalled due to disagreement over whether and how to offset the cost of the incentives through cuts in other federal spending or new sources of revenue.

Extending and expanding incentives without corresponding cuts in spending or tax increases in other areas was seen as a departure from the "PayGo" rules that the Democratic leadership has instituted when they regained the majority in 2004. House Democrats, particularly the group of moderate "Blue Dog Democrats," dug-in and insisted on offsets, while, in the closely divided Senate, Republicans insisted on no offsets at all. The battle became more protracted when the White House weighed in opposing several versions of the bill, in part, because of the inclusion of offsets. Ultimately, a compromise was reached that provided offsets for part of the tax package, but not for all of it.

Another issue, which threatened to scuttle the CREBs extension, was the "Davis-Bacon" prevailing wage provision. The Davis-Bacon Act, which was initially designed to outlaw wage exploitation in public construction contracts by preventing the undercutting of local pay standards is a big issue for the labor community; and in the House, Ways and Means Committee, Chairman Charlie Rangel (D-NY) and Speaker Nancy Pelosi (D-CA) insisted the Davis-Bacon standard apply to projects financed with the CREBs. The Bush Administration and many Republicans argued that the outdated law forced project developers to pay more than is necessary and the White House threatened to veto the incentives bill if the Davis-Bacon provision was included. In the waning days of the session, House leaders "threw up their hands" and stripped the CREBs provisions entirely from their version of the tax package. This action, if it had been the last word, would have left consumer-owned utilities with no direct tax incentives in the final bill.

As political differences between Democrats and Republican seemed to widen, and the legislative calendar wound down, an unlikely "silver bullet" appeared. In late September, when the House failed to pass the Treasury-designed financial rescue package, the market plunged. To resurrect the financial bill, the Senate made several modifications and added the $17 billion Senate version of the energy tax extenders package, which included the SCPPA-supported CREBs language, without any Davis-Bacon requirements.

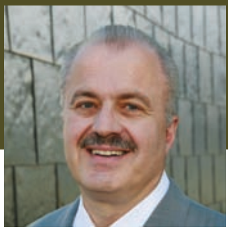
Winning passage of federal tax incentives for consumer-owned electric utilities is always challenging, given the status of the federal deficit and the intricacies of federal tax policy. SCPPA won an important victory with passage of the tax incentives package. Preserving and expanding those benefits will require a diligent, on going effort.

SCPPA Municipalities

Marcie L. Edwards
General Manager
Anaheim Public Utilities Dept.

Joseph F. Hsu
Director of Utilities
City of Azusa Light & Water

James D. Earhart
Electric Utility Director
City of Banning



Ronald E. Davis
General Manager
Burbank Water and Power

Art Galluci
City Manager
City of Cerritos

Jeannette Olko
Utility Director
City of Colton

City of Anaheim Since 1894, Anaheim Public Utilities' vision for serving customers has extended well beyond a responsibility to provide reliable, cost-effective electricity and water. Whether we are planning a new substation; building a renewable energy resource; replacing overhead electrical facilities with underground transmission, distribution and service cables; or offering new efficiency incentives, we seek long-term solutions to issues that will strengthen Anaheim's neighborhoods, schools and businesses far into the future. The business decisions we make are about providing multiple benefits that are in the best interests of our entire community. We find that outreach is a contagious philosophy as well. The more people we involve in the process, the greater our capability for turning obstacles into opportunities. We reach out to businesses to produce partnerships that create energy savings, reduce demand and save money. We team up with other City departments to increase efficiency and improve operations. Our residential electric rates average more than 25 percent less than in surrounding cities while our Electric System revenue bond rating was raised to AA-.

City of Azusa The City's electric utility was established in 1898 after the City purchased a private power company. The foresight and planning of those early pioneers continues to be the cornerstone of Azusa Light & Water today. It is the mission of Azusa Light & Water to provide reliable and cost effective electric and water utilities to the citizens and businesses within its service area. Azusa Light & Water continues to be proactive in promoting energy and water conservation programs to its customers, and to its future customers by continual funding of a resource conservation education program with the local school district.

City of Banning The City of Banning Electric Utility provides electric service to more than 12,200 electric and 10,500 water metered accounts covering an area of 22 square miles. The Public Utility was established in 1922 and has an energy resource base including portions of coal, nuclear, hydro, and geothermal generating plants, which provide the majority of electricity required to meet the City's summer peak demand of 48 MW. The Utility has numerous Public Benefit programs promoting energy conservation and renewable resources. In addition, the City supports clean energy and is committed to increasing its renewable resource mix to meet and exceed its RPS goal of 33% by 2020. The Utility is dedicated to continue providing quality service to its customers in a safe and reliable manner, at reasonable rates.

City of Burbank Burbank Water and Power (BWP) began serving both water and electric customers in 1913 and installing on-site power generation in the 1940s. BWP is committed to providing reliable electric services and safe water supply to its customers while keeping rates stable and competitive. BWP's power supply portfolio is well diversified, coming from a variety of resources including hydro, natural gas, coal, nuclear facilites and renewable projects. Today, BWP is working toward reducing Burbank's carbon footprint and being an integral part of creating a more sustainable community and life style. City of Burbank was the first city in the nation to adopt a 33% of Renewable Portfolio Standard by 2020. BWP will continue modernizing its Electric Distribution System to maintain a strong track record of reliable services. BWP is the operating agent for the Magnolia Power Project (MPP) and has a 90 MW share of the jointly owned Magnolia Power Plant. MPP is a combined cycle generating unit with 310 MW peaking capacity and is owned and financed through Southern California Public Power Authority (SCPPA) on behalf of its six municipal utility members.

City of Cerritos The first new member to join Southern California Public Power Authority in over 20 years, the City of Cerritos is serving the electricity demands of a select group in the business community. Currently, all of the power requirements come from Cerritos' participation in the Magnolia Power Project. With the goal of providing a stable and affordable supply of electricity, Cerritos intends on developing a portfolio of power that includes renewable (green) resources to be delivered as competitively and economically as possible.

City of Colton The only municipally owned electric utility in San Bernardino County, Colton Electric Utility has been providing service to the City of Colton for over 100 years. The Board of Trustees of the City of Colton passed an ordinance in 1895 with the intent to acquire, construct, own, operate, and maintain an electric system to supply light, power, and heat to the city. By 1897, 1,140 domestic lights, 30 incandescent street lights, and 11 arc lights had been installed. Today, we serve a population of over 50,000 and cover a service area of approximately 18 square miles. Our employees are proud to continue the tradition of providing reliable service through efficient and economical operations and a strong relationship with our customers.

City of Glendale Incorporated in 1906, Glendale purchased its electric utility in 1909, obtaining power from outside suppliers. In 1937, it began receiving power from the Hoover Dam and inaugurated the first unit of its own steam generating plant units with 258 MW of gas-fired steam and combustion generating capacity. Glendale Water & Power (GWP) has a diversified portfolio that also includes coal, nuclear, and hydro generating resources, as well as a comprehensive renewables resource program in landfill gas, wind, and geothermal projects. Today, GWP provides reliable electric services to over 84,000 residential, commercial and industrial customers within a 33 square mile area. GWP continues to invest in improving the system infrastructure to ensure its long-term reliability.

Imperial Irrigation District The Imperial Irrigation District (IID) was established in 1911 and entered the power business in 1936. Proudly serving Imperial and Coachella valleys and a portion of San Diego County, IID's 6,471-square mile service area is one of the fastest growing regions in California. IID controls over 1,100 MW of energy derived from a diverse resource portfolio that includes native generation, SCPPA partnerships, and long- and short-term power purchases. A valuable public resource, IID is regarded as an affordable and reliable service provider serving over 140,000 customers.

Los Angeles Department of Water and Power Providing service for more than a century, the Los Angeles Department of Water and Power began delivering water to the city in 1902, and with the water came power. In 1916, LADWP first delivered electicity to the city purchased from the Pasadena Municipal Plant. A year later, LADWP began generating its own hydroelectric power at the San Francisquito Power Plant No. 1. After purchasing the remaining distribution system of Southern California Edison within the city limits in 1922, LADWP became the sole water and electricity provider for the City of Los Angeles. It is now the largest municipally owned electric utility in the nation, serving a population of 4.0 million residents over a 465 square mile area. LADWP remains on firm financial footing and serves as a valuable asset to the City of Los Angeles.

City of Pasadena PWP has been providing electricity since 1906 and began delivering water to customers in 1912. 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. While a lot has changed over the years, PWP's strong connection to its customer/owner base remains constant. Today, PWP provides electric service to more than 62,000 metered accounts over a 23 square-mile service area at competitive rates. PWP's success is a result of its commitment to remain a valued community asset, an exceptional employer, and a partner in Pasadena's prosperous future.

City of Riverside Riverside Public Utilities began serving both electric and water customers in 1883. Today they serve 106,000 metered electric customers and 63,500 water customers, representing a service area population of nearly 297,000. The utility is committed to the highest quality water and electric services at the lowest possible rates to benefit the community. To maintain their commitment, Riverside has positioned itself in the electric market by utilizing short, mid, and long-term contracts from power suppliers, and by building 6 power generation sources within its own power grid. Within two years, Riverside will have a total of 9 internal generation units totaling 275 MW of power. Riverside's recent contract for the Renaissance Geothermal Project in Utah will enable Riverside to receive 33% of its energy from renewable resources by 2012.

City of Vernon Vernon's Utilities Department began serving industrial customers in 1933, with completion of its diesel generating plant. In addition to its own power from diesel units and gas turbines, Vernon also receives power from Palo Verde, Hoover, and various suppliers. Vernon recently completed (October 2005) the construction of its Malburg Generating Station, a gas-fired combined cycle power plant with a net generating capacity of 134 MW. The Malburg Generating Station resides within the city limits. Vernon is part the California Independent System Operator (CAISO) Control Area and is a Participating Transmission Owner.

Glenn O. Steiger
Director of Utilities
Glendale Water and Power

Brian J. Brady
General Manager
Imperial Irrigation District

H. David Nahai
Chief Executive Officer and General Manager
Los Angeles Department of Water and Power

Phyllis E. Currie
General Manager
Pasadena Water and Power

David H. Wright
Public Utilities Director
City of Riverside

Not pictured
Donal O'Callaghan
Director of Light and Water
City of Vernon

Selected Financial Data & Statistics

Participant Ownership Interests

The Authority's participants may elect to participate in the projects. As of June 30, 2008, the members have the following participation percentages in the Authority's operating projects:

	GENERATION					TRANSMISSION			NATURAL GAS	
Participants	Palo Verde Project	Hoover Uprating Project	San Juan Project	Magnolia Power Project	Ormat Geo-thermal Energy Project	Southern Trans-mission System Project	Mead-Phoenix Project	Mead-Adelanto Project	Pinedale Project	Barnett Project
City of Los Angeles	67.0%	-	-	-	-	59.5%	24.8%	35.7%	-	-
City of Anaheim	-	42.6%	-	38.0%	60.0%	17.6%	24.2%	13.5%	35.7%	45.4%
City of Riverside	5.4%	31.9%	-	-	-	10.2%	4.0%	13.5%	-	-
Imperial Irrigation District	6.5%	-	51.0%	-	-	-	-	-	-	-
City of Vernon	4.9%	-	-	-	-	-	-	-	-	-
City of Azusa	1.0%	4.2%	14.7%	-	-	-	1.0%	2.2%	-	-
City of Banning	1.0%	2.1%	9.8%	-	10.0%	-	1.0%	1.3%	-	-
City of Colton	1.0%	3.2%	14.7%	4.2%	-	-	1.0%	2.6%	7.1%	9.1%
City of Burbank	4.4%	16.0%	-	31.0%	-	4.5%	15.4%	11.5%	14.3%	27.3%
City of Glendale	4.4%	-	9.8%	16.5%	15.0%	2.3%	14.8%	11.1%	28.6%	-
City of Cerritos	-	-	-	4.2%	-	-	-	-	-	-
City of Pasadena	4.4%	-	-	6.1%	15.0%	5.9%	13.8%	8.6%	14.3%	18.2%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The Authority has entered into power sales, natural gas sales, and transmission service agreements with the above project participants. Under the terms of the contracts, the participants are entitled to power output, natural gas, or transmission service, as applicable. The participants are obligated to make payments on a "take or pay" basis for their proportionate share of operating and maintenance expenses and debt service. The contracts cannot be terminated or amended in any manner that will impair or adversely affect the rights of the bondholders as long as any bonds issued by the specific project remain outstanding.

The contracts expire as follows:

Palo Verde Project	2030	San Juan Project	2030
Southern Transmission System Project	2027	Magnolia Power Project	2036
Hoover Uprating Project	2018	Natural Gas Project - Pinedale	2030
Mead-Phoenix Project	2030	Natural Gas Project - Barnett	2030
Mead-Adelanto Project	2030	Ormat Geothermal Project	2031

The Authority also established "take and pay" contracts for the participants of the prepaid natural gas project where the payments received from the sale of gas will be sufficient to pay debt service. Project Participant interest under the gas supply contracts are as follows: Anaheim - 16.5%; Burbank - 33.0%; Colton - 11.0%; Glendale - 23.0%; and Pasadena - 16.5%. The natural gas contracts expire in 2028.

Summary of Financial Condition and Changes in Net Assets
COMBINED ALL PROJECTS
($ In Thousands)

	JUNE		
	2008	2007	2006
Assets			
Net utility plant	$ 1,009,331	$ 1,006,994	$ 995,599
Investments	558,619	556,518	558,497
Cash and cash equivalents	230,000	149,740	80,778
Other	592,450	103,290	112,223
Total assets	$ 2,390,400	$ 1,816,542	$ 1,747,097
Liabilities and Net Assets (Deficit)			
Noncurrent liabilities	$ 2,310,261	$ 1,842,488	$ 1,806,660
Current liabilities	220,748	191,137	186,969
Total liabilities	2,531,009	2,033,625	1,993,629
Net Assets (Deficit)			
Invested in capital assets, net of related debt	(1,236,053)	(742,312)	(715,204)
Restricted net assets	996,901	429,686	361,732
Unrestricted net assets	98,543	95,543	106,940
Total net deficit	(140,609)	(217,083)	(246,532)
Total liabilities and net assets (deficit)	$ 2,390,400	$ 1,816,542	$ 1,747,097
Revenues, Expenses and Changes in Net Assets (Deficit)			
Operating revenues	$ 468,809	$ 390,005	$ 330,987
Operating expenses	(319,193)	(291,202)	(248,507)
Operating income	149,616	98,803	82,480
Investment income	32,956	33,622	18,932
Debt expense	(108,062)	(113,028)	(106,198)
Change in net deficit	74,510	19,397	(4,786)
Net Deficit – beginning of year	(217,083)	(246,532)	(233,031)
Net Contributions (Withdrawals) By Participants	1,964	10,052	(8,715)
Net Deficit – end of year	$ (140,609)	$ (217,083)	$ (246,532)

SCPPA Accounting and Investment Group

From left to right: Yolanda Pantig, Assistant Manager, SCPPA Accounting; Nina Sanchez, Assistant Investment Manager; Joan Ilagan, Investment Manager; Adrian Chung, Utility Accountant; Therese Savery, Manager, SCPPA Accounting and Investments and Margarita Estrella, Lead Utility Accountant

CITY OF ANAHEIM

Customers - Retail 111,784
Power Generated and Purchased
(in Megawatt-Hours)
Self-Generated 301,021
Purchased. 2,978,800
Total 3,279,821
Total Revenues (000s) $379,542
Operating Costs (000s). $333,512

CITY OF AZUSA

Customers Served 15,650
Power Generated and Purchased
(in Megawatt-Hours)
Self-Generated. 0
Purchased 281,870
Sales
Retail 264,957
Total Revenues (000s) $36,196
Operating Costs (000s). $35,237

CITY OF BANNING

Customers - Retail 12,200
Power Generated and Purchased
(in Megawatt-Hours)
Self-Generated. 0
Purchased 161,790
Total. 161,790
Total Revenues (000s) $25,573*
Operating Costs (000s). $26,979*
*Unaudited

CITY OF BURBANK

Customers - Retail 51,151
Power Generated and Purchased
(in Megawatt-Hours)
Self-Generated 22,800
Purchased. 1,332,800
Total 1,355,600
Total Revenues (000s) $161,990*
Operating Costs (000s). $153,438*
*Unaudited and excludes wholesale transactions.

CITY OF CERRITOS

Customers - Retail 218
Power Generated and Purchased
(in Megawatt-Hours)
Self-Generated 76,867
Purchased 10,262
Total 87,129
Total Revenues (000s) $7,431*
Operating Costs (000s) $7,463*
*Unaudited

CITY OF COLTON

Customers - Retail 18,688
Power Generated and Purchased
(in Megawatt-Hours)
Self-Generated 52,917
Purchased 345,006
Total 397,923
Total Revenues (000s) $58,232*
Operating Costs (000s). $61,094*
*Unaudited

CITY OF GLENDALE

Customers - Retail 84,118
Power Generated and Purchased
(in Megawatt-Hours)
Self-Generated 209,744
Purchased. 1,381,231
Total 1,590,975
Total Revenues (000s) $220,637
Operating Costs (000s). $187,505

IMPERIAL IRRIGATION DISTRICT

Customers Served 140,321
Power Generated and Purchased
(in Megawatt-Hours)
Self-Generated 992,757
Purchased. 2,725,698
Total 3,718,455
Total Revenues (000s) $419,007
Operating Costs (000s). $420,653

LOS ANGELES DEPARTMENT OF WATER AND POWER

Customers Served. 1,446,401
Power Generated and Purchased
(in Megawatt-Hours)
Self-Generated 15,519,953
Purchased. 12,807,911
Total 28,327,864
Total Revenues (000s). $2,781,324
Operating Costs (000s) $2,457,597

CITY OF PASADENA

Customers Served 62,885
Power Generated and Purchased
(in Megawatt-Hours)
Self-Generated 86,898
Purchased. 1,526,635
Total 1,613,533
Total Revenues (000s) $202,682
Operating Costs (000s). $162,719

CITY OF RIVERSIDE

Customers Served 106,015
Power Generated and Purchased
(in Megawatt-Hours)
Self-Generated 336,000
Purchased. 2,395,200
Total 2,731,200
Total Revenues (000s) $303,500
Operating Costs (000s). $281,000

CITY OF VERNON

Customers Served .1,911
Power Generated and Purchased
(in Megawatt-Hours)
Self-Generated 904,839
Purchased 345,684
Total 1,250,523
Total Revenues (000s) $138,057
Operating Costs (000s) $123,561

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