Report of Independent Auditors and
Combined Financial Statements for

Southern California
Public Power Authority

June 30, 2016 and 2015

MOSS-ADAMS LLP

Certified Public Accountants | Business Consultants

CONTENTS

MOSS-ADAMS LLP
Certified Public Accountants | Business Consultants

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Participants of
Southern California Public Power Authority

Report on Financial Statements
We have audited the accompanying combined and individual projects' financial statements of Southern California Public Power Authority, which comprise the combined and individual projects' statements of net position as of June 30, 2016 and 2015, and the related combined and individual projects' statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these combined and individual projects' financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined and individual project financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these combined and individual projects' financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the California Code of Regulations, Title 2, Section 1131.2, State Controller's *Minimum Audit Requirements* for California Special Districts. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined and individual projects' financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined and individual projects' financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined and individual projects' financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined and individual projects' financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined and individual projects' financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Praxity MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

REPORT OF INDEPENDENT AUDITORS (continued)

Opinions

In our opinion, the combined and individual projects' financial statements referred to above present fairly, in all material respects, the financial position of Southern California Public Power Authority and each of the Authority's projects: Palo Verde Project, San Juan Project, Magnolia Power Project, Canyon Power Project, Apex Power Project, Hoover Uprating Project, Tieton Hydropower Project, Milford I Wind Project, Milford II Wind Project, Windy Point Project, Linden Wind Energy Project, Southern Transmission System Project, Mead-Phoenix Project, Mead-Adelanto Project, Pinedale Project, Barnett Project, Prepaid Natural Gas Project, Ormat Geothermal Energy Project, MWD Small Hydro Project, Pebble Springs Wind Project, Ameresco Chiquita Landfill Gas Project, Don A. Campbell 1 Geothermal Project, Copper Mountain Solar 3 Project, Columbia 2 Solar Project, Heber-1 Geothermal Project, Kingbird Solar Project, Don A. Campbell 2 Geothermal Project, Project Development Fund, Projects' Stabilization Fund and SCPPA Fund as of June 30, 2016 and 2015, and the combined and individual results of the projects' operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Proportionate Share of the Net Pension Liability as of June 30, 2016 and the Schedule of Contributions as of June 30, 2016 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures in the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of receipts and disbursements in funds for the year ended June 30, 2016, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Moss Adams LLP

Portland, Oregon
October 27, 2016

The following discussion and analysis of the financial performance of Southern California Public Power Authority (the Authority or SCPPA), provides an overview of the Authority's financial activities for the fiscal years ended June 30, 2016 and 2015. Please read this discussion and analysis in conjunction with the Authority's Combined Financial Statements, which begin on page 10. Description and other details pertaining to the Authority are included in the Notes to Combined Financial Statements.

The Authority is a joint powers authority whose primary purpose has been to provide joint financing and oversight for large joint projects for its member agencies that consist of eleven municipal electric utilities and one irrigation district in California. On a combined basis, these entities provide electricity to more than two million retail electric customers. A Board of Directors (the Board) governs the Authority, which consists of one representative from each member agency.

Using This Financial Report

This annual financial report consists of a series of financial statements and reflects the self-supporting activities of the Authority that are funded primarily through the sale of energy, natural gas, and transmission services to member agencies under project specific take-or-pay contracts that require each member agency to pay its proportionate share of operating and maintenance expenses and debt service with respect to such projects. 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 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. In addition, the Authority has entered into various power purchase agreements. These agreements are substantially take-and-pay contracts but there may be other costs not associated with the delivery of energy that the participants may be obligated to pay.

Combined Summary of Financial Condition and Changes in Net Position (in thousands)

	June 30, 2016	2015	2014
Assets			
Net utility plant	$ 1,427,164	$ 1,475,962	$ 1,574,194
Investments	698,007	676,135	679,569
Cash and cash equivalents	304,756	337,374	301,753
Prepaid and other	981,133	1,030,529	1,099,682
Total assets	3,411,060	3,520,000	3,655,198
Deferred outflows of resources	122,257	119,709	95,061
Total assets and deferred outflows of resources	$ 3,533,317	$ 3,639,709	$ 3,750,259
Liabilities			
Noncurrent liabilities	$ 3,114,994	$ 3,249,181	$ 3,456,473
Current liabilities	467,032	449,772	392,473
Total liabilities	3,582,026	3,698,953	3,848,946
Deferred inflows of resources	242	207	-
Net position			
Net investment in capital assets	(575,911)	(594,920)	(608,196)
Restricted	622,340	610,915	583,618
Unrestricted	(95,380)	(75,446)	(74,109)
Total net position	(48,951)	(59,451)	(98,687)
Total liabilities, deferred inflows of resources, and net position	$ 3,533,317	$ 3,639,709	$ 3,750,259
Revenues, expenses and changes in net position for the year ended June 30			
Operating revenues	$ 851,981	$ 813,095	$ 702,327
Operating expenses	(712,059)	(668,880)	(564,690)
Operating income	139,922	144,215	137,637
Investment and other income	23,633	21,909	30,066
Derivative gain (loss)	(10,238)	28,364	395
Debt expense	(132,716)	(157,254)	(156,729)
Change in net position	20,601	37,234	11,369
Net position, beginning of year, before adjustment	(59,451)	(98,687)	(106,999)
Less: Accumulated adjustment for change in accounting principal	-	(1,004)	-
Net position, beginning of year, as adjusted	(59,451)	(99,691)	(106,999)
Net contributions/(withdrawals) by participants	(10,101)	3,006	(3,057)
Net position, end of year	$ (48,951)	$ (59,451)	$ (98,687)

Combined Financial Statements (continued)

Net Position –

During fiscal year 2016 the Authority's net position increased by $11 million mainly due to a decrease in assets and deferred outflows of resources of $106 million offset by a decrease in liabilities of $117 million.

The decrease in the Authority's assets is due to the following:

- Utility Plant – decreased by $49 million.
  This decrease is primarily due to the $116 million scheduled depreciation in Generation and Transmission Projects; and $8 million depletion in the Natural Gas Reserve Projects; offset by the $60 million acquisition of additional interests in the Mead Adelanto (MA) and Mead Phoenix (MP) Projects, and $15 million ongoing capital improvements in the Palo Verde Project (PV), Apex Power Project (APP), and Magnolia Power Project (MPP).

- Investments – increased by $22 million.
  This increase is largely due to $9 million of proceeds from the sale of coal inventory and $9 million of additional billings for the reclamation and decommissioning of the San Juan Project (SJ); $6 million increase in billings for the debt service requirements of the Canyon Power Project (CPP); and $2 million of investment earnings reinvested in the PV Decommissioning Trust Fund. The increases were offset by the payment of $4 million of advances and accumulated overbillings in various projects.

- Cash and cash equivalents – decreased by $33 million.
  This decrease is mainly due to the $32 million payment of advances and accumulated overbillings and $10 million of transfers from the Project Stabilization Fund (PSF) for payment of a portion of the monthly billings, in various projects; and the return of $4 million of Escrow Funds related to the development of the Springbok 1 (SB1) Project. The decreases were offset by the $3 million members' contributions for the future acquisition of the new SCPPA Building; $8 million of additional operating costs billed for three new projects – Don A. Campbell 2 (DAC2), Kingbird Solar (KBS) and the Heber-1 Geothermal (Heber-1); and the $2 million of additional funds deposited in the Project Development Fund (PDF) for the ongoing development of the SB1 Project.

- Prepaid and other assets – decreased by $49 million.
  This decrease is primarily due to the $59 million amortizations of the prepaid assets in the Natural Gas Prepaid Project (NGPP), Milford 1, Milford II, and Windy Point/Windy Flats Project (Windy Point); offset by $8 million of swap collateral receivable and the return of $2 million of spare parts from GE in the MPP.

Combined Financial Statements (continued)

- Deferred outflows of resources – increased by $2 million.
  The increase is largely due to the $14 million increase in the fair values of the derivative instruments in the MPP and NGPP Projects; offset by $12 million amortizations of loss on refunding in various debt-funded Projects.

Liabilities –

The decrease in the Authority's liabilities of $117 million is primarily due to the following:

- $209 million of principal maturities and related amortizations for all debt-funded projects; and $3 million net decrease in advances and deferred credits in the CPP and PV Project. The decreases were offset by the $50 million issuance of the 2016A MA (LADWP) and MP (LADWP) Revenue Bonds at a premium of $11 million; $7 million of bond premium received from the issuance of the CPP 2016A Refunding Revenue Bonds; and $27 million net increase in the reported change in fair value of the derivative instruments.

During fiscal year 2015, the Authority's assets and deferred outflow of resources decreased by $111 million mainly due to the scheduled depreciation in the generation and transmission projects and depletion in the natural gas reserves projects; offset by the $151 million decrease in liabilities largely due to the termination of the STS 2000 Swap in FY 2015; and the scheduled principal maturities and related amortizations for all debt related projects; resulting in an increase in the Authority's net position of $40 million.

Operating income –

The net decrease in operating income of $4 million is mainly due to the $10 million increase in decommissioning expense in the PV Project related to the escalation rate of SCPPA's projected funding termination costs and to the 20-year extension of the life of the utility plant; the decrease in billings because of the receipt of $9 million from the sale of coal inventory in the SJ Project and the release of $3 million of debt service reserves for the final debt service requirements of the MPP 2006A Bonds; and $2 million of test energy costs accrued in the PSF for the upcoming Springbok Projects. The decreases were offset by $16 million net increase in billings for debt service requirements in the CPP and STS Projects and for operation expense in the PV Project; and $4 million of Turbine Warranty in the Windy Point/Windy Flats Project (Windy Point) that was fully amortized in FY 2015.

During FY 2015, the net increase of $7 million is due to the $7 million increase in participants' billings for early debt retirement and the receipt of $13 million in fire insurance settlements in the SJ Project; offset by $7 million decrease in participants' billings in the STS Project due to the release of the unused bond proceeds for the final debt service requirements of the STS 2008B Bonds in FY 2015.

Combined Financial Statements (continued)

Investment and Other Income –

Investment and other income increased $2 million primarily due to the receipt of $7 million from the sale of coal inventory in the SJ Project offset by the $3 million received for the FERC Rate settlement in the Apex Project and the $2 million Spent Fuel Settlement received from the DOE for the PV Project in FY 2015.

Derivative Gain (Loss) –

In June 2008, GASB issued Statement No 53, Accounting and Financial Reporting for Derivative Instruments, effective for financial statements for periods beginning after June 15, 2009. GASB 53 requires that the fair value of derivative instruments be reported in the financial statements as investment income or loss if the derivative fails to effectively hedge the risk of rising or falling cash flows or fair values. $10.2 million and $28.4 million were charged to expense and income related to the Authority's derivative instruments that were deemed investment instruments as of June 30, 2016 and 2015, respectively. The $38.6 million derivative loss is mainly due to termination of the STS 2000 Swaps in FY 2015 and $10.6 million decrease in the valuation of the Magnolia Swaps because of the recent fall in interest rates. (See Note 5).

SCPPA has three basis swaps that make variable payments based on SIFMA and receive variable payments based on a percentage of LIBOR. Their purpose is to reduce the interest expense on the Mead-Adelanto Project, and the Magnolia Power Project Bonds. Pursuant to GASB 53, there is no identified risk being hedged by a basis swap, and therefore they are all deemed investment instruments. These investment instruments were strategically placed by management to reduce interest expense and they continue to serve this purpose.

GASB 53 outlines a number of tests to be performed on a swap at each reporting period to qualify as an effective hedge. Once a swap becomes ineffective on a reporting date, it is deemed an investment instrument then and going forward. GASB 53 does not allow a swap to qualify again regardless of performance, unless associated with new bonds. While the Magnolia 2009-2 Swap has been deemed technically ineffective, and therefore an investment instrument since FY 2012, management still associates it with the Magnolia Bonds it was originally hedging and it continues to function accordingly.

Debt Expense –

Debt expense decreased by $24 million largely due to the decrease in interest expense and related amortizations from the refunding of the SJ 2005A, the STS 2000A and STS 2008B Bonds in FY 2015; and the final maturity of the MA and MP 1994 Bonds on July 1, 2015.

Financial outlook – The Authority's credit strength is based on a number of factors including:

- The collective credit strengths of each project participant;
- The low cost power the Projects provide the participants; and
- Strong legal provisions.

The Authority has take-or-pay power sales, natural gas sales, and transmission service contracts that unconditionally require the Participants to pay for the cost of operating and maintaining the Projects, including debt service, whether or not the Projects are operating or operable. Although the contracts have not been court-tested, a municipal utility's authority to enter into such contracts is rooted in the State's constitutional provisions for municipal electric utilities. The Participants of the Prepaid Natural Gas Project, however, are obligated only to purchase and pay for gas delivered by SCPPA at market-based prices in accordance with the prepaid gas sale agreements in take-and-pay contracts.

The Authority has also entered into various power purchase agreements that are substantially take-and-pay contracts but there may be other costs not associated with the delivery of energy that the participants may be obligated to pay.

Through the collaborative efforts of its members, the Authority has developed a comprehensive and dynamic strategic plan that provides a common vision for its members and a platform for joint action. SCPPA continues its involvement in legislative and regulatory affairs at both the state and federal levels to protect represented customers, by assuring resource adequacy, excellent reliability, and environmental stewardship. Backed by one of the strongest financial ratings in the utility industry, SCPPA maintains its traditional role of providing financing for its members' natural gas, generation, and transmission projects. In addition to the conventional areas of power, investments are also being made to provide customers with more renewable generation and energy efficiency.

AB 1890 required all California electric utilities to commit a portion of their revenue to other Public Benefit Programs, including energy efficiency, renewable energy, research, development and demonstration (RD&D), and low-income customer assistance. Since 1998, a combined $2.0 billion dollars have been spent by SCPPA members on their respective Public Benefits Programs to support local communities.

Renewable projects – Member agencies' electric utilities are governed by their respective city councils or other elected legislative bodies. Many of whom previously established voluntary targets including goals for the percentage of renewable energy they wish to obtain within their portfolios. Some have set targets as high as 40% by the year 2020. Many members are approaching, or have already exceeded their interim targets of 25% renewable energy and are now updating their objectives to meet 33% by 2020 as required by SBX1 2**.** In addition, the passage of SB350 has added a new 50% renewable portfolio standard target for 2030.

SCPPA continues to seek cost effective resources to support members' Renewable Portfolio Standard (RPS) objectives for 2016 and beyond. SCPPA has an active working group focused on renewable energy development. This group, with representation from all twelve of the member agencies, has reviewed over twelve hundred (1200) individual project proposals since starting in 2007. Many of these projects have advanced into specific contract negotiations, and over 1,700 MW of capacity are now in development or operating in support of members' renewable objectives.

Adoption of new accounting standard – In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application,* effective for financial statements for years beginning after June 15, 2015. SCPPA implemented this statement during fiscal year 2016 and reports its assets and liabilities accordingly. GASB 72 clarifies the definition of fair value, establishes general principles for measuring fair value, provides additional fair value application guidance, and enhances disclosures about fair value measurements. Fair Value is defined in Statement 72 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). This statement also establishes a three-level hierarchy to the valuation techniques used to measure fair value and sets forth the required disclosure for fair value measurements, the level of fair value hierarchy, and a description of the valuation techniques or methods used for determining recurring fair value measurements. The Fair Values of SCPPA's derivative instruments for fiscal year 2015 were not restated as it was determined that it was not practical or material to do so. (See Note 6)

Summary

The management of the Authority is responsible for preparing the information in this management discussion and analysis, combined and individual projects' financial statements, and notes to combined financial statements. The financial statements were prepared according to accounting principles generally accepted in the United States of America, and they fairly portray the Authority's financial position and operating results. The notes to the financial statements are an integral part of the basic financial statements and provide additional financial information.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINED STATEMENTS OF NET POSITION
(AMOUNTS IN THOUSANDS)

	June 30, 2016	June 30, 2015
ASSETS		
Noncurrent assets		
Net utility plant	$ 1,427,164	$ 1,475,962
Investments – restricted	636,201	631,010
Investments – unrestricted	61,806	45,125
Advance to IPA - restricted	11,550	11,550
Advances for capacity and energy, net – restricted	404	2,036
Fair value of derivative instruments	3,731	2,229
Prepaid and other assets	849,731	909,230
Total noncurrent assets	2,990,587	3,077,142
Current assets		
Cash and cash equivalents – restricted	235,743	236,950
Cash and cash equivalents – unrestricted	69,013	100,424
Interest receivable	995	1,278
Accounts receivable	22,148	11,673
Materials and supplies	26,155	25,909
Prepaid and other assets	66,419	66,624
Total current assets	420,473	442,858
DEFERRED OUTFLOWS OF RESOURCES		
Deferred items related to pensions	440	353
Unamortized loss on refunding	83,848	96,202
Accumulated decrease in fair value of hedging derivatives	37,969	23,154
Total deferred outflows of resources	122,257	119,709
Total assets and deferred outflows of resources	$ 3,533,317	$ 3,639,709
LIABILITIES		
Noncurrent liabilities		
Long-term debt	$ 3,025,767	$ 3,176,756
Fair value of derivative instruments	63,413	36,857
Notes payable, net pension and other liabilities	1,603	9,118
Advances from participants	24,211	26,450
Total noncurrent liabilities	3,114,994	3,249,181
Current liabilities		
Debt due within one year	191,730	181,710
Notes payable and other liabilities due within one year	25,472	20,480
Advances from participants due within one year	73,003	45,634
Accrued interest	61,906	63,301
Accounts payable and accruals	110,731	133,067
Accrued property tax	4,190	5,580
Total current liabilities	467,032	449,772
Total liabilities	3,582,026	3,698,953
DEFERRED INFLOWS OF RESOURCES		
Deferred items related to pensions	242	207
Total deferred inflows of resources	242	207
NET POSITION		
Net investment in capital assets	(575,911)	(594,920)
Restricted	622,340	610,915
Unrestricted	(95,380)	(75,446)
Total net position	(48,951)	(59,451)
Total liabilities, deferred inflows of resources and net position	$ 3,533,317	$ 3,639,709

See accompanying notes.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(AMOUNTS IN THOUSANDS)

	Years Ended June 30,	
	2016	2015
Operating revenues		
Sales of electric energy	$ 665,550	$ 628,515
Sales of transmission services	146,281	140,541
Sales of natural gas	40,150	44,039
Total operating revenues	851,981	813,095
Operating expenses		
Operations and maintenance	569,581	537,216
Depreciation, depletion and amortization	106,526	106,590
Amortization of nuclear fuel	14,653	14,493
Decommissioning	21,214	10,857
Pension expense (credit)	85	(276)
Total operating expenses	712,059	668,880
Operating income	139,922	144,215
Non operating revenues (expenses)		
Investment and other income	23,633	21,909
Derivative gain	(10,238)	28,364
Debt expense	(132,716)	(157,254)
Net non operating revenues (expenses)	(119,321)	(106,981)
Change in net position	20,601	37,234
Net position – beginning of year	(59,451)	(99,691)
Net contributions (distributions) by participants	(10,101)	3,006
Net position – end of year	$ (48,951)	$ (59,451)

See accompanying notes.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINED STATEMENTS OF CASH FLOWS
(AMOUNTS IN THOUSANDS)

	Years Ended June 30, 2016	Years Ended June 30, 2015
Cash flows from operating activities		
Receipts from participants	$ 740,724	$ 700,656
Receipts from sale of oil and gas	1,117	16,286
Payments to operating managers	(408,433)	(350,001)
Other disbursements and receipts	15,753	17,376
Net cash flows from operating activities	349,161	384,317
Cash flows from noncapital financing activities		
Advances by participants, net	(7,675)	1,590
Cash flows from capital financing activities		
Additions to plant and prepaid projects, net	(97,157)	(34,316)
Debt interest payments	(136,666)	(143,210)
Proceeds from sale of bonds	154,562	316,095
Payment for defeasance of revenue bonds	(92,261)	(349,670)
Transfer of funds from (to) Mine Reclamation Trust Fund	(3,760)	(420)
Principal payments on debt	(181,710)	(122,520)
Payment for bond issue costs	(1,252)	(24,150)
Net cash used for capital and related financing activities	(358,244)	(358,191)
Cash flows from investing activities		
Interest received on investments	4,913	5,294
Purchases of investments	(655,558)	(425,834)
Proceeds from sale/maturity of investments	634,785	428,445
Net cash from investing activities	(15,860)	7,905
Net change in cash and cash equivalents	(32,618)	35,621
Cash and cash equivalents, beginning of year	337,374	301,753
Cash and cash equivalents, end of year	$ 304,756	$ 337,374
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$ 139,922	$ 144,215
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation, depletion and amortization	106,526	158,745
Decommissioning	19,507	10,857
Advances for capacity and energy	2,480	2,550
Amortization of nuclear fuel	63,307	14,493
Pension expense	85	(276)
Changes in assets and liabilities		
Accounts receivable	(10,700)	4,481
Accounts payable and accruals	(5,183)	33,764
Other	33,217	15,488
Net cash provided by operating activities	$ 349,161	$ 384,317
Cash and cash equivalents as stated in the Combined Statements of Net Position		
Cash and cash equivalents – restricted	$ 235,743	$ 236,950
Cash and cash equivalents – unrestricted	69,013	100,424
	$ 304,756	$ 337,374

See accompanying notes.

This page intentionally left blank.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	GENERATION				
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power
ASSETS					
Noncurrent assets					
Net utility plant	$ 34,955	$ 53,190	$ 199,697	$ 239,046	$ 269,632
Investments – restricted	196,774	26,797	52,802	31,128	38,184
Investments – unrestricted	25,657	20,870	-	-	-
Advance to IPA – restricted	-	-	-	-	-
Advances for capacity and energy, net – restricted	-	-	-	-	-
Fair value of derivative instruments	-	-	-	-	-
Prepaid and other assets	-	747	-	-	-
Total noncurrent assets	257,386	101,604	252,499	270,174	307,816
Current assets					
Cash and cash equivalents – restricted	14,523	674	32,884	10,717	10,068
Cash and cash equivalents – unrestricted	7,314	2,080	3,118	651	726
Interest receivable	324	35	329	45	23
Accounts receivable	2,338	-	8,620	378	-
Materials and supplies	10,202	2,573	9,162	1,116	3,102
Prepaid and other assets	847	1,508	1,432	7	762
Total current assets	35,548	6,870	55,545	12,914	14,681
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized loss on refunding	-	-	10,474	6,242	-
Accumulated decrease in fair value of hedging derivatives	-	-	24,797	-	-
Total deferred outflows of resources	-	-	35,271	6,242	-
Total assets and deferred outflows of resources	$ 292,934	$ 108,474	$ 343,315	$ 289,330	$ 322,497
LIABILITIES					
Noncurrent liabilities					
Long-term debt	$ 12,410	$ -	$ 306,949	$ 306,876	$ 313,479
Fair value of derivative instruments	-	-	50,241	-	-
Notes payable and other liabilities	-	-	-	-	-
Advances from participants	-	-	-	-	-
Total noncurrent liabilities	12,410	-	357,190	306,876	313,479
Current liabilities					
Debt due within one year	12,030	21,345	11,470	6,735	9,375
Notes payable and other liabilities due within one year	7,047	-	17,797	-	-
Advances from participants due within one year	-	23,346	27,106	2,225	-
Accrued interest	5	84	3,433	7,150	6,284
Accounts payable and accruals	22,706	4,640	3,111	2,698	3,337
Accrued property tax	1,650	366	-	-	-
Total current liabilities	43,438	49,781	62,917	18,808	18,996
Total liabilities	55,848	49,781	420,107	325,684	332,475
NET POSITION					
Net investment in capital assets	10,515	11,996	(108,248)	(64,131)	(26,220)
Restricted	204,545	24,672	51,837	28,264	14,976
Unrestricted	22,026	22,025	(20,381)	(487)	1,266
Total net position	237,086	58,693	(76,792)	(36,354)	(9,978)
Total liabilities and net position	$ 292,934	$ 108,474	$ 343,315	$ 289,330	$ 322,497

 See accompanying notes.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2015
(AMOUNTS IN THOUSANDS)

	GENERATION				
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power
ASSETS					
Noncurrent assets					
Net utility plant	$ 60,006	$ 64,103	$ 209,944	$ 248,624	$ 279,522
Investments – restricted	189,229	11,975	52,576	22,718	37,981
Investments – unrestricted	23,742	-	-	-	-
Advance to IPA – restricted	-	-	-	-	-
Advances for capacity and energy, net – restricted	-	-	-	-	-
Fair value of derivative instruments	-	-	-	-	-
Prepaid and other assets	-	739	-	-	-
Total noncurrent assets	272,977	76,817	262,520	271,342	317,503
Current assets					
Cash and cash equivalents – restricted	22,159	15,075	29,108	11,299	16,667
Cash and cash equivalents – unrestricted	11,616	5,913	7,930	650	17,440
Interest receivable	487	20	246	46	3
Accounts receivable	2,226	376	355	87	-
Materials and supplies	10,326	4,880	7,146	1,091	2,466
Prepaid and other assets	737	1,434	1,306	44	741
Total current assets	47,551	27,698	46,091	13,217	37,317
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized loss on refunding	-	74	11,687	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	13,272	-	-
Total deferred outflows of resources	-	74	24,959	-	-
Total assets and deferred outflows of resources	$ 320,528	$ 104,589	$ 333,570	$ 284,559	$ 354,820
LIABILITIES					
Noncurrent liabilities					
Long-term debt	$ 24,440	$ 21,345	$ 319,423	$ 307,987	$ 323,602
Fair value of derivative instruments	-	-	26,975	-	-
Notes payable and other liabilities	7,024	-	-	-	-
Advances from participants	-	-	-	-	-
Total noncurrent liabilities	31,464	21,345	346,398	307,987	323,602
Current liabilities					
Debt due within one year	11,690	21,590	10,985	-	9,335
Notes payable and other liabilities due within one year	6,700	-	13,152	-	-
Advances from participants due within one year	-	9,332	17,796	2,225	-
Accrued interest	3	181	3,599	8,366	6,305
Accounts payable and accruals	21,629	5,409	5,330	422	23,434
Accrued property tax	1,650	372	-	-	-
Total current liabilities	41,672	36,884	50,862	11,013	39,074
Total liabilities	73,136	58,229	397,260	319,000	362,676
NET POSITION					
Net investment in capital assets	23,876	15,399	(108,777)	(55,124)	(22,315)
Restricted	185,497	24,139	55,914	19,233	18,490
Unrestricted	38,019	6,822	(10,827)	1,450	(4,031)
Total net position	247,392	46,360	(63,690)	(34,441)	(7,856)
Total liabilities and net position	$ 320,528	$ 104,589	$ 333,570	$ 284,559	$ 354,820

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	GREEN POWER					
	Hoover Uprating	Tieton Hydropower	Milford I Wind	Milford II Wind	Windy Point	Linden Wind Energy
ASSETS						
Noncurrent assets						
Net utility plant	$ -	$ 38,942	$ -	$ -	$ -	$ 112,843
Investments – restricted	3,461	4,997	25,813	8,227	23,592	5,999
Investments – unrestricted	-	-	-	3,793	2,498	-
Advance to IPA – restricted	-	-	-	-	-	-
Advances for capacity and energy, net – restricted	404	-	-	-	-	-
Fair value of derivative instruments	-	-	-	-	-	-
Prepaid and other assets	-	-	141,133	123,194	362,043	-
Total noncurrent assets	3,865	43,939	166,946	135,214	388,133	118,842
Current assets						
Cash and cash equivalents – restricted	376	2,570	12,642	4,343	17,324	5,328
Cash and cash equivalents – unrestricted	718	564	5,279	1,845	4,135	660
Interest receivable	1	9	18	13	37	-
Accounts receivable	-	137	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Prepaid and other assets	1,636	22	11,410	8,699	27,941	131
Total current assets	2,731	3,302	29,349	14,900	49,437	6,119
DEFERRED OUTFLOWS OF RESOURCES						
Unamortized loss on refunding	-	-	-	-	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	$ 6,596	$ 47,241	$ 196,295	$ 150,114	$ 437,570	$ 124,961
LIABILITIES						
Noncurrent liabilities						
Long-term debt	$ 2,141	$ 48,997	$ 194,400	$ 141,967	$ 437,630	$ 123,062
Fair value of derivative instruments	-	-	-	-	-	-
Notes payable and other liabilities	-	-	-	-	-	-
Advances from participants	-	-	-	-	-	-
Total noncurrent liabilities	2,141	48,997	194,400	141,967	437,630	123,062
Current liabilities						
Debt due within one year	2,030	870	9,175	5,795	20,145	3,820
Notes payable and other liabilities due within one year	-	-	-	-	-	-
Advances from participants due within one year	-	202	250	250	1,000	2,004
Accrued interest	55	1,244	4,849	3,535	10,449	3,169
Accounts payable and accruals	59	376	4,997	5,367	5,452	637
Accrued property tax	-	-	-	-	676	239
Total current liabilities	2,144	2,692	19,271	14,947	37,722	9,869
Total liabilities	4,285	51,689	213,671	156,914	475,352	132,931
NET POSITION						
Net investment in capital assets	-	(10,925)	-	-	-	(14,040)
Restricted	723	6,331	-	-	-	8,159
Unrestricted	1,588	146	(17,376)	(6,800)	(37,782)	(2,089)
Total net position	2,311	(4,448)	(17,376)	(6,800)	(37,782)	(7,970)
Total liabilities and net position	$ 6,596	$ 47,241	$ 196,295	$ 150,114	$ 437,570	$ 124,961

See accompanying notes.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2015
(AMOUNTS IN THOUSANDS)

	GREEN POWER					
	Hoover Uprating	Tieton Hydropower	Milford I Wind	Milford II Wind	Windy Point	Linden Wind Energy
ASSETS						
Noncurrent assets						
Net utility plant	$ -	$ 39,752	$ -	$ -	$ -	$ 118,656
Investments – restricted	3,136	4,956	26,267	3,249	21,293	2,303
Investments – unrestricted	560	-	2,502	2,823	3,003	1,501
Advance to IPA - restricted	-	-	-	-	-	-
Advances for capacity and energy, net – restricted	2,036	-	-	-	-	-
Fair value of derivative instruments	-	-	-	-	-	-
Prepaid and other assets	-	-	152,534	131,890	389,492	-
Total noncurrent assets	5,732	44,708	181,303	137,962	413,788	122,460
Current assets						
Cash and cash equivalents – restricted	89	2,554	11,855	9,199	19,228	7,988
Cash and cash equivalents – unrestricted	792	579	1,944	2,403	5,977	223
Interest receivable	1	13	56	14	51	-
Accounts receivable	-	-	-	-	-	129
Materials and supplies	-	-	-	-	-	-
Prepaid and other assets	1,667	408	11,410	8,706	27,962	10
Total current assets	2,549	3,554	25,265	20,322	53,218	8,350
DEFERRED OUTFLOWS OF RESOURCES						
Unamortized loss on refunding	-	-	-	-	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	$ 8,281	$ 48,262	$ 206,568	$ 158,284	$ 467,006	$ 130,810
LIABILITIES						
Noncurrent liabilities						
Long-term debt	$ 4,181	$ 49,931	$ 204,704	$ 149,610	$ 463,114	$ 127,753
Fair value of derivative instruments	-	-	-	-	-	-
Notes payable and other liabilities	-	-	-	-	-	-
Advances from participants	-	-	-	-	-	-
Total noncurrent liabilities	4,181	49,931	204,704	149,610	463,114	127,753
Current liabilities						
Debt due within one year	1,930	840	8,820	5,530	19,390	3,670
Notes payable and other liabilities due within one year	-	-	-	-	-	-
Advances from participants due within one year	-	202	250	250	1,000	2,004
Accrued interest	80	1,259	5,025	3,665	10,828	3,242
Accounts payable and accruals	121	640	4,165	4,961	7,452	759
Accrued property tax	-	-	-	-	727	258
Total current liabilities	2,131	2,941	18,260	14,406	39,397	9,933
Total liabilities	6,312	52,872	222,964	164,016	502,511	137,686
NET POSITION						
Net investment in capital assets	-	(11,019)	-	-	-	(12,767)
Restricted	723	6,264	-	-	-	7,182
Unrestricted	1,246	145	(16,396)	(5,732)	(35,505)	(1,291)
Total net position	1,969	(4,610)	(16,396)	(5,732)	(35,505)	(6,876)
Total liabilities and net position	$ 8,281	$ 48,262	$ 206,568	$ 158,284	$ 467,006	$ 130,810

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	TRANSMISSION		
	Southern Transmission System	Mead- Phoenix	Mead- Adelanto
ASSETS			
Noncurrent assets			
Net utility plant	$ 216,259	$ 55,634	$ 115,269
Investments – restricted	41,155	2,300	17,497
Investments – unrestricted	-	-	-
Advance to IPA – restricted	11,550	-	-
Advances for capacity and energy, net – restricted	-	-	-
Fair value of derivative instruments	-	-	3,731
Prepaid and other assets	-	-	-
Total noncurrent assets	268,964	57,934	136,497
Current assets			
Cash and cash equivalents – restricted	50,283	4,327	10,896
Cash and cash equivalents – unrestricted	2,992	488	650
Interest receivable	25	-	11
Accounts receivable	4,632	273	-
Materials and supplies	-	-	-
Prepaid and other assets	40	8	12
Total current assets	57,972	5,096	11,569
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	62,231	1,269	3,632
Accumulated decrease in fair value of hedging derivatives	-	-	-
Total deferred outflows of resources	62,231	1,269	3,632
Total assets and deferred outflows of resources	$ 389,167	$ 64,299	$ 151,698
LIABILITIES			
Noncurrent liabilities			
Long-term debt	$ 603,434	$ 50,656	$ 112,098
Fair value of derivative instruments	-	-	-
Notes payable and other liabilities	-	-	592
Advances from participants	-	-	-
Total noncurrent liabilities	603,434	50,656	112,690
Current liabilities			
Debt due within one year	53,650	5,515	17,985
Notes payable and other liabilities due within one year	-	-	628
Advances from participants due within one year	-	-	-
Accrued interest	14,041	657	2,226
Accounts payable and accruals	11,076	482	1,113
Accrued property tax	-	-	-
Total current liabilities	78,767	6,654	21,952
Total liabilities	682,201	57,310	134,642
NET POSITION			
Net investment in capital assets	(377,780)	(537)	(12,041)
Restricted	88,158	7,239	26,179
Unrestricted	(3,412)	287	2,918
Total net position	(293,034)	6,989	17,056
Total liabilities and net position	$ 389,167	$ 64,299	$ 151,698

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2015
(AMOUNTS IN THOUSANDS)

	TRANSMISSION		
	Southern Transmission System	Mead- Phoenix	Mead- Adelanto
ASSETS			
Noncurrent assets			
Net utility plant	$ 239,013	$ 30,006	$ 86,741
Investments – restricted	48,904	2,900	14,397
Investments – unrestricted	-	-	-
Advance to IPA – restricted	11,550	-	-
Advances for capacity and energy, net – restricted	-	-	-
Fair value of derivative instruments	-	-	2,229
Prepaid and other assets	-	-	-
Total noncurrent assets	299,467	32,906	103,367
Current assets			
Cash and cash equivalents – restricted	40,466	2,358	12,098
Cash and cash equivalents – unrestricted	4,983	2,319	2,062
Interest receivable	22	-	1
Accounts receivable	4,438	-	48
Materials and supplies	-	-	-
Prepaid and other assets	20	123	12
Total current assets	49,929	4,800	14,221
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	78,315	1,586	4,540
Accumulated decrease in fair value of hedging derivatives	-	-	-
Total deferred outflows of resources	78,315	1,586	4,540
Total assets and deferred outflows of resources	$ 427,711	$ 39,292	$ 122,128
LIABILITIES			
Noncurrent liabilities			
Long-term debt	$ 667,654	$ 29,730	$ 99,570
Fair value of derivative instruments	-	-	-
Notes payable and other liabilities	-	-	1,220
Advances from participants	-	-	-
Total noncurrent liabilities	667,654	29,730	100,790
Current liabilities			
Debt due within one year	53,085	5,480	17,690
Notes payable and other liabilities due within one year	-	-	628
Advances from participants due within one year	-	-	-
Accrued interest	12,565	693	2,537
Accounts payable and accruals	12,901	752	688
Accrued property tax	-	-	-
Total current liabilities	78,551	6,925	21,543
Total liabilities	746,205	36,655	122,333
NET POSITION			
Net investment in capital assets	(407,143)	(6,105)	(27,828)
Restricted	92,114	5,556	23,688
Unrestricted	(3,465)	3,186	3,935
Total net position	(318,494)	2,637	(205)
Total liabilities and net position	$ 427,711	$ 39,292	$ 122,128

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	NATURAL GAS		
	Pinedale	Barnett	Prepaid Natural Gas
ASSETS			
Noncurrent assets			
Net utility plant	$ 40,988	$ 46,440	$ -
Investments – restricted	1,100	31,908	11,739
Investments –unrestricted	-	-	-
Advance to IPA – restricted	-	-	-
Advances for capacity and energy, net – restricted	-	-	-
Fair value of derivative instruments	-	-	-
Prepaid and other assets	126	-	222,488
Total noncurrent assets	42,214	78,348	234,227
Current assets			
Cash and cash equivalents – restricted	4,104	9,769	4,742
Cash and cash equivalents – unrestricted	5,929	1,502	56
Interest receivable	1	14	49
Accounts receivable	497	282	1,452
Materials and supplies	-	-	-
Prepaid and other assets	512	2	11,306
Total current assets	11,043	11,569	17,605
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	-	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	13,172
Total deferred outflows of resources	-	-	13,172
Total assets and deferred outflows of resources	$ 53,257	$ 89,917	$ 265,004
LIABILITIES			
Noncurrent liabilities			
Long-term debt	$ 20,240	$ 47,570	$ 303,858
Fair value of derivative instruments	-	-	13,172
Notes payable and other liabilities	-	-	-
Advances from participants	16,537	7,674	-
Total noncurrent liabilities	36,777	55,244	317,030
Current liabilities			
Debt due within one year	2,249	5,266	4,275
Notes payable and other liabilities due within one year	-	-	-
Advances from participants due within one year	4,933	1,386	-
Accrued interest	636	1,496	2,593
Accounts payable and accruals	2,225	1,650	695
Accrued property tax	1,259	-	-
Total current liabilities	11,302	9,798	7,563
Total liabilities	48,079	65,042	324,593
NET POSITION			
Net investment in capital assets	401	12,935	-
Restricted	1,831	11,804	-
Unrestricted	2,946	136	(59,589)
Total net position	5,178	24,875	(59,589)
Total liabilities and net position	$ 53,257	$ 89,917	$ 265,004

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2015
(AMOUNTS IN THOUSANDS)

	NATURAL GAS		
	Pinedale	Barnett	Prepaid Natural Gas
ASSETS			
Noncurrent assets			
Net utility plant	$ 44,625	$ 50,710	$ -
Investments – restricted	-	31,187	11,586
Investments – unrestricted	-	-	-
Advance to IPA – restricted	-	-	-
Advances for capacity and energy, net – restricted	-	-	-
Fair value of derivative instruments	-	-	-
Prepaid and other assets	126	-	234,449
Total noncurrent assets	44,751	81,897	246,035
Current assets			
Cash and cash equivalents – restricted	4,607	11,117	4,399
Cash and cash equivalents – unrestricted	4,696	1,264	77
Interest receivable	-	48	55
Accounts receivable	1,497	626	1,459
Materials and supplies	-	-	-
Prepaid and other assets	679	10	11,335
Total current assets	11,479	13,065	17,325
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	-	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	9,882
Total deferred outflows of resources	-	-	9,882
Total assets and deferred outflows of resources	$ 56,230	$ 94,962	$ 273,242
LIABILITIES			
Noncurrent liabilities			
Long-term debt	$ 22,489	$ 52,836	$ 308,387
Fair value of derivative instruments	-	-	9,882
Notes payable and other liabilities	-	-	-
Advances from participants	17,898	8,552	-
Total noncurrent liabilities	40,387	61,388	318,269
Current liabilities			
Debt due within one year	2,274	5,326	4,075
Notes payable and other liabilities due within one year	-	-	-
Advances from participants due within one year	1,964	1,218	-
Accrued interest	694	1,632	2,627
Accounts payable and accruals	3,478	2,304	347
Accrued property tax	2,573	-	-
Total current liabilities	10,983	10,480	7,049
Total liabilities	51,370	71,868	325,318
NET POSITION			
Net investment in capital assets	205	12,419	-
Restricted	4,494	11,034	-
Unrestricted	161	(359)	(52,076)
Total net position	4,860	23,094	(52,076)
Total liabilities and net position	$ 56,230	$ 94,962	$ 273,242

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	POWER PURCHASE AGREEMENTS									
	Ormat Geothermal Energy	MWD Small Hydro	Pebble Springs Wind	Ameresco Chiquita Landfill Gas	Don A. Campbell/ Wild Rose Geothermal	Copper Mountain Solar 3	Columbia 2 Solar	Heber-1 Geothermal	Kingbird Solar	Don A. Campbell 2 Geothermal
ASSETS										
Noncurrent assets										
Net utility plant	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Investments – restricted	-	-	-	-	-	-	-	-	-	-
Investments – unrestricted	-	-	-	-	-	8,988	-	-	-	-
Advance to IPA – restricted	-	-	-	-	-	-	-	-	-	-
Advances for capacity and energy, net – restricted	-	-	-	-	-	-	-	-	-	-
Fair value of derivative instruments	-	-	-	-	-	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-	8,988	-	-	-	-
Current assets										
Cash and cash equivalents – restricted	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents – unrestricted	601	1,735	3,821	615	123	14,753	1,014	5,615	732	1,297
Interest receivable	-	-	1	-	-	1	-	-	-	-
Accounts receivable	695	-	-	47	2,597	-	58	-	142	-
Materials and supplies	-	-	-	-	-	-	-	-	-	-
Prepaid and other assets	5	3	4	3	5	30	17	-	-	77
Total current assets	1,301	1,738	3,826	665	2,725	14,784	1,089	5,615	874	1,374
DEFERRED OUTFLOWS OF RESOURCES										
Unamortized loss on refunding	-	-	-	-	-	-	-	-	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	$ 1,301	$ 1,738	$ 3,826	$ 665	$ 2,725	$ 23,772	$ 1,089	$ 5,615	$ 874	$ 1,374

(AMOUNTS IN THOUSANDS)

	POWER PURCHASE AGREEMENTS									
	Ormat Geothermal Energy	MWD Small Hydro	Pebble Springs Wind	Ameresco Chiquita Landfill Gas	Don A. Campbell/ Wild Rose Geothermal	Copper Mountain Solar 3	Columbia 2 Solar	Heber-1 Geothermal	Kingbird Solar	Don A. Campbell 2 Geothermal
LIABILITIES										
Noncurrent liabilities										
Long-term debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fair value of derivative instruments	-	-	-	-	-	-	-	-	-	-
Notes payable and other liabilities	-	-	-	-	-	-	-	-	-	-
Advances from participants	-	-	-	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-	-	-	-	-
Current liabilities										
Debt due within one year	-	-	-	-	-	-	-	-	-	-
Notes payable and other liabilities due within one year	-	-	-	-	-	-	-	-	-	-
Advances from participants due within one year	857	500	-	400	1,629	-	405	400	404	400
Accrued interest	-	-	-	-	-	-	-	-	-	-
Accounts payable and accruals	444	1,238	3,826	265	1,095	23,761	684	5,215	470	974
Accrued property tax	-	-	-	-	-	-	-	-	-	-
Total current liabilities	1,301	1,738	3,826	665	2,724	23,761	1,089	5,615	874	1,374
Total liabilities	1,301	1,738	3,826	665	2,724	23,761	1,089	5,615	874	1,374
NET POSITION										
Net investment in capital assets	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	1	11	-	-	-	-
Total net position	-	-	-	-	1	11	-	-	-	-
Total liabilities and net position	$ 1,301	$ 1,738	$ 3,826	$ 665	$ 2,725	$ 23,772	$ 1,089	$ 5,615	$ 874	$ 1,374

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2015
(AMOUNTS IN THOUSANDS)

	POWER PURCHASE AGREEMENTS						
	Ormat Geothermal Energy	MWD Small Hydro	Pebble Springs Wind	Ameresco Chiquita Landfill Gas	Don A. Campbell/ Wild Rose Geothermal	Copper Mountain Solar 3	Columbia 2 Solar
ASSETS							
Noncurrent assets							
Net utility plant	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Investments – restricted	-	-	-	-	-	-	-
Investments – unrestricted	-	-	1,000	-	-	9,994	-
Advance to IPA – restricted	-	-	-	-	-	-	-
Advances for capacity and energy, net – restricted	-	-	-	-	-	-	-
Fair value of derivative instruments	-	-	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-	-	-
Total noncurrent assets	-	-	1,000	-	-	9,994	-
Current assets							
Cash and cash equivalents – restricted	1	1	-	1	6	6	-
Cash and cash equivalents – unrestricted	1,816	1,338	2,761	1,417	3,363	16,976	1,885
Interest receivable	-	-	-	-	-	-	-
Accounts receivable	140	255	-	-	-	-	37
Materials and supplies	-	-	-	-	-	-	-
Prepaid and other assets	1	1	6	1	6	5	-
Total current assets	1,958	1,595	2,767	1,419	3,375	16,987	1,922
DEFERRED OUTFLOWS OF RESOURCES							
Unamortized loss on refunding	-	-	-	-	-	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	$ 1,958	$ 1,595	$ 3,767	$ 1,419	$ 3,375	$ 26,981	$ 1,922
LIABILITIES							
Noncurrent liabilities							
Long-term debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fair value of derivative instruments	-	-	-	-	-	-	-
Notes payable and other liabilities	-	-	-	-	-	-	-
Advances from participants	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-	-
Current liabilities							
Debt due within one year	-	-	-	-	-	-	-
Notes payable and other liabilities due within one year	-	-	-	-	-	-	-
Advances from participants due within one year	857	500	-	400	480	-	538
Accrued interest	-	-	-	-	-	-	-
Accounts payable and accruals	1,101	1,095	3,767	1,019	2,895	26,981	1,384
Accrued property tax	-	-	-	-	-	-	-
Total current liabilities	1,958	1,595	3,767	1,419	3,375	26,981	1,922
Total liabilities	1,958	1,595	3,767	1,419	3,375	26,981	1,922
NET POSITION							
Net investment in capital assets	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total net position	-	-	-	-	-	-	-
Total liabilities and net position	$ 1,958	$ 1,595	$ 3,767	$ 1,419	$ 3,375	$ 26,981	$ 1,922

See accompanying notes.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	MISCELLANEOUS			
	Project Development Fund	Projects' Stabilization Fund	SCPPA Fund	Total Combined
ASSETS				
Noncurrent assets				
Net utility plant	$ -	$ -	$ 4,269	$ 1,427,164
Investments – restricted	-	112,728	-	636,201
Investments – unrestricted	-	-	-	61,806
Advance to IPA – restricted	-	-	-	11,550
Advances for capacity and energy, net – restricted	-	-	-	404
Fair value of derivative instruments	-	-	-	3,731
Prepaid and other assets	-	-	-	849,731
Total noncurrent assets	-	112,728	4,269	2,990,587
Current assets				
Cash and cash equivalents – restricted	2,797	34,835	2,541	235,743
Cash and cash equivalents – unrestricted	-	-	-	69,013
Interest receivable	-	59	-	995
Accounts receivable	-	-	-	22,148
Materials and supplies	-	-	-	26,155
Prepaid and other assets	-	-	-	66,419
Total current assets	2,797	34,894	2,541	420,473
DEFERRED OUTFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	440	440
Unamortized loss on refunding	-	-	-	83,848
Accumulated decrease in fair value of hedging derivatives	-	-	-	37,969
Total deferred outflows of resources	-	-	440	122,257
Total assets and deferred outflows of resources	$ 2,797	$ 147,622	$ 7,250	$ 3,533,317
LIABILITIES				
Noncurrent liabilities				
Long-term debt	$ -	$ -	$ -	$ 3,025,767
Fair value of derivative instruments	-	-	-	63,413
Notes payable, other and net pension liabilities	-	-	1,011	1,603
Advances from participants	-	-	-	24,211
Total noncurrent liabilities	-	-	1,011	3,114,994
Current liabilities				
Debt due within one year	-	-	-	191,730
Notes payable and other liabilities due within one year	-	-	-	25,472
Advances from participants due within one year	2,797	-	2,509	73,003
Accrued interest	-	-	-	61,906
Accounts payable and accruals	2,097	-	41	110,731
Accrued property tax	-	-	-	4,190
Total current liabilities	4,894	-	2,550	467,032
Total liabilities	4,894	-	3,561	3,582,026
DEFERRED INFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	242	242
Total deferred inflows of resources	-	-	242	242
NET POSITION				
Net investment in capital assets	(2,097)	-	4,261	(575,911)
Restricted	-	147,622	-	622,340
Unrestricted	-	-	(814)	(95,380)
Total net position	(2,097)	147,622	3,447	(48,951)
Total liabilities, deferred inflows of resources, and net position	$ 2,797	$ 147,622	$ 7,250	$ 3,533,317

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2015
(AMOUNTS IN THOUSANDS)

	MISCELLANEOUS			
	Project Development Fund	Projects' Stabilization Fund	SCPPA Fund	Total Combined
ASSETS				
Noncurrent assets				
Net utility plant	$ -	$ -	$ 4,260	$ 1,475,962
Investments – restricted	-	146,353	-	631,010
Investments – unrestricted	-	-	-	45,125
Advance to IPA – restricted	-	-	-	11,550
Advances for capacity and energy, net – restricted	-	-	-	2,036
Fair value of derivative instruments	-	-	-	2,229
Prepaid and other assets	-	-	-	909,230
Total noncurrent assets	-	146,353	4,260	3,077,142
Current assets				
Cash and cash equivalents – restricted	6,485	10,019	165	236,950
Cash and cash equivalents – unrestricted	-	-	-	100,424
Interest receivable	-	215	-	1,278
Accounts receivable	-	-	-	11,673
Materials and supplies	-	-	-	25,909
Prepaid and other assets	-	-	-	66,624
Total current assets	6,485	10,234	165	442,858
DEFERRED OUTFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	353	353
Unamortized loss on refunding	-	-	-	96,202
Accumulated decrease in fair value of hedging derivatives	-	-	-	23,154
Total deferred outflows of resources	-	-	353	119,709
Total assets and deferred outflows of resources	$ 6,485	$ 156,587	$ 4,778	$ 3,639,709
LIABILITIES				
Noncurrent liabilities				
Long-term debt	$ -	$ -	$ -	$ 3,176,756
Fair value of derivative instruments	-	-	-	36,857
Notes payable and other liabilities	-	-	874	9,118
Advances from participants	-	-	-	26,450
Total noncurrent liabilities	-	-	874	3,249,181
Current liabilities				
Debt due within one year	-	-	-	181,710
Notes payable and other liabilities due within one year	-	-	-	20,480
Advances from participants due within one year	6,485	-	133	45,634
Accrued interest	-	-	-	63,301
Accounts payable and accruals	-	-	33	133,067
Accrued property tax	-	-	-	5,580
Total current liabilities	6,485	-	166	449,772
Total liabilities	6,485	-	1,040	3,698,953
DEFERRED INFLOWS OF RESOURCES				
Deferred items related to pensions	-	-	207	207
Total deferred inflows of resources	-	-	207	207
NET POSITION				
Net investment in capital assets	-	-	4,259	(594,920)
Restricted	-	156,587	-	610,915
Unrestricted	-	-	(728)	(75,446)
Total net position	-	156,587	3,531	(59,451)
Total liabilities, deferred inflow of resources, and net position	$ 6,485	$ 156,587	$ 4,778	$ 3,639,709

See accompanying notes.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	GENERATION				
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power
Operating revenues					
Sales of electric energy	$ 81,843	$ 71,411	$ 66,622	$ 25,026	$ 119,741
Sales of transmission services	-	-	-	-	-
Sales of natural gas	-	-	-	-	-
Total operating revenues	81,843	71,411	66,622	25,026	119,741
Operating expenses					
Operations and maintenance	42,195	55,394	47,060	5,712	98,089
Depreciation, depletion and amortization	21,041	8,290	10,954	9,584	12,352
Amortization of nuclear fuel	14,653	-	-	-	-
Decommissioning	17,964	3,250	-	-	-
Total operating expenses	95,853	66,934	58,014	15,296	110,441
Operating income (loss)	(14,010)	4,477	8,608	9,730	9,300
Non operating revenues (expenses)					
Investment and other income	3,825	8,184	755	4,292	398
Derivative gain (loss)	-	-	(11,740)	-	-
Debt expense	(121)	(328)	(10,725)	(15,935)	(11,820)
Net non operating revenues (expenses)	3,704	7,856	(21,710)	(11,643)	(11,422)
Change in net position	(10,306)	12,333	(13,102)	(1,913)	(2,122)
Net position – beginning of year	247,392	46,360	(63,690)	(34,441)	(7,856)
Net contributions (distributions) by participants	-	-	-	-	-
Net position – end of year	$ 237,086	$ 58,693	$ (76,792)	$ (36,354)	$ (9,978)

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015
(AMOUNTS IN THOUSANDS)

	GENERATION				
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power
Operating revenues					
Sales of electric energy	$ 76,594	$ 93,185	$ 84,917	$ 19,906	$ 110,397
Sales of transmission services	-	-	-	-	-
Sales of natural gas	-	-	-	-	-
Total operating revenues	76,594	93,185	84,917	19,906	110,397
Operating expenses					
Operations and maintenance	42,079	66,647	61,980	7,129	91,865
Depreciation, depletion and amortization	21,203	8,250	11,179	9,583	12,151
Amortization of nuclear fuel	14,493	-	-	-	-
Decommissioning	7,607	3,250	-	-	-
Total operating expenses	85,382	78,147	73,159	16,712	104,016
Operating income (loss)	(8,788)	15,038	11,758	3,194	6,381
Non operating revenues (expenses)					
Investment and other income	6,567	1,324	917	4,201	2,934
Derivative gain (loss)	-	-	(1,141)	-	-
Debt expense	(222)	(1,865)	(11,151)	(15,674)	(11,862)
Net non operating revenues (expenses)	6,345	(541)	(11,375)	(11,473)	(8,928)
Change in net position	(2,443)	14,497	383	(8,279)	(2,547)
Net position – beginning of year	249,835	31,863	(64,073)	(26,162)	(5,309)
Net contributions (distributions) by participants	-	-	-	-	-
Net position – end of year	$ 247,392	$ 46,360	$ (63,690)	$ (34,441)	$ (7,856)

See accompanying notes.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	GREEN POWER					
	Hoover Uprating	Tieton Hydropower	Milford I Wind	Milford II Wind	Windy Point	Linden Wind Energy
Operating revenues						
Sales of electric energy	$ 2,364	$ 5,809	$ 31,850	$ 19,467	$ 82,506	$ 16,887
Sales of transmission services	-	-	-	-	-	-
Sales of natural gas	-	-	-	-	-	-
Total operating revenues	2,364	5,809	31,850	19,467	82,506	16,887
Operating expenses						
Operations and maintenance	2,643	2,115	24,615	15,306	69,343	7,562
Depreciation, depletion and amortization	-	1,215	-	-	-	5,814
Amortization of nuclear fuel	-	-	-	-	-	-
Decommissioning	-	-	-	-	-	-
Total operating expenses	2,643	3,330	24,615	15,306	69,343	13,376
Operating income (loss)	(279)	2,479	7,235	4,161	13,163	3,511
Non operating revenues (expenses)						
Investment and other income	27	106	416	47	197	862
Derivative gain (loss)	-	-	-	-	-	-
Debt expense	594	(2,423)	(8,631)	(5,276)	(15,637)	(5,467)
Net non operating revenues (expenses)	621	(2,317)	(8,215)	(5,229)	(15,440)	(4,605)
Change in net position	342	162	(980)	(1,068)	(2,277)	(1,094)
Net position – beginning of year	1,969	(4,610)	(16,396)	(5,732)	(35,505)	(6,876)
Net contributions (distributions) by participants	-	-	-	-	-	-
Net position – end of year	$ 2,311	$ (4,448)	$ (17,376)	$ (6,800)	$ (37,782)	$ (7,970)

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015
(AMOUNTS IN THOUSANDS)

	GREEN POWER					
	Hoover Uprating	Tieton Hydropower	Milford I Wind	Milford II Wind	Windy Point	Linden Wind Energy
Operating revenues						
Sales of electric energy	$ 2,474	$ 4,908	$ 31,204	$ 18,318	$ 76,521	$ 17,121
Sales of transmission services	-	-	-	-	-	-
Sales of natural gas	-	-	-	-	-	-
Total operating revenues	2,474	4,908	31,204	18,318	76,521	17,121
Operating expenses						
Operations and maintenance	2,835	1,601	24,000	14,156	67,324	7,797
Depreciation, depletion and amortization	-	1,472	-	-	-	5,814
Amortization of nuclear fuel	-	-	-	-	-	-
Decommissioning	-	-	-	-	-	-
Total operating expenses	2,835	3,073	24,000	14,156	67,324	13,611
Operating income (loss)	(361)	1,835	7,204	4,162	9,197	3,510
Non operating revenues (expenses)						
Investment and other income	37	141	571	29	536	856
Derivative gain (loss)	-	-	-	-	-	-
Debt expense	652	(2,454)	(8,864)	(5,325)	(15,933)	(5,524)
Net non operating revenues (expenses)	689	(2,313)	(8,293)	(5,296)	(15,397)	(4,668)
Change in net position	328	(478)	(1,089)	(1,134)	(6,200)	(1,158)
Net position – beginning of year	1,641	(4,132)	(15,307)	(4,598)	(29,305)	(5,718)
Net contributions (distributions) by participants	-	-	-	-	-	-
Net position – end of year	$ 1,969	$ (4,610)	$ (16,396)	$ (5,732)	$ (35,505)	$ (6,876)

See accompanying notes.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	TRANSMISSION		
	Southern Transmission System	Mead- Phoenix	Mead- Adelanto
Operating revenues			
Sales of electric energy	$ -	$ -	$ -
Sales of transmission services	113,616	8,417	24,248
Sales of natural gas	-	-	-
Total operating revenues	113,616	8,417	24,248
Operating expenses			
Operations and maintenance	32,666	1,311	1,872
Depreciation, depletion and amortization	22,754	1,681	4,698
Amortization of nuclear fuel	-	-	-
Decommissioning	-	-	-
Total operating expenses	55,420	2,992	6,570
Operating income (loss)	58,196	5,425	17,678
Non operating revenues (expenses)			
Investment and other income	862	8	56
Derivative gain (loss)	-	-	1,502
Debt expense	(33,598)	(1,081)	(1,975)
Net non operating revenues (expenses)	(32,736)	(1,073)	(417)
Change in net position	25,460	4,352	17,261
Net position – beginning of year	(318,494)	2,637	(205)
Net contributions (distributions) by participants	-	-	-
Net position – end of year	$ (293,034)	$ 6,989	$ 17,056

See accompanying notes.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015
(AMOUNTS IN THOUSANDS)

	TRANSMISSION		
	Southern Transmission System	Mead- Phoenix	Mead- Adelanto
Operating revenues			
Sales of electric energy	$ -	$ -	$ -
Sales of transmission services	105,822	9,819	24,900
Sales of natural gas	-	-	-
Total operating revenues	105,822	9,819	24,900
Operating expenses			
Operations and maintenance	29,386	2,559	1,845
Depreciation, depletion and amortization	22,754	1,528	4,523
Amortization of nuclear fuel	-	-	-
Decommissioning	-	-	-
Total operating expenses	52,140	4,087	6,368
Operating income (loss)	53,682	5,732	18,532
Non operating revenues (expenses)			
Investment and other income	830	7	24
Derivative gain (loss)	28,028	-	1,477
Debt expense	(46,438)	(2,918)	(8,804)
Net non operating revenues (expenses)	(17,580)	(2,911)	(7,303)
Change in net position	36,102	2,821	11,229
Net position – beginning of year	(354,596)	(184)	(11,434)
Net contributions (distributions) by participants	-	-	-
Net position – end of year	$ (318,494)	$ 2,637	$ (205)

 See accompanying notes.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	NATURAL GAS		
	Pinedale	Barnett	Prepaid Natural Gas
Operating revenues			
Sales of electric energy	$ -	$ -	$ -
Sales of transmission services	-	-	-
Sales of natural gas	7,338	13,367	19,445
Total operating revenues	7,338	13,367	19,445
Operating expenses			
Operations and maintenance	2,111	4,454	11,618
Depreciation, depletion and amortization	3,642	4,388	-
Amortization of nuclear fuel	-	-	-
Decommissioning	-	-	-
Total operating expenses	5,753	8,842	11,618
Operating income (loss)	1,585	4,525	7,827
Non operating revenues (expenses)			
Investment and other income	6	248	688
Derivative gain (loss)	-	-	-
Debt expense	(1,273)	(2,992)	(16,028)
Net non operating revenues (expenses)	(1,267)	(2,744)	(15,340)
Change in net position	318	1,781	(7,513)
Net position – beginning of year	4,860	23,094	(52,076)
Net contributions (distributions) by participants	-	-	-
Net position – end of year	$ 5,178	$ 24,875	$ (59,589)

See accompanying notes.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015
(AMOUNTS IN THOUSANDS)

	NATURAL GAS		
	Pinedale	Barnett	Prepaid Natural Gas
Operating revenues			
Sales of electric energy	$ -	$ -	$ -
Sales of transmission services	-	-	-
Sales of natural gas	8,409	16,039	19,591
Total operating revenues	8,409	16,039	19,591
Operating expenses			
Operations and maintenance	3,106	8,046	11,735
Depreciation, depletion and amortization	4,105	3,915	-
Amortization of nuclear fuel	-	-	-
Decommissioning	-	-	-
Total operating expenses	7,211	11,961	11,735
Operating income (loss)	1,198	4,078	7,856
Non operating revenues (expenses)			
Investment and other income	5	374	697
Derivative gain (loss)	-	-	-
Debt expense	(1,388)	(3,264)	(16,220)
Net non operating revenues (expenses)	(1,383)	(2,890)	(15,523)
Change in net position	(185)	1,188	(7,667)
Net position – beginning of year	5,045	21,906	(44,409)
Net contributions (distributions) by participants	-	-	-
Net position – end of year	$ 4,860	$ 23,094	$ (52,076)

See accompanying notes.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	POWER PURCHASE AGREEMENTS									
	Ormat Geothermal	MWD Small Hydro	Pebble Springs Wind	Ameresco Chiquita Landfill Gas	Don A. Campbell/ Wild Rose Geothermal	Copper Mountain Solar 3	Columbia Solar 2	Heber-1 Geothermal	Kingbird Solar	Don A. Campbell 2 Geothermal
Operating revenues										
Sales of electric energy	$ 8,987	$ 2,150	$ 21,652	$ 3,239	$ 16,865	$ 58,602	$ 3,155	$ 15,466	$ 58	$ 11,850
Sales of transmission services	-	-	-	-	-	-	-	-	-	-
Sales of natural gas	-	-	-	-	-	-	-	-	-	-
Total operating revenues	8,987	2,150	21,652	3,239	16,865	58,602	3,155	15,466	58	11,850
Operating expenses										
Operations and maintenance	8,988	2,151	21,658	3,239	16,866	58,644	3,155	15,470	1,125	11,852
Depreciation, depletion and amortization	-	-	-	-	-	-	-	-	-	-
Amortization of nuclear fuel	-	-	-	-	-	-	-	-	-	-
Decommissioning	-	-	-	-	-	-	-	-	-	-
Total operating expenses	8,988	2,151	21,658	3,239	16,866	58,644	3,155	15,470	1,125	11,852
Operating income (loss)	(1)	(1)	(6)	-	(1)	(42)	-	(4)	(1,067)	(2)
Non operating revenues (expenses)										
Investment and other income	1	1	6	-	2	53	-	4	1,067	2
Derivative gain (loss)	-	-	-	-	-	-	-	-	-	-
Debt expense	-	-	-	-	-	-	-	-	-	-
Net non operating revenues (expenses)	1	1	6	-	2	53	-	4	1,067	2
Change in net position	-	-	-	-	1	11	-	-	-	-
Net position – beginning of year	-	-	-	-	-	-	-	-	-	-
Net contributions (distributions) by participants	-	-	-	-	-	-	-	-	-	-
Net position – end of year	$ -	$ -	$ -	$ -	$ 1	$ 11	$ -	$ -	$ -	$ -

See accompanying notes.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015
(AMOUNTS IN THOUSANDS)

	POWER PURCHASE AGREEMENTS						
	Ormat Geothermal	MWD Small Hydro	Pebble Springs Wind	Ameresco Chiquita Landfill Gas	Don A. Campbell/ Wild Rose Geothermal	Copper Mountain Solar 3	Columbia 2 Solar
Operating revenues							
Sales of electric energy	$ 7,208	$ 2,379	$ 19,351	$ 2,924	$ 15,765	$ 43,675	$ 1,668
Sales of transmission services	-	-	-	-	-	-	-
Sales of natural gas	-	-	-	-	-	-	-
Total operating revenues	7,208	2,379	19,351	2,924	15,765	43,675	1,668
Operating expenses							
Operations and maintenance	7,211	2,381	19,351	2,924	15,765	43,682	1,668
Depreciation, depletion and amortization	-	-	-	-	-	-	-
Amortization of nuclear fuel	-	-	-	-	-	-	-
Decommissioning	-	-	-	-	-	-	-
Total operating expenses	7,211	2,381	19,351	2,924	15,765	43,682	1,668
Operating income (loss)	(3)	(2)	-	-	-	(7)	-
Non operating revenues (expenses)							
Investment and other income	3	2	-	-	-	7	-
Derivative gain (loss)	-	-	-	-	-	-	-
Debt expense	-	-	-	-	-	-	-
Net non operating revenues (expenses)	3	2	-	-	-	7	-
Change in net position	-	-	-	-	-	-	-
Net position – beginning of year	-	-	-	-	-	-	-
Net contributions (distributions) by participants	-	-	-	-	-	-	-
Net position – end of year	$ -	$ -	$ -	$ -	$ -	$ -	$ -

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	MISCELLANEOUS			
	Project Development Fund	Projects' Stabilization Fund	SCPPA Fund	Total Combined
Operating revenues				
Sales of electric energy	$ -	$ -	$ -	$ 665,550
Sales of transmission services	-	-	-	146,281
Sales of natural gas	-	-	-	40,150
Total operating revenues	-	-	-	851,981
Operating expenses				
Operations and maintenance	2,097	-	270	569,581
Depreciation, depletion and amortization	-	-	113	106,526
Amortization of nuclear fuel	-	-	-	14,653
Decommissioning	-	-	-	21,214
Pension expense (credit)	-	-	85	85
Total operating expenses	2,097	-	468	712,059
Operating income (loss)	(2,097)	-	(468)	139,922
Non operating revenues (expenses)				
Investment and other income	-	1,250	270	23,633
Derivative gain (loss)	-	-	-	(10,238)
Debt expense	-	-	-	(132,716)
Net non operating revenues (expenses)	-	1,250	270	(119,321)
Change in net position	(2,097)	1,250	(198)	20,601
Net position – beginning of year	-	156,587	3,531	(59,451)
Net contributions (distributions) by participants	-	(10,215)	114	(10,101)
Net position – end of year	$ (2,097)	$ 147,622	$ 3,447	$ (48,951)

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015
(AMOUNTS IN THOUSANDS)

	MISCELLANEOUS			
	Project Development Fund	Projects' Stabilization Fund	SCPPA Fund	Total Combined
Operating revenues				
Sales of electric energy	$ -	$ -	$ -	$ 628,515
Sales of transmission services	-	-	-	140,541
Sales of natural gas	-	-	-	44,039
Total operating revenues	-	-	-	813,095
Operating expenses				
Operations and maintenance	-	-	144	537,216
Depreciation, depletion and amortization	-	-	113	106,590
Amortization of nuclear fuel	-	-	-	14,493
Decommissioning	-	-	-	10,857
Pension expense (credit)	-	-	(276)	(276)
Total operating expenses	-	-	(19)	668,880
Operating income (loss)	-	-	19	144,215
Non operating revenues (expenses)				
Investment and other income	-	1,703	144	21,909
Derivative gain (loss)	-	-	-	28,364
Debt expense	-	-	-	(157,254)
Net non operating revenues (expenses)	-	1,703	144	(106,981)
Change in net position	-	1,703	163	37,234
Net position – beginning of year, before adjustment	-	152,027	4,223	(98,687)
Less: Accumulated adjustment for change in accounting principal	-	-	(1,004)	(1,004)
Net position – beginning of year, as adjusted	-	152,027	3,219	(99,691)
Net contributions (distributions) by participants	-	2,857	149	3,006
Net position – end of year	$ -	$ 156,587	$ 3,531	$ (59,451)

 See accompanying notes.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	GENERATION				
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power
Cash flows from operating activities					
Receipts from participants	$ 77,165	$ 87,660	$ 53,406	$ 21,975	$ 35,718
Receipts from sale of oil and gas	-	-	-	-	-
Payments to operating managers	(41,815)	(56,585)	(30,870)	(2,754)	(35,157)
Other disbursements and receipts	8,338	8,816	3	(12)	587
Net cash flows from operating activities	43,688	39,891	22,539	19,209	1,148
Cash flows from noncapital financing activities					
Advances (withdrawals) by participants, net	-	-	-	-	-
Cash flows from capital financing activities					
Additions to plant and prepaid projects, net	(30,585)	(649)	(2,362)	5	(2,503)
Debt interest and swap payments	(123)	(350)	(10,831)	(13,039)	(12,588)
Proceeds from sale of bonds	-	-	-	93,834	-
Payment for defeasance of revenue bonds	-	-	-	(92,261)	-
Transfer of funds from (to) escrow	-	-	-	-	-
Transfer of funds from (to) Mine Reclamation Trust Fund	-	(3,760)	-	-	-
Transfer of funds from (to) other projects	-	-	-	-	-
Principal payments on debt	(11,690)	(21,590)	(10,985)	-	(9,335)
Payment for bond issue costs	-	-	-	(507)	-
Net cash used for capital and related financing activities	(42,398)	(26,349)	(24,178)	(11,968)	(24,426)
Cash flows from investing activities					
Interest received on investments	271	63	655	405	108
Purchases of investments	(48,024)	(53,539)	(68,015)	(29,667)	(79,807)
Proceeds from sale/maturity of investments	34,525	21,700	67,963	21,440	79,664
Net cash provided by (used for) investing activities	(13,228)	(31,776)	603	(7,822)	(35)
Net increase (decrease) in cash and cash equivalents	(11,938)	(18,234)	(1,036)	(581)	(23,313)
Cash and cash equivalents, beginning of year	33,775	20,988	37,038	11,949	34,107
Cash and cash equivalents, end of year	$ 21,837	$ 2,754	$ 36,002	$ 11,368	$ 10,794
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	$ (14,010)	$ 4,477	$ 8,608	$ 9,730	$ 9,300
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation, depletion and amortization	21,041	8,290	10,954	9,584	12,352
Decommissioning	17,964	1,543	-	-	-
Advances for capacity and energy	-	-	-	-	-
Amortization of nuclear fuel	14,653	1,706	-	-	392
Changes in assets and liabilities					
Accounts receivable	216	-	(8,265)	(291)	-
Accounts payable and accruals	3,107	13,637	(2,218)	151	(20,078)
Other	717	10,238	13,460	35	(818)
Net cash provided by operating activities	$ 43,688	$ 39,891	$ 22,539	$ 19,209	$ 1,148
Cash and cash equivalents as stated in the Combined Statements of Net Position					
Cash and cash equivalents – restricted	$ 14,523	$ 674	$ 32,884	$ 10,717	$ 10,068
Cash and cash equivalents – unrestricted	7,314	2,080	3,118	651	726
	$ 21,837	$ 2,754	$ 36,002	$ 11,368	$ 10,794

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015
(AMOUNTS IN THOUSANDS)

	GENERATION				
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power
Cash flows from operating activities					
Receipts from participants	$ 81,113	$ 87,760	$ 49,127	$ 15,323	$ 53,914
Receipts from sale of oil and gas	-	-	-	-	-
Payments to operating managers	(44,522)	(65,534)	(26,527)	(2,386)	(32,543)
Other disbursements and receipts	13,513	-	-	-	3,460
Net cash flows from operating activities	50,104	22,226	22,600	12,937	24,831
Cash flows from noncapital financing activities					
Advances (withdrawals) by participants, net	-	-	-	-	21
Cash flows from capital financing activities					
Additions to plant and prepaid projects, net	(31,134)	(114)	(1,331)	(128)	(536)
Debt interest and swap payments	(203)	(3,724)	(11,368)	(11,220)	(9,632)
Proceeds from sale of bonds	-	42,935	-	-	-
Payment for defeasance of revenue bonds	-	(71,880)	-	-	-
Transfer of funds from (to) escrow	-	-	-	-	-
Transfer of funds from (to) Mine Reclamation Trust Fund	-	(420)	-	-	-
Transfer of funds from (to) other projects	-	-	-	-	-
Principal payments on debt	(11,330)	-	(10,565)	-	-
Payment for bond issue costs	-	(313)	-	-	-
Net cash used for capital and related financing activities	(42,667)	(33,516)	(23,264)	(11,348)	(10,168)
Cash flows from investing activities					
Interest received on investments	286	232	748	282	157
Purchases of investments	(17,490)	(26,480)	(36,631)	(3,195)	(65,540)
Proceeds from sale/maturity of investments	26,250	36,198	39,840	4,000	51,070
Net cash provided by (used for) investing activities	9,046	9,950	3,957	1,087	(14,313)
Net increase (decrease) in cash and cash equivalents	16,483	(1,340)	3,293	2,676	371
Cash and cash equivalents, beginning of year	17,292	22,328	33,745	9,273	33,736
Cash and cash equivalents, end of year	$ 33,775	$ 20,988	$ 37,038	$ 11,949	$ 34,107
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	$ (8,788)	$ 15,038	$ 11,758	$ 3,194	$ 6,381
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation, depletion and amortization	21,203	8,250	11,179	9,583	12,690
Decommissioning	7,607	3,250	-	-	-
Advances for capacity and energy	-	-	-	-	-
Amortization of nuclear fuel	14,493	-	-	-	-
Changes in assets and liabilities					
Accounts receivable	3,197	(205)	1,266	(28)	-
Accounts payable and accruals	7,071	(4,810)	(766)	232	4,243
Other	5,321	703	(837)	(44)	1,517
Net cash provided by operating activities	$ 50,104	$ 22,226	$ 22,600	$ 12,937	$ 24,831
Cash and cash equivalents as stated in the Combined Statements of Net Position					
Cash and cash equivalents – restricted	$ 22,159	$ 15,075	$ 29,108	$ 11,299	$ 16,667
Cash and cash equivalents – unrestricted	11,616	5,913	7,930	650	17,440
	$ 33,775	$ 20,988	$ 37,038	$ 11,949	$ 34,107

See accompanying notes.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	GREEN POWER					
	Hoover Uprating	Tieton Hydropower	Milford I Wind	Milford II Wind	Windy Point	Linden Wind Energy
Cash flows from operating activities						
Receipts from participants	$ 2,320	$ 5,532	$ 31,817	$ 18,414	$ 80,271	$ 17,025
Receipts from sale of oil and gas	-	-	-	-	-	-
Payments to operating managers	(157)	(2,252)	(12,412)	(5,195)	(41,767)	(7,828)
Other disbursements and receipts	(12)	(4)	-	(3)	-	(5)
Net cash flows from operating activities	2,151	3,276	19,405	13,216	38,504	9,192
Cash flows from noncapital financing activities						
Advances (withdrawals) by participants, net	-	-	-	-	-	-
Cash flows from capital financing activities						
Additions to plant and prepaid projects, net	-	-	-	-	-	-
Debt interest and swap payments	(269)	(2,505)	(9,874)	(7,201)	(21,277)	(5,608)
Proceeds from sale of bonds	-	-	-	-	-	-
Payment for defeasance of revenue bonds	-	-	-	-	-	-
Transfer of funds from (to) escrow	-	-	-	-	-	-
Transfer of funds from (to) Mine Reclamation Trust Fund	-	-	-	-	-	-
Transfer of funds from (to) other projects	-	-	-	-	-	-
Principal payments on debt	(1,930)	(840)	(8,820)	(5,530)	(19,390)	(3,670)
Payment for bond issue costs	-	-	-	-	-	-
Net cash used for capital and related financing activities	(2,199)	(3,345)	(18,694)	(12,731)	(40,667)	(9,278)
Cash flows from investing activities						
Interest received on investments	22	70	290	59	171	31
Purchases of investments	(1,761)	(3,205)	(27,914)	(16,678)	(33,759)	(7,748)
Proceeds from sale/maturity of investments	2,000	3,205	31,035	10,720	32,005	5,580
Net cash provided by (used for) investing activities	261	70	3,411	(5,899)	(1,583)	(2,137)
Net increase (decrease) in cash and cash equivalents	213	1	4,122	(5,414)	(3,746)	(2,223)
Cash and cash equivalents, beginning of year	881	3,133	13,799	11,602	25,205	8,211
Cash and cash equivalents, end of year	$ 1,094	$ 3,134	$ 17,921	$ 6,188	$ 21,459	$ 5,988
Reconciliation of operating income (loss) to net cash provided by operating activities						
Operating income (loss)	$ (279)	$ 2,479	$ 7,235	$ 4,161	$ 13,163	$ 3,511
Adjustments to reconcile operating income (loss) to net cash provided by operating activities						
Depreciation, depletion and amortization	-	1,215	-	-	-	5,814
Decommissioning	-	-	-	-	-	-
Advances for capacity and energy	2,480	-	-	-	-	-
Amortization of nuclear fuel	-	-	11,338	8,643	27,373	-
Changes in assets and liabilities						
Accounts receivable	-	(137)	-	-	-	129
Accounts payable and accruals	(62)	(263)	832	406	(2,049)	(141)
Other	12	(18)	-	6	17	(121)
Net cash provided by operating activities	$ 2,151	$ 3,276	$ 19,405	$ 13,216	$ 38,504	$ 9,192
Cash and cash equivalents as stated in the Combined Statements of Net Position						
Cash and cash equivalents – restricted	$ 376	$ 2,570	$ 12,642	$ 4,343	$ 17,324	$ 5,328
Cash and cash equivalents – unrestricted	718	564	5,279	1,845	4,135	660
	$ 1,094	$ 3,134	$ 17,921	$ 6,188	$ 21,459	$ 5,988

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015
(AMOUNTS IN THOUSANDS)

	GREEN POWER					
	Hoover Uprating	Tieton Hydropower	Milford I Wind	Milford II Wind	Windy Point	Linden Wind Energy
Cash flows from operating activities						
Receipts from participants	$ 2,539	$ 4,885	$ 26,928	$ 17,690	$ 76,460	$ 16,697
Receipts from sale of oil and gas	-	-	-	-	-	-
Payments to operating managers	(308)	(1,782)	(12,662)	(5,589)	(34,222)	(7,830)
Other disbursements and receipts	-	-	-	-	-	-
Net cash flows from operating activities	2,231	3,103	14,266	12,101	42,238	8,867
Cash flows from noncapital financing activities						
Advances (withdrawals) by participants, net	-	-	-	-	-	-
Cash flows from capital financing activities						
Additions to plant and prepaid projects, net	-	-	-		-	-
Debt interest and swap payments	(368)	(2,532)	(10,236)	(7,463)	(22,081)	(5,357)
Proceeds from sale of bonds	-	-	-	-	-	-
Payment for defeasance of revenue bonds	-	-	-	-	-	-
Transfer of funds from (to) escrow	-	-	-	-	-	-
Transfer of funds from (to) Mine Reclamation Trust Fund	-	-	-	-	-	-
Transfer of funds from (to) other projects	-	-	-	-	-	-
Principal payments on debt	(1,835)	(815)	(8,450)	(5,270)	(18,535)	(3,530)
Payment for bond issue costs	-	-	-	-	-	-
Net cash used for capital and related financing activities	(2,203)	(3,347)	(18,686)	(12,733)	(40,616)	(8,887)
Cash flows from investing activities						
Interest received on investments	24	69	317	56	194	31
Purchases of investments	(1,999)	-	(15,445)	(5,526)	(22,992)	(5,584)
Proceeds from sale/maturity of investments	1,860	500	18,149	6,400	21,499	6,478
Net cash provided by (used for) investing activities	(115)	569	3,021	930	(1,299)	925
Net increase (decrease) in cash and cash equivalents	(87)	325	(1,399)	298	323	905
Cash and cash equivalents, beginning of year	968	2,808	15,198	11,304	24,882	7,306
Cash and cash equivalents, end of year	$ 881	$ 3,133	$ 13,799	$ 11,602	$ 25,205	$ 8,211
Reconciliation of operating income (loss) to net cash provided by operating activities						
Operating income (loss)	$ (361)	$ 1,835	$ 7,204	$ 4,162	$ 9,197	$ 3,510
Adjustments to reconcile operating income (loss) to net cash provided by operating activities						
Depreciation, depletion and amortization	-	1,472	11,338	8,643	31,635	5,814
Decommissioning	-	-	-	-	-	-
Advances for capacity and energy	2,550	-	-	-	-	-
Amortization of nuclear fuel	-	-	-	-	-	-
Changes in assets and liabilities						
Accounts receivable	-	-	-	-	-	(129)
Accounts payable and accruals	56	203	(4,267)	(696)	1,073	(318)
Other	(14)	(407)	(9)	(8)	333	(10)
Net cash provided by operating activities	$ 2,231	$ 3,103	$ 14,266	$ 12,101	$ 42,238	$ 8,867
Cash and cash equivalents as stated in the Combined Statements of Net Position						
Cash and cash equivalents – restricted	$ 89	$ 2,554	$ 11,855	$ 9,199	$ 19,228	$ 7,988
Cash and cash equivalents – unrestricted	792	579	1,944	2,403	5,977	223
	$ 881	$ 3,133	$ 13,799	$ 11,602	$ 25,205	$ 8,211

 See accompanying notes.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	TRANSMISSION		
	Southern Transmission System	Mead- Phoenix	Mead- Adelanto
Cash flows from operating activities			
Receipts from participants	$ 113,422	$ 8,169	$ 25,117
Receipts from sale of oil and gas	-	-	-
Payments to operating managers	(34,480)	(1,495)	(1,996)
Other disbursements and receipts	21	83	-
Net cash flows from operating activities	78,963	6,757	23,121
Cash flows from noncapital financing activities			
Advances (withdrawals) by participants, net	-	-	-
Cash flows from capital financing activities			
Additions to plant and prepaid projects, net	-	(27,270)	(33,226)
Debt interest and swap payments	(26,606)	(1,372)	(4,907)
Proceeds from sale of bonds	-	27,214	33,514
Payment for defeasance of revenue bonds	-	-	-
Transfer of funds from (to) escrow	-	-	-
Transfer of funds from (to) Mine Reclamation Trust Fund	-	-	-
Transfer of funds from (to) other projects	-	-	-
Principal payments on debt	(53,085)	(5,480)	(17,690)
Payment for bond issue costs	(55)	(318)	(372)
Net cash used for capital and related financing activities	(79,746)	(7,226)	(22,681)
Cash flows from investing activities			
Interest received on investments	713	3	13
Purchases of investments	(63,706)	(2,296)	(20,967)
Proceeds from sale/maturity of investments	71,602	2,900	17,900
Net cash provided by (used for) investing activities	8,609	607	(3,054)
Net increase (decrease) in cash and cash equivalents	7,826	138	(2,614)
Cash and cash equivalents, beginning of year	45,449	4,677	14,160
Cash and cash equivalents, end of year	$ 53,275	$ 4,815	$ 11,546
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	$ 58,196	$ 5,425	$ 17,678
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation, depletion and amortization	22,754	1,681	4,698
Decommissioning	-	-	-
Advances for capacity and energy	-	-	-
Amortization of nuclear fuel	-	-	-
Changes in assets and liabilities			
Accounts receivable	(120)	(273)	48
Accounts payable and accruals	(1,843)	(191)	697
Other	(24)	115	-
Net cash provided by operating activities	$ 78,963	$ 6,757	$ 23,121
Cash and cash equivalents as stated in the Combined Statements of Net Position			
Cash and cash equivalents – restricted	$ 50,283	$ 4,327	$ 10,896
Cash and cash equivalents – unrestricted	2,992	488	650
	$ 53,275	$ 4,815	$ 11,546

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015
(AMOUNTS IN THOUSANDS)

	TRANSMISSION		
	Southern Transmission System	Mead- Phoenix	Mead- Adelanto
Cash flows from operating activities			
Receipts from participants	$ 106,683	$ 10,408	$ 24,953
Receipts from sale of oil and gas	-	-	-
Payments to operating managers	(23,911)	(2,709)	(1,813)
Other disbursements and receipts	-	2	2
Net cash flows from operating activities	82,772	7,701	23,142
Cash flows from noncapital financing activities			
Advances (withdrawals) by participants, net	-	-	-
Cash flows from capital financing activities			
Additions to plant and prepaid projects, net	-	(128)	(38)
Debt interest and swap payments	(31,347)	(1,507)	(5,491)
Proceeds from sale of bonds	273,160	-	-
Payment for defeasance of revenue bonds	(277,790)	-	-
Transfer of funds from (to) escrow	-	-	-
Transfer of funds from (to) Mine Reclamation Trust Fund	-	-	-
Transfer of funds from (to) other projects	-	-	-
Principal payments on debt	(50,885)	(5,215)	(17,385)
Payment for bond issue costs	(1,237)	-	-
Net cash used for capital and related financing activities	(88,099)	(6,850)	(22,914)
Cash flows from investing activities			
Interest received on investments	709	2	8
Purchases of investments	(55,871)	(2,898)	(22,234)
Proceeds from sale/maturity of investments	73,207	2,300	25,750
Net cash provided by (used for) investing activities	18,045	(596)	3,524
Net increase (decrease) in cash and cash equivalents	12,718	255	3,752
Cash and cash equivalents, beginning of year	32,731	4,422	10,408
Cash and cash equivalents, end of year	$ 45,449	$ 4,677	$ 14,160
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	$ 53,682	$ 5,732	$ 18,532
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation, depletion and amortization	22,754	1,528	4,523
Decommissioning	-	-	-
Advances for capacity and energy	-	-	-
Amortization of nuclear fuel	-	-	-
Changes in assets and liabilities			
Accounts receivable	(603)	98	15
Accounts payable and accruals	6,959	450	84
Other	(20)	(107)	(12)
Net cash provided by operating activities	$ 82,772	$ 7,701	$ 23,142
Cash and cash equivalents as stated in the Combined Statements of Net Position			
Cash and cash equivalents – restricted	$ 40,466	$ 2,358	$ 12,098
Cash and cash equivalents – unrestricted	4,983	2,319	2,062
	$ 45,449	$ 4,677	$ 14,160

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	NATURAL GAS		
	Pinedale	Barnett	Prepaid Natural Gas
Cash flows from operating activities			
Receipts from participants	$ 5,475	$ 8,677	$ 5,934
Receipts from sale of oil and gas	1,117	-	-
Payments to operating managers	(2,240)	2,140	13,891
Other disbursements and receipts	7	(2,764)	(310)
Net cash flows from operating activities	4,359	8,053	19,515
Cash flows from noncapital financing activities			
Advances (withdrawals) by participants, net	1,075	177	-
Cash flows from capital financing activities			
Additions to plant and prepaid projects, net	(5)	(448)	-
Debt interest and swap payments	(1,330)	(3,128)	(15,658)
Proceeds from sale of bonds	-	-	-
Payment for defeasance of revenue bonds	-	-	-
Transfer of funds from (to) escrow	-	-	-
Transfer of funds from (to) Mine Reclamation Trust Fund	-	-	-
Transfer of funds from (to) other projects	-	-	-
Principal payments on debt	(2,274)	(5,326)	(4,075)
Payment for bond issue costs	-	-	-
Net cash used for capital and related financing activities	(3,609)	(8,902)	(19,733)
Cash flows from investing activities			
Interest received on investments	4	222	692
Purchases of investments	(1,099)	(52,030)	(18,218)
Proceeds from sale/maturity of investments	-	51,370	18,066
Net cash provided by (used for) investing activities	(1,095)	(438)	540
Net increase (decrease) in cash and cash equivalents	730	(1,110)	322
Cash and cash equivalents, beginning of year	9,303	12,381	4,476
Cash and cash equivalents, end of year	$ 10,033	$ 11,271	$ 4,798
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	$ 1,585	$ 4,525	$ 7,827
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation, depletion and amortization	3,642	4,388	-
Decommissioning	-	-	-
Advances for capacity and energy	-	-	-
Amortization of nuclear fuel	-	(798)	-
Changes in assets and liabilities			
Accounts receivable	749	344	7
Accounts payable and accruals	(6)	(414)	349
Other	(1,611)	8	11,332
Net cash provided by operating activities	$ 4,359	$ 8,053	$ 19,515
Cash and cash equivalents as stated in the Combined Statements of Net Position			
Cash and cash equivalents – restricted	$ 4,104	$ 9,769	$ 4,742
Cash and cash equivalents – unrestricted	5,929	1,502	56
	$ 10,033	$ 11,271	$ 4,798

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015
(AMOUNTS IN THOUSANDS)

	NATURAL GAS		
	Pinedale	Barnett	Prepaid Natural Gas
Cash flows from operating activities			
Receipts from participants	$ 4,061	$ 9,782	$ 7,429
Receipts from sale of oil and gas	2,063	4,510	9,713
Payments to operating managers	(4,542)	(5,872)	(476)
Other disbursements and receipts	14	-	-
Net cash flows from operating activities	1,596	8,420	16,666
Cash flows from noncapital financing activities			
Advances (withdrawals) by participants, net	(7,805)	(47)	-
Cash flows from capital financing activities			
Additions to plant and prepaid projects, net	(122)	(636)	-
Debt interest and swap payments	(1,440)	(3,384)	(15,857)
Proceeds from sale of bonds	-	-	-
Payment for defeasance of revenue bonds	-	-	-
Transfer of funds from (to) escrow	-	-	-
Transfer of funds from (to) Mine Reclamation Trust Fund	-	-	-
Transfer of funds from (to) other projects	-	-	-
Principal payments on debt	(2,219)	(5,211)	(3,875)
Payment for bond issue costs	-	-	-
Net cash used for capital and related financing activities	(3,781)	(9,231)	(19,732)
Cash flows from investing activities			
Interest received on investments	3	228	688
Purchases of investments	-	(9,498)	(16,077)
Proceeds from sale/maturity of investments	-	6,400	16,069
Net cash provided by (used for) investing activities	3	(2,870)	680
Net increase (decrease) in cash and cash equivalents	(9,987)	(3,728)	(2,386)
Cash and cash equivalents, beginning of year	19,290	16,109	6,862
Cash and cash equivalents, end of year	$ 9,303	$ 12,381	$ 4,476
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	$ 1,198	$ 4,078	$ 7,856
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation, depletion and amortization	4,105	3,915	-
Decommissioning	-	-	-
Advances for capacity and energy	-	-	-
Amortization of nuclear fuel	-	-	-
Changes in assets and liabilities			
Accounts receivable	(702)	936	(17)
Accounts payable and accruals	(1,234)	(90)	(2,448)
Other	(1,771)	(419)	11,275
Net cash provided by operating activities	$ 1,596	$ 8,420	$ 16,666
Cash and cash equivalents as stated in the Combined Statements of Net Position			
Cash and cash equivalents – restricted	$ 4,607	$ 11,117	$ 4,399
Cash and cash equivalents – unrestricted	4,696	1,264	77
	$ 9,303	$ 12,381	$ 4,476

 See accompanying notes.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	POWER PURCHASE AGREEMENTS									
	Ormat Geothermal Energy	MWD Small Hydro	Pebble Springs Wind	Ameresco Chiquita Landfill Gas	Don A. Campbell/ Wild Rose Geothermal	Copper Mountain Solar 3	Columbia 2 Solar	Heber-1 Geothermal	Kingbird Solar	Don A. Campbell 2 Geothermal
Cash flows from operating activities										
Receipts from participants	$ 8,418	$ 2,659	$ 21,773	$ 2,636	$ 12,476	$ 60,655	$ 1,514	$ 18,978	$ 1,178	$ 12,340
Receipts from sale of oil and gas	-	-	-	-	-	-	-	-	-	-
Payments to operating managers	(9,637)	(2,265)	(21,718)	(3,441)	(16,873)	(63,954)	(3,440)	(13,367)	(1,721)	(11,045)
Other disbursements and receipts	2	1	(2)	2	-	12	1,055	-	208	-
Net cash flows from operating activities	(1,217)	395	53	(803)	(4,397)	(3,287)	(871)	5,611	(335)	1,295
Cash flows from noncapital financing activities										
Advances (withdrawals) by participants, net	-	-	-	-	1,149	-	-	-	1,067	-
Cash flows from capital financing activities										
Additions to plant and prepaid projects, net	-	-	-	-	-	-	-	-	-	-
Debt interest and swap payments	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of bonds	-	-	-	-	-	-	-	-	-	-
Payment for defeasance of revenue bonds	-	-	-	-	-	-	-	-	-	-
Transfer of funds from (to) escrow	-	-	-	-	-	-	-	-	-	-
Transfer of funds from (to) Mine Reclamation Trust Fund	-	-	-	-	-	-	-	-	-	-
Transfer of funds from (to) other projects	-	-	-	-	-	-	-	-	-	-
Principal payments on debt	-	-	-	-	-	-	-	-	-	-
Payment for bond issue costs	-	-	-	-	-	-	-	-	-	-
Net cash used for capital and related financing activities	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities										
Interest received on investments	1	1	7	-	2	26	-	4	-	2
Purchases of investments	-	-	-	-	-	(23,968)	-	-	-	-
Proceeds from sale/maturity of investments	-	-	1,000	-	-	25,000	-	-	-	-
Net cash provided by (used for) investing activities	1	1	1,007	-	2	1,058	-	4	-	2
Net increase (decrease) in cash and cash equivalents	(1,216)	396	1,060	(803)	(3,246)	(2,229)	(871)	5,615	732	1,297
Cash and cash equivalents, beginning of year	1,817	1,339	2,761	1,418	3,369	16,982	1,885	-	-	-
Cash and cash equivalents, end of year	$ 601	$ 1,735	$ 3,821	$ 615	$ 123	$ 14,753	$ 1,014	$ 5,615	$ 732	$ 1,297

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	POWER PURCHASE AGREEMENTS									
	Ormat Geothermal Energy	MWD Small Hydro	Pebble Springs Wind	Ameresco Chiquita Landfill Gas	Don A. Campbell/ Wild Rose Geothermal	Copper Mountain Solar 3	Columbia 2 Solar	Heber-1 Geothermal	Kingbird Solar	Don A. Campbell 2 Geothermal
Reconciliation of operating income (loss) to net cash provided by operating activities										
Operating income (loss)	$ (1)	$ (1)	$ (6)	$ -	$ (1)	$ (42)	$ -	$ (4)	$ (1,067)	$ (2)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	-	-	-	-	-	-	-	-	-	-
Depreciation, depletion and amortization	-	-	-	-	-	-	-	-	-	-
Decommissioning	-	-	-	-	-	-	-	-	-	-
Advances for capacity and energy	-	-	-	-	-	-	-	-	-	-
Amortization of nuclear fuel	-	-	-	-	-	-	-	-	-	-
Changes in assets and liabilities										
Accounts receivable	(555)	255	-	(47)	(2,597)	-	(21)	-	(142)	-
Accounts payable and accruals	(656)	143	60	(754)	(1,800)	(3,220)	(833)	5,615	874	1,377
Other	(5)	(2)	(1)	(2)	1	(25)	(17)	-	-	(80)
Net cash provided by operating activities	$ (1,217)	$ 395	$ 53	$ (803)	$ (4,397)	$ (3,287)	$ (871)	$ 5,611	$ (335)	$ 1,295
Cash and cash equivalents as stated in the Combined Statements of Net Position										
Cash and cash equivalents – restricted	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cash and cash equivalents – unrestricted	601	1,735	3,821	615	123	14,753	1,014	5,615	732	1,297
	$ 601	$ 1,735	$ 3,821	$ 615	$ 123	$ 14,753	$ 1,014	$ 5,615	$ 732	$ 1,297

See accompanying notes.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015
(AMOUNTS IN THOUSANDS)

	POWER PURCHASE AGREEMENTS						
	Ormat Geothermal Energy	MWD Small Hydro	Pebble Springs Wind	Ameresco Chiquita Landfill Gas	Don A. Campbell/ Wild Rose Geothermal	Copper Mountain Solar 3	Columbia 2 Solar
Cash flows from operating activities							
Receipts from participants	$ 6,345	$ 2,372	$ 19,271	$ 2,354	$ 18,951	$ 53,181	$ 2,430
Receipts from sale of oil and gas	-	-	-	-	-	-	-
Payments to operating managers	(7,354)	(2,262)	(19,633)	(2,977)	(15,649)	(27,833)	(1,065)
Other disbursements and receipts	3	6	-	-	-	-	520
Net cash flows from operating activities	(1,006)	116	(362)	(623)	3,302	25,348	1,885
Cash flows from noncapital financing activities							
Advances (withdrawals) by participants, net	-	-	-	-	-	-	-
Cash flows from capital financing activities							
Additions to plant and prepaid projects, net	-	-	-	-	-	-	-
Debt interest and swap payments	-	-	-	-	-	-	-
Proceeds from sale of bonds	-	-	-	-	-	-	-
Payment for defeasance of revenue bonds	-	-	-	-	-	-	-
Transfer of funds from (to) escrow	-	-	-	-	-	-	-
Transfer of funds from (to) Mine Reclamation Trust Fund	-	-	-	-	-	-	-
Transfer of funds from (to) other projects	-	-	-	-	-	-	-
Principal payments on debt	-	-	-	-	-	-	-
Payment for bond issue costs	-	-	-	-	-	-	-
Net cash used for capital and related financing activities	-	-	-	-	-	-	-
Cash flows from investing activities							
Interest received on investments	4	2	-	-	-	8	-
Purchases of investments	-	-	(1,000)	-	-	(14,989)	-
Proceeds from sale/maturity of investments	-	-	-	-	-	5,000	-
Net cash provided by (used for) investing activities	4	2	(1,000)	-	-	(9,981)	-
Net increase (decrease) in cash and cash equivalents	(1,002)	118	(1,362)	(623)	3,302	15,367	1,885
Cash and cash equivalents, beginning of year	2,819	1,221	4,123	2,041	67	1,615	-
Cash and cash equivalents, end of year	$ 1,817	$ 1,339	$ 2,761	$ 1,418	$ 3,369	$ 16,982	$ 1,885
Reconciliation of operating income (loss) to net cash provided by operating activities							
Operating income (loss)	$ (3)	$ (2)	$ -	$ -	$ -	$ (7)	$ -
Adjustments to reconcile operating income (loss) to net cash provided by operating activities							
Depreciation, depletion and amortization	-	-	-	-	-	-	-
Decommissioning	-	-	-	-	-	-	-
Advances for capacity and energy	-	-	-	-	-	-	-
Amortization of nuclear fuel	-	-	-	-	-	-	-
Changes in assets and liabilities							
Accounts receivable	(140)	(85)	-	-	915	-	(37)
Accounts payable and accruals	(864)	197	(356)	(623)	2,387	25,359	1,922
Other	1	6	(6)	-	-	(4)	-
Net cash provided by operating activities	$ (1,006)	$ 116	$ (362)	$ (623)	$ 3,302	$ 25,348	$ 1,885
Cash and cash equivalents as stated in the Combined Statements of Net Position							
Cash and cash equivalents – restricted	$ 1	$ 1	$ -	$ 1	$ 6	$ 6	$ -
Cash and cash equivalents – unrestricted	1,816	1,338	2,761	1,417	3,363	16,976	1,885
	$ 1,817	$ 1,339	$ 2,761	$ 1,418	$ 3,369	$ 16,982	$ 1,885

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	MISCELLANEOUS			
	Project Development Fund	Projects' Stabilization Fund	SCPPA Fund	Total Combined
Cash flows from operating activities				
Receipts from participants	$ -	$ -	$ -	$ 740,724
Receipts from sale of oil and gas	-	-	-	1,117
Payments to operating managers	-	-	-	(408,433)
Other disbursements and receipts	-	-	(270)	15,753
Net cash flows from operating activities	-	-	(270)	349,161
Cash flows from noncapital financing activities				
Advances (withdrawals) by participants, net	(3,688)	(10,215)	2,760	(7,675)
Cash flows from capital financing activities				
Additions to plant and prepaid projects, net	-	-	(114)	(97,157)
Debt interest and swap payments	-	-	-	(136,666)
Proceeds from sale of bonds	-	-	-	154,562
Payment for defeasance of revenue bonds	-	-	-	(92,261)
Transfer of funds from (to) escrow	-	-	-	-
Transfer of funds from (to) Mine Reclamation Trust Fund	-	-	-	(3,760)
Transfer of funds from (to) other projects	-	-	-	-
Principal payments on debt	-	-	-	(181,710)
Payment for bond issue costs	-	-	-	(1,252)
Net cash used for capital and related financing activities	-	-	(114)	(358,244)
Cash flows from investing activities				
Interest received on investments		1,078		4,913
Purchases of investments		(103,157)		(655,558)
Proceeds from sale/maturity of investments		137,110		634,785
Net cash provided by (used for) investing activities	-	35,031	-	(15,860)
Net increase (decrease) in cash and cash equivalents	(3,688)	24,816	2,376	(32,618)
Cash and cash equivalents, beginning of year	6,485	10,019	165	337,374
Cash and cash equivalents, end of year	$ 2,797	$ 34,835	$ 2,541	$ 304,756
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	$ (2,097)	$ -	$ (468)	$ 139,922
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation, depletion and amortization	-	-	113	106,526
Decommissioning	-	-	-	19,507
Advances for capacity and energy	-	-	-	2,480
Amortization of nuclear fuel	-	-	-	63,307
Pension expense	-	-	85	85
Changes in assets and liabilities				
Accounts receivable	-	-	-	(10,700)
Accounts payable and accruals	2,097	-	-	(5,183)
Other	-	-	-	33,217
Net cash provided by operating activities	$ -	$ -	$ (270)	$ 349,161
Cash and cash equivalents as stated in the Combined Statements of Net Position				
Cash and cash equivalents – restricted	$ 2,797	$ 34,835	$ 2,541	$ 235,743
Cash and cash equivalents – unrestricted	-	-	-	69,013
	$ 2,797	$ 34,835	$ 2,541	$ 304,756

 See accompanying notes.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015
(AMOUNTS IN THOUSANDS)

	MISCELLANEOUS			
	Project Development Fund	Projects' Stabilization Fund	SCPPA Fund	Total Combined
Cash flows from operating activities				
Receipts from participants	$ -	$ -	$ -	$ 700,656
Receipts from sale of oil and gas	-	-	-	16,286
Payments to operating managers	-	-	-	(350,001)
Other disbursements and receipts	-	-	(144)	17,376
Net cash flows from operating activities	-	-	(144)	384,317
Cash flows from noncapital financing activities				
Advances (withdrawals) by participants, net	6,420	2,857	144	1,590
Cash flows from capital financing activities				
Additions to plant and prepaid projects, net	-	-	(149)	(34,316)
Debt interest and swap payments	-	-	-	(143,210)
Proceeds from sale of bonds	-	-	-	316,095
Payment for defeasance of revenue bonds	-	-	-	(349,670)
Transfer of funds from (to) escrow	-	-	-	-
Transfer of funds from (to) Mine Reclamation Trust Fund	-	-	-	(420)
Transfer of funds from (to) other projects	-	-	-	-
Principal payments on debt	-	-	-	(122,520)
Payment for bond issue costs	-	-	-	(24,150)
Net cash used for capital and related financing activities	-	-	(149)	(358,191)
Cash flows from investing activities				
Interest received on investments	-	1,246	-	5,294
Purchases of investments	-	(102,385)	-	(425,834)
Proceeds from sale/maturity of investments	-	87,475	-	428,445
Net cash provided by (used for) investing activities	-	(13,664)	-	7,905
Net increase (decrease) in cash and cash equivalents	6,420	(10,807)	(149)	35,621
Cash and cash equivalents, beginning of year	65	20,826	314	301,753
Cash and cash equivalents, end of year	$ 6,485	$ 10,019	$ 165	$ 337,374
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	$ -	$ -	$ 19	$ 144,215
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation, depletion and amortization	-	-	113	158,745
Decommissioning	-	-	-	10,857
Advances for capacity and energy	-	-	-	2,550
Amortization of nuclear fuel	-	-	-	14,493
Pension expense	-	-	(276)	(276)
Changes in assets and liabilities				
Accounts receivable	-	-	-	4,481
Accounts payable and accruals	-	-	-	33,764
Other	-	-	-	15,488
Net cash provided by operating activities	$ -	$ -	$ (144)	$ 384,317
Cash and cash equivalents as stated in the Combined Statements of Net Position				
Cash and cash equivalents – restricted	$ 6,485	$ 10,019	$ 165	$ 236,950
Cash and cash equivalents – unrestricted	-	-	-	100,424
	$ 6,485	$ 10,019	$ 165	$ 337,374

See accompanying notes.

Note 1 – Organization and Purpose

The Southern California Public Power Authority (the Authority or SCPPA), 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 participants consist of eleven municipal electric utilities and one irrigation district in the State of California. The Authority was formed for the purpose of planning, financing, developing, acquiring, constructing, operating and maintaining projects for the generation, transmission, and procurement of electric energy and natural gas for sale to its participants. The Joint Powers Agreement has a term expiring in 2030 or such later date as all bonds and notes of the Authority and the interest thereon have been paid in full or adequate provision for payments have been made.

The Authority has interests in the following projects:

GENERATION PROJECTS

Palo Verde Project – On August 14, 1981, the Authority purchased a 5.91% interest in the Palo Verde Nuclear Generating Station (PVNGS), a 3,810 MW nuclear-fueled generating station near Phoenix, Arizona, a 5.44% ownership interest in the Arizona Nuclear Power Project High Voltage Switchyard (ANPP HVS), 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). Units 1, 2 and 3 of the Palo Verde Project began commercial operations in January 1986, September 1986, and January 1988, respectively.

Since inception of the ANPP HVS capital additions, new terminations, and other events have successively changed the respective ownership interests in the ANPP HVS. In FYE 2011, the PVNGS fourth transformer became the 14th termination in the ANPP HVS, and caused the Authority's proportional ownership percentage to change from 5.56% to 5.44%. This change became effective on April 1, 2011.

Units 1, 2, and 3 each operated under a 40-year Full-Power Operating License from the Nuclear Regulatory Commission (NRC), expiring in 2025, 2026, and 2027, respectively. In April 2011, after a detailed, two-year process, the NRC approved the application to extend the operating licenses for all three units for an additional 20 years, allowing Unit 1 to operate through 2045, Unit 2 through 2046, and Unit 3 through 2047.

San Juan Project – Effective July 1, 1993, the Authority purchased a 41.80% interest in Unit 3 and related common facilities of the San Juan Generating Station (SJGS) from Century Power Corporation. Unit 3, a 497-MW unit, is one unit of a four-unit coal-fired power generating station in New Mexico.

The owners of the San Juan Project reached an agreement on an ownership restructuring of San Juan that would shut down Unit 3 by December 2017 as part of the overall settlement of matters regarding emissions at San Juan. Most of the regulatory approvals and other conditions have been obtained or satisfied in order to implement this ownership restructuring.

Note 1 – Organization and Purpose (continued)

On July 16, 2015, the SCPPA Board of Directors voted to exit from the San Juan Unit 3 Project and divest their ownership interest in the Project to Public Service Company of New Mexico and PNMR Development and Management Corporation on or about December 31, 2017. (See Note 12)

Magnolia Power Project – The Magnolia Power Project (MAG) consists of a combined cycle natural gas-fired generating plant with a nominally rated net base capacity of 242 MW and was built on a site in Burbank, California. The plant is the first that is wholly owned by the Authority and entitlements to 100% of the capacity and energy of the Project have been sold to six of its members.

The City of Burbank, a Project participant, managed its construction and also serves as the operating agent for the Project. Commercial operations began on September 22, 2005.

- **Gas Supply and Services Agreement** – SCPPA entered into an agreement with Occidental Energy Marketing, Inc. (OEMI) beginning January 2005. This agreement is renewed each year unless notification is given by either party prior to December 31, of each year. OEMI provides 100% of the natural gas plant requirements on a daily basis, and also includes an option for the participants to bring in their own gas supply. In addition, OEMI provides gas balancing services.

- **Natural Gas Transportation** – SCPPA has an agreement with Southern California Gas Company (SoGas) for intrastate transmission services. The agreement took effect in January 2005 and was renewed in February 2016 for an additional three years thereafter unless canceled by the Authority prior to February 1 of each year. SoGas provides transportation, storage, and balancing services of natural gas from the Southern California Border to the Magnolia Plant.

- **Parts and Special Services Agreement** – SCPPA entered into an 18-year agreement with General Electric International (GE) in September 2005. Initially, the agreement covered only the gas turbine, but the agreement was amended in August 2007, to include coverage for the gas generator, the steam turbine, and the steam generator. GE provides planned and unplanned maintenance, including replacement parts, based on factored fired hours.

Canyon Power Project – The Canyon Power Project (the Project) consists of a simple cycle natural gas-fired power generating plant, comprised of four combustion turbines with a combined nominally rated net base capacity of 200 MW, and auxiliary facilities, located in an industrial area of the city of Anaheim, California (Anaheim). The Project is owned by the Authority and constructed, operated, and maintained by Anaheim. The Project achieved full commercial operation in September 2011.

Note 1 – Organization and Purpose (continued)

Apex Power Project – On March 26, 2014, the Authority acquired the Apex Power Project (the Project) pursuant to an Asset Purchase Agreement, dated as of October 17, 2013. The Project consists of a natural gas-fired, combined cycle generating facility (the "Facility"), nominally-rated at 531 MW, located in Clark County, Nevada, generator interconnection facilities, related assets and property, and interconnection and transmission contractual rights. The Facility is interconnected through a 3.13 mile 500 kV radial generation tie line owned by Nevada Power Company that connects the Facility to the Nevada Power Company's transmission system at its Harry Allen 500 kV Substation. The Los Angeles Department of Water & Power (LADWP) serves as project manager and operating agent of the Project.

- **Operation and Maintenance Agreement** – The Facility is operated by EthosEnergy Power Operations (West), LLC (EthosEnergy), formerly Wood Group Power Operations (West), Inc., pursuant to an Operations and Maintenance Agreement dated February 12, 2007. Under the O&M Agreement, EthosEnergy provides all operations, routine maintenance, budget control, purchasing, billing, and reporting for the operation of the Facility, other than the maintenance provided by General Electric International ("GEI"), under a long-term service agreement. EthosEnergy currently employs 22 people at the Facility for operation and maintenance purposes. The O&M Agreement initially between the Seller and EthosEnergy was assumed and amended by the Authority. The term of the O&M Agreement, which expired on February 12, 2016, has been extended to February 12, 2017.

- **Large Generator Interconnection Agreement (LGIA)** – The LGIA between Nevada Power Company and the Seller, dated July 1, 2001, provides for the interconnection of the Facility, and firm transmission service for the Facility output through a Firm Point-to-Point Transmission Service Agreement by and between NV Energy and LADWP as Agent for the Authority, dated in November 2015 with a point of delivery at the McCullough 500 kV Substation. The term of the Transmission Service Agreement extends to July 30, 2023. The Authority expects to renegotiate these agreements prior to their expiration date (with a term extension if it is economic) or to provide for alternative transmission service from the facility to the McCullough 500 kV Substation. The Seller's obligation, under the Asset Purchase Agreement, is secured by a guaranty provided by a limited liability company for a period of 5 years following the acquisition date of the Facility by the Authority.

- **Long-Term Service Agreement** – Major maintenance, including parts supply, parts repair and labor for the Facility's combustion turbine generators and the steam turbine are provided pursuant to a Long-Term Service Agreement ("LTSA") between the Seller and GEI, dated June 16, 2004. It is not currently possible to determine when the LTSA will expire, but the Authority anticipates that it will not expire prior to six years after the Facility acquisition date.

Note 1 – Organization and Purpose (continued)

- **Operational Balancing Authority Agreement and Letter Agreement** – The natural gas to fuel the Facility will be provided by LADWP and delivered by facilities owned by the Kern River Gas Transmission Company through an Operational Balancing Authority Agreement and Letter Agreement.

- **Water Agreement** – Water for the facility will be provided by Las Vegas Valley Water District pursuant to an agreement, dated June 5, 2001 and assigned to the Authority upon acquisition of the Facility. Unless extended, the Water Agreement expires on June 5, 2038.

- **Transmission Service Agreements (TSAs)** – Under the TSAs, Nevada Power Company currently provides transmission services to deliver the output of the Facility to the Mead 230 kV Substation. The rates, terms and conditions for such services are regulated by the Federal Energy Regulatory Commission pursuant to Nevada Power Company's open access transmission tariff. Changes to the rates are not accurately predictable and subject to numerous factors unrelated to the Apex Project.

LADWP, as the Operating Agent, will administer, supervise, monitor and enforce the O&M Agreement and the LTSA in accordance with the Agency Agreement.

GREEN POWER

Hoover Uprating Project – As of March 1, 1986, the Authority and six participants entered into an agreement pursuant to which each participant assigned its entitlement to Hoover Uprating capacity and associated firm energy to the Authority in return for the Authority's agreement to provide for the advancement of funds for the uprating to the United States Bureau of Reclamation (USBR) on behalf of such participants. The agreement expires on September 30, 2017.

On December 20, 2011, the Hoover Power Allocation Act, which extends the availability of Hoover Power to the existing contractors for an additional fifty years and creates a pool for new entrants, was signed into law. The participants will enter into new agreements with the federal government for the capacity and energy, effective from October 1, 2017 through September 30, 2067. Whether the Authority will play a role in the project after 2017 cannot be determined at this time.

Tieton Hydropower Project – On November 30, 2009, the Authority acquired the Tieton Hydropower Plant pursuant to an Asset Purchase Agreement, dated as of October 19, 2009. The Tieton Hydropower Project (the Project) consists of a 13.6 MW nameplate capacity "run-of-the-reservoir" hydroelectric generation facility, comprised of: a powerhouse located in Yakima County, Washington; a 21-mile 115 kV transmission line; other related assets, property, and contractual rights.

Note 1 – Organization and Purpose (continued)

- **Contractor Service Agreement** – SCPPA entered into an agreement with Energy Northwest on July 1, 2014 to direct the operations of the Tieton Hydropower facility and to provide certain technical services with respect to the operation and maintenance of the facility. The contract was extended to June 30, 2016 and renewed on July 1, 2016 for a term of one year which may be extended for a period of one month to one year upon mutual agreement of the parties.

- **Facilities Maintenance Agreement** – SCPPA entered into an agreement with PacifiCorp to provide supervision, labor, materials, and equipment necessary to perform routine non-emergency maintenance of the facilities and routine vegetation management. The agreement started on April 28, 2010 and will continue for as long as the Interconnection agreement is in effect, unless terminated by mutual agreement.

- **Small Generator Interconnection Agreement** – SCPPA entered into an agreement with PacifiCorp to perform certain interconnection requests submitted under the Small Generator Interconnection Procedures. This agreement governs the terms and conditions under which SCPPA's Small Generating Facility will interconnect with PacifiCorp's Transmission System. The agreement became effective on November 30, 2009 and will remain in effect for a period of 10 years after which it will automatically renew for successive one-year periods, unless terminated by a 20-day written notice in accordance with this agreement.

Milford I Wind Project – On February 9, 2010, the Authority financed the prepayment of a specified supply of electricity from a wind farm located in Milford, Utah (the Facility). The Facility is a 203.5 MW nameplate capacity wind farm comprised of 97 wind turbines located near Milford, Utah, together with a 90-mile transmission line, and other related facilities. Under the related power purchase agreements by and between SCPPA and Milford Wind Corridor Phase I, LLC (the Seller), SCPPA will receive 6.7 million MW hours over a 20-year delivery term. SCPPA has also agreed to make monthly payments to the Seller for any energy delivered in each year that exceeds the guaranteed annual quantity of 338,215 MW hours. Commercial operation began on November 16, 2009.

Milford II Wind Energy Project – On August 25, 2011, the Authority financed the prepayment of a specified supply of energy from the Milford Wind Corridor Phase II Project (the Milford II Project), for a delivery term of 20 years (unless terminated earlier) pursuant to a Power Purchase Agreement dated March 1, 2010. The Authority also entered into power sales agreements with LADWP and the city of Glendale (Glendale) to sell 100% of its entitlement to capacity and energy in the Facility on a "take-or-pay basis." Under a separate contract, the city of Glendale sold its entitlement share of energy to LADWP. The Facility is a 102 MW nameplate capacity wind powered electric generating facility comprised of 68 1.5 MW wind turbines and related facilities located near Milford, Utah. The Milford II Project achieved commercial operation on May 2, 2011.

Note 1 – Organization and Purpose (continued)

Linden Wind Energy Project – On September 15, 2010, the Authority acquired the Linden Wind Energy Project (the Project) pursuant to the terms of the Asset Purchase Agreement, dated as of June 23, 2009. The Project is an approximately 50 MW nameplate capacity wind farm comprised of 25 wind turbines and related facilities, located in Klickitat County, Washington, developed and constructed by Northwest Wind Partners, LLC. The Authority has also entered into power sales agreements with LADWP and Glendale to sell 100% of its entitlement to capacity and energy in the Project on a "take-or-pay" basis. Through a separate layoff agreement, the City of Glendale has sold 100% of its entitlement to capacity and energy to LADWP, but remains responsible for all payments associated with its participation in the power sales agreement if LADWP fails to buy the energy pursuant to the layoff agreement.

- **Operation and Maintenance Service Agreement** – SCPPA entered into a three-year agreement with Senvion Wind Energy Solutions ("Senvion") (formally, REpower Systems AG) in February 2012. This agreement automatically renews for an additional two years unless either party provides written notice to the other party to cancel the contract. Senvion performs fixed fee services such as scheduled maintenances, periodic operational checks and tests, and regular preventive maintenance required on the wind turbine generators (WEC) in accordance with the maintenance manual. Senvion also performs remote monitoring services, repair services, and services related to the availability of the WEC. The agreement with Senvion remains in effect as of June 30, 2016.

- **Energy Exchange Agreement** – SCPPA entered into a two-year agreement with Powerex Corp. on November 27, 2012 for delivery of energy to Powerex for shaping and moving services. The delivery term may be renewed for up to five additional one-year terms commencing on January 1 of each successive calendar year, if the parties have confirmed in writing their agreement to extend this contract not less than ninety days prior to the commencement of each renewal term. The agreement with Powerex remains in effect as of June 30, 2016.

- **Balance of Plant Agreement** – Cannon Power Services Company, LLC assumed responsibility for operations of the Linden Wind Energy Project from EDF Renewable Energy (formerly EnXco Service Corporation) through an agreement with SCPPA that was executed on July 9, 2013 and was effective September 3, 2013. This agreement to operate, maintain, and repair the Wind Plant will continue for a period of three years and will automatically be extended for successive one year periods unless either party provides written notice to terminate the contract. The agreement with Cannon Power Services Company, LLC remains in effect as of June 30, 2016.

Windy Point/Windy Flats Project – On September 9, 2010, the Authority financed the purchase of a supply of energy from the Windy Point/Windy Flats Project (the Project) for an initial delivery term of 20 years, pursuant to the terms of a power purchase agreement, dated June 24, 2009. The Authority also entered into power sales agreements with LADWP and the city of Glendale to sell 100% of its entitlement to capacity and energy in the Project on a "take-or-pay" basis.

Note 1 – Organization and Purpose (continued)

Through a separate layoff agreement, the City of Glendale sold 100% of its entitlement to capacity and energy to LADWP, but remains responsible for all payments associated with its participation in the power sales agreement if LADWP fails to buy the energy pursuant to the layoff agreement.

The Project is a facility with a 262.2 MW nameplate capacity wind farm comprised of 114 wind turbines located in the Columbia Hills area of Klickitat County, Washington near the city of Goldendale. The Project is owned by Windy Flats Partners, LLC, a limited liability company organized and existing under the laws of the State of Delaware. The initial delivery term began on the commercial operation date of the first of two phases of the facility. The first phase commenced operations on January 25, 2010 and the second phase on March 1, 2010.

TRANSMISSION PROJECTS

Southern Transmission System Project – On May 1, 1983, the Authority entered into an agreement with the Intermountain Power Agency (IPA), to defray all the costs of acquisition and construction of the Southern Transmission System Project (STS), which provides for the transmission of energy between the Southern California and the Rocky Mountain regional markets, including long-term renewable resources such as Milford I Wind and Milford II Wind, from the Intermountain Generating Station located in Utah to Southern California. STS commenced commercial operations in July 1986. Construction to upgrade two AC/DC converter stations and increase their combined rating from 1,920 MW to 2,400 MW was completed in May 2011. The LADWP, a member of the Authority, serves as project manager and operating agent of the Intermountain Power Project (IPP).

Mead-Phoenix and Mead-Adelanto Projects - Authority Interest (Members) – As of August 4, 1992, the Authority entered into an agreement to acquire an interest in the Mead-Phoenix Project (Mead-Phoenix), a transmission line extending between the Westwing substation in Arizona and the Marketplace substation in Nevada. The agreement provides the Authority with an 18.31% interest in the Westwing-Mead project component, a 17.76% interest in the Mead Substation project component, and a 22.41% interest in the Mead-Marketplace project component.

As of August 4, 1992, the Authority also entered into an agreement to acquire a 67.92% interest in the Mead-Adelanto Project (Mead-Adelanto), a transmission line extending between the Adelanto substation in Southern California and the Marketplace substation in Nevada. Funding for these projects was provided by a transfer of funds from the Multiple Project Fund and commercial operations commenced in April 1996. LADWP serves as project manager and operating agent of Mead-Adelanto.

Mead-Phoenix and Mead-Adelanto Projects - Authority Interest (LADWP)
On May 25, 2016 the Authority acquired all of M-S-R Public Power Agency's ("MSR PPA") ownership interests and associated participation share and related rights and interests in the Mead-Adelanto (MA) and the Mead-Phoenix (MP) Projects on behalf of LADWP.

Note 1 – Organization and Purpose (continued)

The Authority Interest (LADWP) in Mead-Adelanto and in Mead-Phoenix, collectively the "Authority Interests (LADWP)", is separate and distinct from the Authority Interest (Members) and the Authority Interest (Western) in the existing MA and MP Projects. The acquisition represents an additional 17.5% ownership share in the MA Project and an additional 11.53850% ownership share in the Westwing-Mead Component and an additional 8.0993% ownership share in the Mead-Marketplace Component of the MP Project, pursuant to a Purchase and Sale Agreement dated August 31, 2015 between MSR PPA and the Authority. Pursuant to separate Transmission Service Contracts (LADWP), each dated as of March 17, 2016, LADWP is entitled to transmission services using 100% of the available capability of the Authority Interests (LADWP) in the MA and MP Projects.

NATURAL GAS PROJECTS

Pinedale Project – On July 1, 2005, the Authority, together with LADWP and Turlock Irrigation District (TID), acquired 42.5% of an undivided working interest in three natural gas leases located in the Pinedale Anticline region of the State of Wyoming. The Authority's individual share in these interests equals 14.9%. The purchase includes 38 operating oil and gas wells and associated lateral pipelines, equipment, permits, rights of way, and easements used in production. The natural gas field production is expected to increase for several more years as additional capital is invested on drilling new wells and then decline over a life expectancy greater than 30 years.

- **Joint Operating Agreement (JOA)** – In July 2005, SCPPA's purchase of the natural gas reserve interests at Pinedale, Wyoming (Pinedale) included an underlying long-term JOA with the operator, Ultra Resources, Inc. ("Ultra"). SCPPA pays the operator for SCPPA's share of both operating and drilling/capital expenses on a monthly basis.

  Ultra-Resources Inc., filed for Chapter 11 on April 29, 2016 after failing to reach a debt-restructuring agreement with its lenders and bondholders. Ultra continues as the Project Operator and has made no significant changes to the operation of the project. Currently, there is no effect on the participants of the Pinedale Project.

- **Gathering and processing agreements** – SCPPA's purchase of Pinedale included underlying agreements with Jonah Gas Gathering Company, Tesoro Logistics, formerly Questar Gas Management Company, and Western Gas Resources, Inc. for gathering and processing of the natural gas.

Note 1 – Organization and Purpose (continued)

Barnett Project – Natural gas resources in the Barnett shale geological formation in Texas were acquired from Collins and Young Holding, L.L.P (C&Y) for a total of $84 million. The acquisition settled on October 26, 2006 and was completed on December 7, 2006 when the participants, together with TID, exercised their option to purchase additional resources from C&Y.

- **Joint Operating Agreement (JOA)** – In October 2006, SCPPA's purchase of the natural gas reserve interests in Barnett, TX (Barnett) included an underlying long-term JOA with the operator, Devon Energy Production Company, L.P. SCPPA pays the operator for SCPPA's share of both operating and drilling/capital expenses on a monthly basis.

Prepaid Natural Gas Project – On October 11, 2007, the Authority made a one-time prepayment of $481 million to acquire the right to receive approximately 135 billion cubic feet of natural gas from J. Aron & Company (J. Aron) to be delivered over a 30-year term, beginning July 1, 2008. On October 3, 2007, prior to the acquisition of the prepaid gas supply, the Authority entered into five separate Prepaid Natural Gas Sales Agreements (the Gas Sales Agreements) with J. Aron and simultaneously, five Prepaid Natural Gas Supply Agreements (the Gas Supply Contracts) in which the Authority sold its interest in the natural gas, on a "take-and-pay" basis, to the cities of Anaheim, Burbank, Colton, Glendale, and Pasadena (the Project Participants). Through the Gas Supply Contracts, SCPPA has provided for the sale to the Project Participants, on a pay-as-you-go basis, of all of the natural gas to be delivered to SCPPA pursuant to the Gas Sales Agreements.

- On October 22, 2009, the Prepaid Natural Gas Sales Agreements and certain other agreements were restructured to reduce risk, provide an acceleration of a portion of the long-term savings, reduce the remaining volumes of gas to be delivered from 135 billion to 90 billion cubic feet, and shorten the term of the agreements from 30 years to 27 years. As a result of the restructuring, the Natural Gas contracts will now expire in 2035 and $165.5 million principal of the 2007 Natural Gas Project Bonds were terminated (see Note 7).

Note 1 – Organization and Purpose (continued)

- Under the Gas Supply Contracts, the approximate average Daily Quantity of gas to be purchased by each Project Participant is as follows:

Project Participant	Average Daily Quantity (1) Revised Volumes	Original Volumes	Participant Percentage (%)
City of Anaheim	1,467	2,000	16.5%
City of Burbank	2,924	4,000	33.0%
City of Colton	1,007	1,375	11.0%
City of Glendale	2,015	2,750	23.0%
City of Pasadena	1,464	2,000	16.5%
Total	8,877	12,125	100.0%

(1) The Average Daily Quantity is in MMBtu and is calculated over the term of the applicable Gas Supply Contracts. The contracts were restructured and volumes revised in October 2009.

Participant ownership interests – The Authority's participants may elect to participate in the projects. As of June 30, 2016, the members have the following participation percentages in the Authority's operating projects:

	GENERATION					TRANSMISSION		
Participants	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power	Southern Transmission System	Mead-Phoenix	Mead-Adelanto
City of Los Angeles	67.0%	-	-	-	100.0%	59.5%	50.4%	48.9%
City of Anaheim	-	-	38.0%	100.0%	-	17.6%	15.7%	10.7%
City of Riverside	5.4%	-	-	-	-	10.2%	2.7%	10.7%
Imperial Irrigation District	6.5%	51.0%	-	-	-	-	-	-
City of Vernon	4.9%	-	-	-	-	-	-	-
City of Azusa	1.0%	14.7%	-	-	-	-	0.7%	1.8%
City of Banning	1.0%	9.8%	-	-	-	-	0.7%	1.1%
City of Colton	1.0%	14.7%	4.2%	-	-	-	0.7%	2.0%
City of Burbank	4.4%	-	31.0%	-	-	4.5%	10.2%	9.2%
City of Glendale	4.4%	9.8%	16.5%	-	-	2.3%	9.7%	8.8%
City of Cerritos	-	-	4.2%	-	-	-	-	-
City of Pasadena	4.4%	-	6.1%	-	-	5.9%	9.2%	6.8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note 1 – Organization and Purpose (continued)

	GREEN POWER						NATURAL GAS		
Participants	Hoover Uprating	Tieton Hydro-power	Milford I Wind	Milford II Wind	Linden Wind Energy	Windy Point	Pinedale	Barnett	Prepaid Natural Gas
City of Los Angeles	-	-	92.5%	95.1%	90.0%	92.4%	-	-	-
City of Anaheim	42.6%	-	-	-	-	-	35.7%	45.4%	16.5%
City of Riverside	31.9%	-	-	-	-	-	-	-	-
Imperial Irrigation District	-	-	-	-	-	-	-	-	-
City of Vernon	-	-	-	-	-	-	-	-	-
City of Azusa	4.2%	-	-	-	-	-	-	-	-
City of Banning	2.1%	-	-	-	-	-	-	-	-
City of Colton	3.2%	-	-	-	-	-	7.1%	9.1%	11.0%
City of Burbank	16.0%	50.0%	5.0%	-	-	-	14.3%	27.3%	33.0%
City of Glendale	-	50.0%	-	4.9%	10.0%	7.6%	28.6%	-	23.0%
City of Cerritos	-	-	-	-	-	-	-	-	-
City of Pasadena	-	-	2.5%	-	-	-	14.3%	18.2%	16.5%
	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.

Note 1 – Organization and Purpose (continued)

The contracts expire as follows:

Palo Verde Project	2030
San Juan Project	2030
Magnolia Power Project	2036
Canyon Power Project	2040
Apex Power Project	2038
Hoover Uprating Project	2018
Tieton Hydropower Project	2040
Milford I Wind Project	2030
Milford II Wind Project	2031
Linden Wind Energy Project	2035
Windy Point Project	2030
Southern Transmission System Project	2027
Mead-Phoenix Project	2030
Mead-Adelanto Project	2030
Natural Gas Pinedale Project	2040
Natural Gas Barnett Project	2040
Prepaid Natural Gas Project	2038
Ormat Geothermal Energy Project	2031
Pebble Springs Wind Project	2025
MWD Small Hydro Project	2023
Ameresco Chiquita Landfill Gas Project	2030
Don A. Campbell/Wild Rose Geothermal Project	2033
Copper Mountain Solar 3 Project	2040
Columbia 2 Solar Project	2033
Don A. Campbell 2 Project	2035
Heber-1 Geothermal Project	2025
Kingbird Solar Project	2035

The Authority's interests or entitlements in natural gas, generation, and transmission projects are jointly owned with other utilities, except for the Magnolia Power Project, Canyon Power Project, Apex Power Project, Tieton Hydropower Project, and the Linden Wind Energy Project, which are wholly owned by the Authority. Under these arrangements, a participating member has an undivided interest in a utility plant and is responsible for its proportionate share of the costs of construction and operation and is entitled to its proportionate share of the energy, available transmission capacity, or natural gas produced. Each joint plant participant, including the Authority, is responsible for financing its share of construction and operating costs. The financial statements reflect the Authority's interest in each jointly owned project as well as the projects that it owns. Additionally, the Authority's share of expenses for each project is included in the statements of revenues, expenses, and changes in net position as part of operations and maintenance expenses.

Note 1 – Organization and Purpose (continued)

POWER PURCHASE AGREEMENTS

Ormat Geothermal Energy Project – The Authority entered into long-term power purchase agreements in December 2005 with divisions of Ormat Technologies, Inc. for up to 20 MW of electric generation. The Project started delivery of approximately 5 MW in January 2006 from geothermal energy facilities located in Heber, California, and the agreements were amended to allow for excess capacity in May 2008. The city of Anaheim acts as the scheduling coordinator on behalf of the project participants. The term of the contract is 25 years.

MWD Small Hydro Project – Consists of a power purchase agreement for the output from four small hydroelectric plants on the MWD system in Southern California, having a total nameplate capacity of 17.04 MW, and a historical output of 40,130 MWH per year. Transmission is accomplished through the California Independent System Operator, with the city of Anaheim acting as scheduler. The term of the contract is 15 years and 2 months, expiring December 31, 2023. Operations began on November 1, 2008.

Pebble Springs Wind Project – In December 2007, the Authority entered into a power purchase agreement for the facility output of a wind project with 98.7 MW, located in Gilliam County, Oregon. SCPPA along with LADWP, Burbank, and Glendale are now scheduling the energy through transmission agreements which bring this renewable energy from the project substation to the project participants. The term of the Project is 18 years with a right of first offer to potentially purchase the entire project after the 10th contract year. Operations formally began on January 31, 2009.

Ameresco Chiquita Energy Project – In March 2004, SCPPA entered into a power purchase agreement with Ameresco Chiquita Energy LLC, subsequently amended in September 2006, for 100% of the electric generation from a landfill gas to energy facility located at the landfill site in Valencia, California (Ameresco Landfill Gas to Energy Project). The SCPPA participants in the project include the cities of Burbank and Pasadena. This project will initially be for 10 MW with the right of first refusal on any increase in output. Operations began in November 2010. The term of the contract is 20 years from the commercial operation date.

Don A. Campbell/Wild Rose Geothermal Energy Project – On December 31, 2012 the Authority entered into a power purchase agreement with Ormat Nevada, Inc. to purchase renewable geothermal energy from the Don A. Campbell/Wild Rose Facility (the "Facility") beginning December 31, 2013, for a 20-year term. The Facility is a geothermal power generating facility with a 16.2 MW nameplate capacity and a 95 percent capacity factor located in Mineral County, Nevada. The commercial operating date was December 31, 2013 but early delivery of energy began in November 2013. The two participants are LADWP and the city of Burbank. LADWP acts as project manager and has balancing authority at the point of delivery of energy at the Mead 230kV Substation in Southern Nevada. Electricity from the Project will be transmitted through Nevada Energy's transmission system that includes the new 500 kV One Nevada Transmission Line.

Note 1 – Organization and Purpose (continued)

Copper Mountain Solar 3 Project – On August 31, 2012, SCPPA entered into a power purchase agreement with Sempra U.S. Gas and Power to purchase certain renewable energy and associated environmental attributes from the Copper Mountain Solar 3 Facility. The Facility is a fixed tilt photovoltaic system with a capacity of 250 MW located near Boulder City, Nevada. Full commercial operation was achieved on December 31, 2015. The term of the contract is 20 years. LADWP is the scheduling coordinator on behalf of the participants.

Columbia 2 Solar Project – On September 19, 2013, SCPPA entered into a power purchase agreement with RE Columbia Two, LLC to purchase all of the output of the Columbia 2 Solar Project, and to acquire other rights and resources, including but not limited to the purchase option and the rights under other ancillary agreements associated with the project. The project is a photovoltaic solar power generating facility located in Kern County, California with an expected nameplate capacity of 15 MW. Commercial operation began on December 20, 2014. The term of the contract is 20 years. The City of Riverside is the scheduling coordinator on behalf of the participants.

Don A. Campbell 2 Geothermal Energy Project – On December 18, 2014 the Authority entered into a power purchase agreement with ORNI 37 LLC to purchase renewable geothermal energy from the Don A. Campbell 2 Facility (DAC2) beginning December 31, 2016, for a 20-year term. The Facility is a geothermal power generating facility with a 16.2 MW nameplate capacity and a 95% capacity factor located in Mineral County, Nevada. The commercial operating date was September 17, 2015, but early delivery of energy began in August 2015. The LADWP acts as project manager and has balancing authority at the point of delivery of energy at the Mead 230kV Substation in Southern Nevada. Electricity from the Project will be transmitted through Nevada Energy's Transmission System that includes the new 500 kV One Nevada Transmission Line. Consequently, the Don A. Campbell/Wild Rose Facility is now called Don A. Campbell 1 to distinguish from the expansion, DAC2.

The Authority has entered into power purchase agreements with project participants as follows. These agreements are substantially "take-and-pay" contracts where there may be other obligations not associated with the delivery of energy.

Note 1 – Organization and Purpose (continued)

Participant Ownership Interests

	Power Purchase Agreements									
Participants	Ormat Geothermal Energy	Pebble Springs Wind	MWD Small Hydro	Ameresco Chiquita Landfill Gas	Don A. Campbell/ Wild Rose Geothermal	Copper Mountain Solar 3	Columbia 2 Solar	Don A. Campbell 2 Geothermal	Heber-1 Geothermal	Kingbird Solar
Capacity	17.00 MW	98.70 MW	17.04 MW	10.00 MW	16.00 MW	250.00 MW	15.00 MW	25.00 MW	62.5 MW	20.00 MW
City of Los Angeles	-	69.6%	-	-	84.6%	84.0%	-	100.0%	66.7%	-
City of Anaheim	60.0%	-	56.4%	-	-	-	-	-	-	-
City of Imperial	-	-	-	-	-	-	-	-	33.3%	-
City of Riverside	-	-	-	-	-	-	74.3%	-	-	70.0%
City of Azusa	-	-	21.8%	-	-	-	8.6%	-	-	15.0%
City of Banning	10.0%	-	-	-	-	-	-	-	-	-
City of Colton	-	-	21.8%	-	-	-	-	-	-	15.0%
City of Burbank	-	10.1%	-	16.7%	15.4%	16.0%	-	-	-	-
City of Glendale	15.0%	20.3%	-	-	-	-	-	-	-	-
City of Pasadena	15.0%	-	-	83.3%	-	-	17.1%	-	-	-
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Contract expires	2031	2025	2023	2030	2033	2040	2033	2035	2025	2035

MISCELLANEOUS FUNDS

Project Development Fund – Holds funds related to projects in the development phase.

Projects' Stabilization Fund – In fiscal year 1997, the Authority authorized the creation of a Projects' Stabilization Fund. Deposits may be made into the fund from budget under-runs, after authorization of individual participants, and by direct contributions from the participants. Participants have discretion over the use of their deposits within SCPPA project purposes. This fund is not a project-related fund; therefore, it is not governed by any project Indenture of Trust. The members participate in the Projects' Stabilization Fund by making deposits to the fund at their discretion.

SCPPA Fund – In June 2011, the Authority acquired an 11,500 sq. ft. building located in the City of Glendora to be used as SCPPA office facilities. Acquisition and construction costs were financed by contributions from SCPPA members and the building was put into service during fiscal year 2012. All costs associated with the management, administration, and ongoing operations of the SCPPA Office Building are deemed to be SCPPA overhead costs and will be budgeted and paid in accordance with the projects annual budgets pursuant to SCPPA's traditional budgetary process. On July 18, 2013, the SCPPA Board authorized the installation of Solar Voltaic Equipment and Carports at the SCPPA Glendora Office Building. The estimated cost was financed by the SCPPA Members in accordance with their ownership interests in the SCPPA Building.

On January 21, 2016, the SCPPA Board of Directors approved Resolution No. 2016-003 authorizing the purchase and renovation of the building adjacent to the office building that SCPPA currently owns. The acquisition will be allocated to each member based on the methodology that was used to fund the purchase of the current SCPPA Office Building which was acquired in June 2011. (See Note 3).

Note 2 – Summary of Significant Accounting Policies

Basis of accounting and presentation – The combined and individual financial statements of the Authority are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America issued by the Governmental Accounting Standards Board (GASB) applicable to governmental entities that use proprietary fund accounting. Revenues are recognized when earned and expenses are recognized when incurred. The format of the Statement of Net Position follows the inverted approach which is consistent with the Federal Energy Regulatory Commission (FERC).

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application,* effective for financial statements for years beginning after June 15, 2015. This statement clarifies the definition of fair value, establishes general principles for measuring fair value, provides additional fair value application guidance, and enhances disclosures about fair value measurements. This statement establishes a three-level hierarchy to the valuation techniques used to measure fair value. Disclosure is required to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. SCPPA implemented this statement during fiscal year 2016 and reports its assets and liabilities accordingly in Note 6.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, effective for financial statement periods beginning after June 15, 2014. This statement is an amendment of GASB Statement No. 27 and provides guidance for accounting for net pension liabilities, including definition of balances to be included in deferred inflows and deferred outflows of resources. The Authority adopted this guidance as of and for the year ended June 30, 2015. The specific accounts impacting the Authority are included within the SCPPA Fund and are detailed in Note 11.

In June 2012, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* effective for financial statement for periods beginning after December 15, 2011. In addition to assets and liabilities, the combined financial statements include deferred outflows and deferred inflows or resources, and reports net position instead of net assets (deficit). Other than the change in presentation, there was no impact to the financial statements as a result of this implementation.

Net position: The Authority's net position is classified as follows:

- **Net investment in capital assets** – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, other borrowings, and advances from participants that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Note 2 – Summary of Significant Accounting Policies (continued)

- **Restricted** – This component consists of net position on which constraints are placed as to their use. Constraints include those imposed by creditors (such as through debt covenants), contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or through enabling legislation.

- **Unrestricted** – This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

Utility plant – The Authority's share of construction and betterment costs, natural gas reserves, intangibles, and nuclear fuel associated with PVNGS, STS, Mead-Phoenix, Mead-Adelanto, SJGS, Magnolia Power Project, the Natural Gas Pinedale Project and the Natural Gas Barnett Project (together the Natural Gas Projects) Canyon Power, Tieton Hydropower, Linden Wind Energy, and the Apex Power Projects are included as utility plant and recorded at cost. Utility plant also includes the SCPPA Building. Costs include labor, materials, capitalized interest costs on funds used in construction, and allocated indirect charges such as engineering, supervision, transportation and construction equipment, retirement plan contributions, health care costs, and certain administrative and general expenses. The costs of routine maintenance, repairs, and minor replacements incurred to maintain the plant in operating condition are charged to the appropriate operations and maintenance expense accounts in the period incurred. The original cost of property retired, net of removal and salvage costs, is charged to accumulated depreciation.

Depreciation expense is computed using the straight-line method based on the estimated service lives, principally 55 years for PVNGS, STS, Mead-Phoenix and Mead-Adelanto; 30 years for Magnolia and Canyon Power Project; 37 years for SJGS; 50 years for the Tieton Hydropower Project; 25 years for Linden Wind Energy Project; 24 Years for the Apex Power Project; and 35 years for the SCPPA Building Fund.

Natural gas reserve depletion – Depletion expense for the Natural Gas Projects is computed using the unit of production method based on the future production of the proven producing wells, estimated at 50 years for the Natural Gas Pinedale Project and 50 years for the Natural Gas Barnett Project. The estimate is based on site specific studies prepared by independent consultants as of December 2014 for both projects. The depletion rate for the Natural Gas Pinedale Project was $3.68/MMBtu; and the estimated total net revenue volume was 10,685,101 MMBtu and 11,598,794 MMBtu, for fiscal years 2016 and 2015, respectively.

Note 2 – Summary of Significant Accounting Policies (continued)

The depletion rate for the Natural Gas Barnett Project was $4.86/MMBtu and $4.83/MMBtu; and the estimated total net revenue volume was 9,538,994 MMBtu and 10,441,378 MMBtu, for fiscal years ended June 30, 2016 and 2015, respectively.

Nuclear fuel – 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 federal government assesses each entity with nuclear operations, including the participants in PVNGS, $1 per MW hour of nuclear generation. The Authority records this charge as a current year expense. See Note 12 for information about spent nuclear fuel disposal.

Nuclear decommissioning – Decommissioning of PVNGS is expected to commence subsequent to the year 2046. The total cost to decommission the Authority's interest in PVNGS is estimated to be $142.4 million in 2014 dollars ($730.4 million in 2042 dollars). This estimate is based on an updated site specific study prepared by an independent consultant in 2013. The Authority is providing for its share of the estimated future decommissioning costs over the remaining life of the nuclear power plant through annual charges to expense, which amounted to $18.0 million and $7.6 million in fiscal years 2016 and 2015, respectively. The decommissioning liability is included as a component of accumulated depreciation and was $268.3 million and $250.3 million at June 30, 2016 and 2015, respectively.

The Authority contributes to external trusts set up in accordance with the Arizona Nuclear Power Plant participation agreement and Nuclear Regulatory Commission requirements. As of June 30, 2016, decommissioning funds totaled approximately $174.7 million, including approximately $0.8 million of interest receivable.

Asset retirement obligation – Demolition of SJGS is projected to commence subsequent to the year 2030. Based upon the study performed by an independent engineering firm, the Authority's share of the estimated demolition costs is $32.8 million in 2013 dollars. The Authority is providing for its share of the estimated future demolition costs over the remaining life of the power plant through annual charges to expense of $1.5 million. The demolition liability is included as a component of accumulated depreciation and totaled $59.0 million and $57.5 million at June 30, 2016 and 2015, respectively.

As of June 30, 2016, the Authority has not billed participants for the cost of demolition nor has it established a demolition fund.

San Juan reclamation liability– The Authority has certain obligations relating to its ownership interests in the SJGS Unit 3, to participate in the development of plans and arrangements for the eventual reclamation of the San Juan Coal Mine after the expiration in December 2017 of the Underground Coal Sales Agreement dated August 31, 2001.

Note 2 – Summary of Significant Accounting Policies (continued)

The Authority is providing for its share of the estimated future reclamation costs through annual charges to expense. The reclamation liability is included as a component of accumulated reclamation costs and was $7.9 million at June 30, 2016.

The Authority contributes to a Reclamation Trust Fund set up in accordance with the Mine Reclamation Trust Funds Agreement among the San Juan Participants, dated June 1, 2012. As of June 30, 2016, reclamation funds totaled $6.7 million.

Investments – Investments include United States government and governmental agency securities, guaranteed investment contracts, medium term notes, and money market accounts. These investments are reported at fair value and changes in unrealized gains and losses are recorded in the statement of revenues, expenses, and changes in net position with the exception of the guaranteed investment contracts which are recorded at amortized cost. Gains and losses realized on the sale of investments are generally determined using the specific identification method.

The Bond Indentures for the Projects require the use of trust funds to account for the Authority's receipts and disbursements. Cash and investments held in these funds are restricted to specific purposes as stipulated in the Bond Indentures.

Accounts receivable – Accounts receivable consists primarily of participant receivables. As such no allowance is deemed necessary.

Prepaid and other assets – SCPPA entered into a prepaid gas contract with a supplier for a 30-year gas supply at a fixed discount and simultaneously entered into a contract with each of the project participants for the delivery of natural gas. The prepaid contracts were subsequently restructured and the term of the agreements were shortened to 27 years. SCPPA has also entered into 20-year term prepaid contracts for all of the energy generated by the Milford I Wind, Milford II Wind, and the Windy Point/Windy Flats Facilities, with corresponding power sales contracts with each project participant. (See Note 1).

Advances for capacity and energy – Advance payments to the United States Bureau of Reclamation 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 principal portion of the credits on billings to the Authority for energy and capacity. The current portion of these advances is recorded under Prepaid and Other Assets in the Current Assets Section of the Combined Statements of Net Position.

Advance to IPA – Advance to IPA consists of cash transferred to IPA for reserve, contingency, and self-insurance funding and relates to the STS Project.

Note 2 – Summary of Significant Accounting Policies (continued)

Unamortized premiums and discounts – Unamortized premiums and discounts are recorded as part of long-term debt and amortized over the life of the related debt issue.

Cash and cash equivalents – Cash and cash equivalents include cash and investments with original maturities of 90 days or less.

Restricted cash and investments – Restricted cash and investments are set aside to meet externally imposed legal and contractual obligations. Restricted cash and investments are used in accordance with their requirements and include certain proceeds of the Authority's revenue bonds, as well as resources set aside for their repayment, and participant advances restricted for costs of certain capital projects.

Deferred outflow and inflow of resources – Losses on refunding related to bonds redeemed by refunding bonds are reported as deferred outflows of resources and are amortized over the shorter life of the refunding bonds, or the remaining term of bonds in accordance with GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities.*

In addition, the accumulated decrease in the fair value of effective hedging derivative instruments are reported as deferred outflow of resources. Under hedge accounting, the changes in the fair value of an effective hedging derivative instrument, in asset or liability positions, are reported as a deferred inflow of resources or deferred outflow of resources, respectively, on the Statements of Net Position.

See Note 11 for a description of the deferred outflows of resources and the deferred inflows of resources related to the pension.

Materials and supplies – Materials and supplies consist primarily of items for construction and maintenance of plant assets and are stated at the lower of cost or market.

Arbitrage rebate and yield restrictions – The unused proceeds from the issuance of tax-exempt debt have been invested in taxable financial instruments. The excess of earnings on investments, if any, over the amount that would have been earned if the investments had a yield equal to the bond yield or yield restricted rate, is payable to the IRS within five years of the date of the bond offering and each consecutive five years thereafter until final maturity of the related bonds.

Note 2 – Summary of Significant Accounting Policies (continued)

Pensions – For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of SCPPA's California Public Employees' Retirement System (CalPERS), Miscellaneous plans (Plans), and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported to CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

In September 1998, the Palo Verde participants approved a resolution authorizing the Authority to bill the participants an additional $65 million annually through June 30, 2004 to pay for increased debt service costs as a result of a refunding completed in October 1997. In addition, the participants resolved to transfer any over billings, renewal and replacement excess funds, or surplus amounts through June 30, 2004 into the Palo Verde reserve account. On November 20, 2003, the Authority adopted a resolution to utilize the amounts on deposit in the reserve accounts to pay a portion of the operating and maintenance expenses of the Palo Verde Project starting July 1, 2004. Funds held in the reserve account as a result of this resolution totaled $7.4 million and $14.5 million as of June 30, 2016 and 2015, respectively.

Transportation costs – As a result of the sales and purchases agreements for natural gas entered into by SCPPA, the participants receive less volume than processed incurring embedded transportation costs. These costs are recorded as participants' revenue and expense to the Natural Gas Pinedale Project. At June 30, 2016 and 2015, transportation costs were approximately $147,000 and $179,000, respectively, for the Natural Gas Pinedale Project.

Non-exchange contribution – Each participant of the Magnolia Power Plant is responsible for its own share of natural gas. They may elect to bring fuel to the plant or purchase fuel from Occidental Energy Marketing, Inc. (OEMI). OEMI computes the daily imbalances of fuel volume per participant using the daily consumption data that the operating manager provides. Monthly, actual fuel burnt is reported together with the daily imbalances, participants' in kind contribution, and fuel purchases from OEMI.

Non-exchange contributions are valued at fair market value and recorded as participant revenue and fuel expense to the Magnolia Power Project. SCPPA values the participants' fuel contribution using monthly average pricing from the Project's OEMI fuel purchases. During the fiscal years ended June 30, 2016 and 2015, the participants' contribution in kind was approximately 10.1 MMBtu and 10.3 MMBtu and was valued at approximately $25.5 million and $37.1 million, respectively.

Note 2 – Summary of Significant Accounting Policies (continued)

Build America Bonds (BABs) – These are taxable municipal bonds that were created under the American Recovery and Reinvestment Act of 2009, and carry special tax credits and federal subsidies for either the bond issuer or the bondholder. BABs provide for a subsidy payment from the Department of the Treasury to be paid directly to the issuer (Direct Payment) or the bondholder (Tax Credit BABs) in an amount equal to 35% of the bond's interest. On June 9, 2010, SCPPA issued $191 million of Canyon Power 2010 Series B, Direct Payment BABs. $41.5 million of the Linden Wind 2010 Series B, Direct Payment BABs, were issued on September 28, 2010.

The budget sequestration or automatic spending cuts of the United States Government that went into effect in 2013 resulted in a 7.2% decrease of the BABs subsidies received by the Authority for the related bonds. BABs subsidy received for the debt service payments made on July 1, 2015 was reduced by 7.3% and by 6.8% for the payments made on January 1, 2016.

Note 3 – Utility Plant

At June 30, 2016, Utility Plant, net consisted of the following (amounts in thousands):

	June 30, 2016							
	GENERATION					GREEN POWER		
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power	Hoover Uprating	Tieton Hydro-power	Linden Wind Energy
Utility plant								
Production	$ 734,333	$ 259,977	$ 287,203	$ 252,468	$ 292,124	$ -	$ 48,304	$ 123,082
Transmission	17,718	-	15,247	31,853	-	-	-	23,432
General	3,981	6,784	15,495	488	5,026	21	11	-
Natural gas reserves	-	-	-	-	-	-	-	-
	756,032	266,761	317,945	284,809	297,150	21	48,315	146,514
Less accumulated depreciation	793,294	216,188	120,281	45,763	27,518	21	9,373	33,671
	(37,262)	50,573	197,664	239,046	269,632	-	38,942	112,843
Construction work in progress	28,290	2,617	2,033	-	-	-	-	-
Nuclear fuel, at amortized cost	43,927	-	-	-	-	-	-	-
Net utility plant	$ 34,955	$ 53,190	$ 199,697	$ 239,046	$ 269,632	$ -	$ 38,942	$ 112,843

	TRANSMISSION			NATURAL GAS		OTHERS	
	Southern Transmission System	Mead- Phoenix	Mead-Adelanto	Pinedale	Barnett	SCPPA Fund	Total
Utility plant							
Production	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,997,491
Transmission	770,498	81,659	206,330	-	-	-	1,146,737
General	44,400	3,105	509	4,093	-	4,386	88,299
Natural gas reserves	-	-	-	73,175	84,868	-	158,043
	814,898	84,764	206,839	77,268	84,868	4,386	3,390,570
Less accumulated depreciation	598,639	29,685	91,570	36,285	38,546	460	2,041,294
	216,259	55,079	115,269	40,983	46,322	3,926	1,349,276
Construction work in progress	-	555	-	5	118	343	33,961
Nuclear fuel, at amortized cost	-	-	-	-	-	-	43,927
Net utility plant	$ 216,259	$ 55,634	$ 115,269	$ 40,988	$ 46,440	$ 4,269	$ 1,427,164

Note 3 – Utility Plant (continued)

In June, 2011, the Authority made a one-time payment to acquire an 11,500 sq. ft. building located in the city of Glendora to be used as SCPPA office facilities. The building was renovated and put into service during fiscal year 2012. Acquisition and construction costs were financed by contributions from SCPPA members. On July 18, 2013, the SCPPA Board authorized the installation of Solar Voltaic Equipment and Carports at the SCPPA Glendora Office Building. The cost was financed by the SCPPA Members in accordance with their ownership interests in the SCPPA Building. (See Note 1).

On January 21, 2016, the SCPPA Board of Directors approved Resolution No. 2016-003 authorizing the purchase and renovation of the building adjacent to the office building that SCPPA currently owns. The acquisition will be allocated to each member based on the methodology that was used to fund the purchase of the current SCPPA Office Building which was acquired in June 2011.

At June 30, 2015, Utility Plant, net consisted of the following (amounts in thousands):

	June 30, 2015							
	GENERATION					GREEN POWER		
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power	Hoover Uprating	Tieton Hydro-power	Linden Wind Energy
Utility plant								
Production	$ 723,801	$ 258,675	$ 287,009	$ 252,498	$ 289,732	$ -	$ 47,899	$ 123,082
Transmission	17,206	-	15,247	31,853	-	-	-	23,431
General	3,666	6,811	15,495	488	4,956	21	11	-
Natural gas reserves	-	-	-	-	-	-	-	-
	744,673	265,486	317,751	284,839	294,688	21	47,910	146,513
Less accumulated depreciation	758,019	204,836	109,327	36,215	15,166	21	8,158	27,857
	(13,346)	60,650	208,424	248,624	279,522	-	39,752	118,656
Construction work in progress	29,739	3,453	1,520	-	-	-	-	-
Nuclear fuel, at amortized cost	43,613	-	-	-	-	-	-	-
Net utility plant	$ 60,006	$ 64,103	$ 209,944	$ 248,624	$ 279,522	$ -	$ 39,752	$ 118,656

	TRANSMISSION			NATURAL GAS		OTHERS	
	Southern Transmission System	Mead- Phoenix	Mead-Adelanto	Pinedale	Barnett	SCPPA Fund	Total
Utility plant							
Production	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,982,696
Transmission	770,498	55,106	173,139	-	-	-	1,086,480
General	44,400	2,730	473	4,094	-	4,386	87,531
Natural gas reserves	-	-	-	73,191	84,416	-	157,607
	814,898	57,836	173,612	77,285	84,416	4,386	3,314,314
Less accumulated depreciation	575,885	28,004	86,871	32,643	34,158	347	1,917,507
	239,013	29,832	86,741	44,642	50,258	4,039	1,396,807
Construction work in progress	-	174	-	(17)	452	221	35,542
Nuclear fuel, at amortized cost	-	-	-	-	-	-	43,613
Net utility plant	$ 239,013	$ 30,006	$ 86,741	$ 44,625	$ 50,710	$ 4,260	$ 1,475,962

Note 3 – Utility Plant (continued)

A summary of changes in Utility Plant follows (amounts in thousands):

	Balance July 1, 2015	Additions	Disposals	Transfers	Balance June 30, 2016
Nondepreciable utility plant					
Land	$ 49,272	$ 6,830	$ -	$ -	$ 56,102
Construction work in progress	35,106	15,821	(231)	(16,858)	33,838
Construction work in progress – gas	435	123	-	(435)	123
Nuclear fuel*	43,614	14,714	(14,401)	-	43,927
Total nondepreciable utility plant	128,427	37,488	(14,632)	(17,293)	133,990
Depreciable utility plant					
Production					
Nuclear generation (Palo Verde Project)	722,887	(795)	(3,874)	15,201	733,419
Coal-fired plant (San Juan Unit 3 Project)	261,248	-	(152)	1,454	262,550
Gas-fired plant	826,662	2,398	(37)	194	829,217
Green power	156,438	406	-	-	156,844
Transmission	1,058,167	53,304	(137)	-	1,111,334
General	79,193	1,082	(61)	9	80,223
Natural gas reserves	160,445	-	-	435	160,880
Total depreciable utility plant	3,265,040	56,395	(4,261)	17,293	3,334,467
Less accumulated depreciation	(1,917,505)	(127,742)	3,954	-	(2,041,293)
Total utility plant, net	$ 1,475,962	$ (33,859)	$ (14,939)	$ -	$ 1,427,164

**Nuclear fuel disposals represent amortization.*

Note 4 – Investments

The Authority's investment function operates within a legal framework established by Sections 6509.5 and 53600 et. seq. of the California Government Code, Indentures of Trust, and instruments governing financial arrangements entered into by the Authority to finance and operate Projects and the Authority's Investment Policy.

Guaranteed investment contracts (GICs) are contracts that guarantee the owner principal repayment and a specified interest rate for a predetermined period of time. GICs are typically issued by insurance companies and marketed to institutions that qualify for favorable tax status under federal laws. These types of securities provide institutions with guaranteed returns. GICs are negotiated on a case-by-case basis.

Note 4 – Investments (continued)

Based on SCPPA's Investment Policy, certain vehicles such as GICs, flexible repurchase agreements or forward debt service agreements, may be entered into only upon approval of the SCPPA Board. In addition, eligible securities and general limitations are derived from each Project's Indenture of Trust, the Government Code and SCPPA's evolving investment practices.

The operative Indentures of Trust in which securities are authorized for investment purposes relate to the Palo Verde Project Bonds, the Southern Transmission System Project Bonds, the Hoover Uprating Project Bonds, the Mead-Phoenix Project Bonds, the Mead-Adelanto Project Bonds, the San Juan Project Bonds, the Magnolia Power Project Bonds, the Pinedale Projects Bonds, the Barnett Project Bonds, Prepaid Natural Gas Project Bonds, the Canyon Power Project Bonds, the Milford Wind Phase I Project Bonds, the Milford Wind Phase II Project Bonds, the Linden Wind Project Bonds, the Tieton Project Bonds, the Windy Point/Windy Flats Bonds, and the Apex Power Project Bonds. Authorized investments for the Projects' Stabilization Fund are set forth in a resolution approved by the Board in 1996. (See Note 13).

Eligible securities include:

- United States Treasury Securities, which are bonds or other obligations secured by the full faith and credit of the United States of America;
- Federal Agency Obligations, which have the full financial backing of the U.S. Government;
- Government Sponsored Enterprise Obligations, which are created by acts of Congress to provide liquidity for selected lending programs targeted by Congress;
- Repurchase Agreements, which are collateralized loan contracts where the seller includes a written agreement to repurchase the securities at a later date for a specified amount;
- Negotiable Certificates of Deposit, which are deposit liabilities issued by a nationally or state-chartered bank, a savings or a federal association or by a state-licensed branch of a foreign bank, which has short-term ratings of at least "A-1" by S&P and at least "P-1" by Moody's;
- Bankers' Acceptances, a short-term draft or bill of exchange guaranteed for payment at face value to the holder of the instrument on its maturity date, which has a short-term rating of at least "A-1" by S&P and at least "P-1" by Moody's;
- Commercial Paper, a short-term unsecured promissory note issued by non-financial or financial firms with a rating of at least "A-1" by S&P and at least "P-1" by Moody's;
- Medium Term Notes rated "A" or better and only those issued by corporations organized and operating within the United States, or by depository institutions licensed by the United States or any state and operating within the United States; and
- Equity-Linked Notes, which are categorized as medium-term corporate notes and are subject to the constraints set forth in the Government Code and the Authority's Investment Policy.

Note 4 – Investments (continued)

As of June 30, 2016, the Authority held the following as cash and cash equivalents and investments:

Investment Type	Fair Value (in thousands)	Weighted Average Maturity (Years)	Percent of Portfolio
U.S. Agency Securities	$ 373,988	0.65	37.3%
Guaranteed Investment Contracts	26,972	11.21	2.7%
Money Market Funds	237,739	0.08	23.7%
Commercial Paper	58,442	0.24	5.8%
Negotiable CDs	25,910	0	2.6%
Agency Discount Notes	277,147	0.10	27.6%
Bankers Acceptance	2,565	0.42	0.3%
Total	$ 1,002,763	0.61	100.0%

The "weighted average maturity in years" calculation assumes that all investments are held until maturity.

Note 4 – Investments (continued)

Investments at June 30, 2016 are as follows (amounts in thousands):

	GENERATION					GREEN POWER						TRANSMISSION		
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power	Hoover Uprating	Tieton Hydro-power	Milford I Wind	Milford II Wind	Windy Point	Linden Wind Energy	Southern Transmission System	Mead- Phoenix	Mead-Adelanto
U.S. Agencies	$ 173,919	$ 9,141	$ 45,852	$ 19,729	$ 6,089	$ 1,701	$ 4,997	$ 16,613	$ 3,227	$ 10,293	$ 2,324	$ 7,672	$ -	$ 2,000
Agency Discount Notes	26,599	25,008	10,200	14,099	18,593	1,199	1,070	9,000	10,893	22,697	5,925	41,409	3,300	17,800
Negotiable CDs	-	5,006	-	-	4,003	-	-	-	-	-	-	7,400	-	-
Commercial Paper	-	7,469	2,350	-	8,795	-	-	3,400	-	-	-	16,995	-	2,497
GICs	7,444	-	-	-	-	-	-	-	-	-	-	7,789	-	-
Bankers Acceptance	-	-	-	-	2,004	561	-	-	-	-	-	-	-	-
Money Market Funds	36,306	3,797	30,402	8,668	9,494	1,094	2,064	14,721	4,088	14,559	3,738	13,165	3,815	6,746
Total	$ 244,268	$ 50,421	$ 88,804	$ 42,496	$ 48,978	$ 4,555	$ 8,131	$ 43,734	$ 18,208	$ 47,549	$ 11,987	$ 94,430	$ 7,115	$ 29,043
Restricted investments	$ 196,774	$ 26,797	$ 52,802	$ 31,128	$ 38,184	$ 3,461	$ 4,997	$ 25,813	$ 8,227	$ 23,592	$ 5,999	$ 41,155	$ 2,300	$ 17,497
Unrestricted investments	25,657	20,870	-	-	-	-	-	-	3,793	2,498	-	-	-	-
Cash and cash equivalents	21,837	2,754	36,002	11,368	10,794	1,094	3,134	17,921	6,188	21,459	5,988	53,275	4,815	11,546
Total	$ 244,268	$ 50,421	$ 88,804	$ 42,496	$ 48,978	$ 4,555	$ 8,131	$ 43,734	$ 18,208	$ 47,549	$ 11,987	$ 94,430	$ 7,115	$ 29,043

	POWER PURCHASE AGREEMENTS										NATURAL GAS			MISCELLANEOUS			
	Ormat Geo-thermal	MWD Small Hydro	Pebble Springs Wind	Ameresco Chiquita Landfill Gas	Don A. Campbell/ Wild Rose Geothermal	Copper Mountain Solar 3	Columia 2 Solar	Heber-1 Geothermal	Kingbird Solar	Don A. Campbell 2 Geothermal	Pinedale	Barnett	Prepaid Natural Gas	Project Development Fund	Projects' Stabilization Fund	SCPPA Fund	Total
U.S. Agencies	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 16,215	$ -	$ -	$ 54,216	$ -	$ 373,988
Agency Discount Notes	-	-	3,000	-	-	13,987	-	-	-	1,000	1,100	11,499	1,000	-	37,769	-	277,147
Negotiable CDs	-	-	-	-	-	-	-	-	-	-	1,500	-	-	-	8,001	-	25,910
Commercial Paper	-	-	-	-	-	-	-	-	-	-	-	4,194	-	-	12,742	-	58,442
GICs	-	-	-	-	-	-	-	-	-	-	-	-	11,739	-	-	-	26,972
Bankers Acceptance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,565
Money Market Funds	601	1,735	821	615	123	9,754	1,014	5,615	732	297	8,533	11,271	3,798	2,797	34,835	2,541	237,739
Total	$ 601	$ 1,735	$ 3,821	$ 615	$ 123	$ 23,741	$ 1,014	$ 5,615	$ 732	$ 1,297	$ 11,133	$ 43,179	$ 16,537	$ 2,797	$ 147,563	$ 2,541	$ 1,002,763
Restricted investments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,100	$ 31,908	$ 11,739	$ -	$ 112,728	$ -	$ 636,201
Unrestricted investments	-	-	-	-	-	8,988	-	-	-	-	-	-	-	-	-	-	61,806
Cash and cash equivalents	601	1,735	3,821	615	123	14,753	1,014	5,615	732	1,297	10,033	11,271	4,798	2,797	34,835	2,541	304,756
Total	$ 601	$ 1,735	$ 3,821	$ 615	$ 123	$ 23,741	$ 1,014	$ 5,615	$ 732	$ 1,297	$ 11,133	$ 43,179	$ 16,537	$ 2,797	$ 147,563	$ 2,541	$ 1,002,763

Note 4 – Investments (continued)

Investments at June 30, 2015 are as follows (amounts in thousands):

	GENERATION					GREEN POWER						TRANSMISSION		
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power	Hoover Uprating	Tieton Hydro-power	Milford I Wind	Milford II Wind	Windy Point	Linden Wind	Southern Transmission System	Mead- Phoenix	Mead- Adelanto
U.S. Agencies	$ 177,426	$ 7,422	$ 39,719	$ 19,519	$ 13,487	$ 1,697	$ 4,956	$ 26,769	$ 6,072	$ 13,296	$ 3,804	$ 9,615	$ -	$ -
Agency Discount Notes	20,738	6,097	10,499	-	10,000	-	-	2,000	-	2,000	-	5,000	-	-
Negotiable CDs	-	-	1,700	-	-	-	-	1,600	2,400	5,700	-	4,000	1,300	3,300
Commercial Paper	5,000	-	6,994	3,199	24,494	1,999	-	-	-	5,000	-	22,500	2,900	12,397
GICs	14,513	-	3,863	-	-	-	-	-	-	-	-	7,789	-	-
Bankers Acceptance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Money Market Funds	29,069	19,444	26,839	11,949	24,107	881	3,133	12,199	9,202	23,505	8,211	45,449	3,377	12,860
Total	$ 246,746	$ 32,963	$ 89,614	$ 34,667	$ 72,088	$ 4,577	$ 8,089	$ 42,568	$ 17,674	$ 49,501	$ 12,015	$ 94,353	$ 7,577	$ 28,557
Restricted investments	$ 189,229	$ 11,975	$ 52,576	$ 22,718	$ 37,981	$ 3,136	$ 4,956	$ 26,267	$ 3,249	$ 21,293	$ 2,303	$ 48,904	$ 2,900	$ 14,397
Unrestricted investments	23,742	-	-	-	-	560	-	2,502	2,823	3,003	1,501	-	-	-
Cash and cash equivalents	33,775	20,988	37,038	11,949	34,107	881	3,133	13,799	11,602	25,205	8,211	45,449	4,677	14,160
Total	$ 246,746	$ 32,963	$ 89,614	$ 34,667	$ 72,088	$ 4,577	$ 8,089	$ 42,568	$ 17,674	$ 49,501	$ 12,015	$ 94,353	$ 7,577	$ 28,557

	POWER PURCHASE AGREEMENTS							NATURAL GAS			MISCELLANEOUS			
	Ormat Geo-thermal	MWD Small Hydro	Pebble Springs Wind	Ameresco Chiquita Landfill Gas	Don A. Campbell/ Wild Rose Geothermal	Copper Mountain Solar 3	Columbia 2 Solar	Pinedale	Barnett	Prepaid Natural Gas	Project Development Fund	Projects' Stabilization Fund	SCPPA Fund	Total
U.S. Agencies	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 21,689	$ -	$ -	$ 106,272	$ -	$ 451,743
Agency Discount Notes	-	-	1,000	-	-	-	-	1,000	-	-	-	20,591	-	78,925
Negotiable CDs	-	-	-	-	-	-	-	-	1,500	-	-	-	-	21,500
Commercial Paper	-	-	-	-	-	9,994	-	-	7,998			19,490	-	121,965
GICs	-	-	-	-	-	-	-	-	-	11,586	-	-	-	37,751
Bankers Acceptance	-	-	-	-	-	3,800	-	-	-	-	-	-	-	3,800
Money Market Funds	1,817	1,339	2,761	1,418	3,369	13,182	1,885	8,303	12,381	4,476	6,485	10,019	165	297,825
Total	$ 1,817	$ 1,339	$ 3,761	$ 1,418	$ 3,369	$ 26,976	$ 1,885	$ 9,303	$ 43,568	$ 16,062	$ 6,485	$ 156,372	$ 165	$ 1,013,509
Restricted investments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 31,187	$ 11,586	$ -	$ 146,353	$ -	$ 631,010
Unrestricted investments	-	-	1,000	-	-	9,994	-	-	-	-	-	-	-	45,125
Cash and cash equivalents	1,817	1,339	2,761	1,418	3,369	16,982	1,885	9,303	12,381	4,476	6,485	10,019	165	337,374
Total	$ 1,817	$ 1,339	$ 3,761	$ 1,418	$ 3,369	$ 26,976	$ 1,885	$ 9,303	$ 43,568	$ 16,062	$ 6,485	$ 156,372	$ 165	$ 1,013,509

Note 4 – Investments (continued)

Interest rate risk – The Authority's investment policy limits the maturity of its investments to a maximum of five years for investments in the United States Treasury, Federal Agency, and Government Sponsored Enterprise securities, excluding: investments held in Project Debt Service Reserve; long-term commitments or agreements approved by the Authority's Board; five years for medium term corporate notes; 270 days for commercial paper; 180 days for bankers' acceptances; and one year for negotiable certificates of deposits.

Credit risk – Under its investment policy and the State of California Government Code, the Authority is subject to the prudent investor standard of care in managing all aspects of its portfolios. As an investment standard, each investment shall be made with "judgment and care under circumstances then prevailing, which a person of prudence, discretion and intelligence would exercise in the management of his/her affairs, not in regard for speculation, but in regard to the permanent disposition of funds, considering the probable income as well as the probable safety of the capital to be invested." The Authority's investment policy does not preclude active management of the portfolio to address market opportunities. All transactions shall be undertaken in the best interest of the Authority and its participants.

The Authority's investment policy specifies that all project funds may be invested in shares of beneficial interest for temporary periods, pending disbursement or reinvestment as allowed under the state of California Government Code (Code). The Code requires that the fund must have either 1) attained the highest ranking or highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations (NRSRO) or 2) retained an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of $500 million. As of June 30, 2016, money market funds in the portfolios with Bank of New York Mellon have attained the following ratings: AAAm by Standard and Poor's, and Aaa-mf by Moody's Investors Service; while bank deposits in the portfolios with US Bank have attained ratings of A-1+ by Standard and Poor's, P-1 by Moody's Investors Service, and F1+ by Fitch Ratings.

The U.S. government agency securities in the portfolio consist of securities issued by government-sponsored enterprises, which are not explicitly guaranteed by the U.S. government. As of June 30, 2016 and 2015, the U.S. government agency securities in the portfolio carried the highest possible credit ratings by the NRSRO that rated them.

The Guaranteed Investment Contracts in the portfolio with American International Group (AIG) consist of securities issued by corporations and carry a rating of A- by Standard and Poor's, Baa1 by Moody's Investors Service and BBB+ by Fitch Rating.

Note 4 – Investments (continued)

The Investment Agreement Contract with American General Life consists of securities issued by corporations and carries a rating of A+ by Standard and Poor's, A2 by Moody's and A+ by Fitch Ratings.

The Investment Agreement Contract in the portfolio with Assured Guaranty (formerly Financial Security Assurance) consists of securities issued by corporations and carries a rating of AA by Standard and Poor's, and A3 by Moody's Investors Service.

Concentration of credit risk – The Authority's investment policy specifies a 50% to 100% limitation on the amount that can be invested in U.S. government agency securities, except in certain issues of other Authority projects, such as the Mead-Adelanto and Mead-Phoenix projects.

Of the Authority's total investments as of June 30, 2016, $197 million (20%) was invested in securities issued by the Federal Home Loan Bank; $93 million (9%) was invested with Farm Credit Bank; $196 million (19%) was invested in securities issued by the Federal National Mortgage Association; $165 million (16%) was invested with Federal Home Loan Mortgage; $3 million (0.3%) was invested in US Treasuries; $26 million (3%) was invested in Certificates of Deposit; $58 million (6%) was invested in Commercial Paper; and $27 million (3%) was invested in GICs.

Of the Authority's total investments as of June 30, 2015, $180 million (18%) was invested in securities issued by the Federal Home Loan Bank; $44 million (4%) was invested with Farm Credit Bank; $212 million (21%) was invested in securities issued by the Federal National Mortgage Association; $94 million (9%) was invested with Federal Home Loan Mortgage; $22 million (2%) was invested in Certificates of Deposit; $122 million (12%) was invested in Commercial Paper; and $15 million (1%) was invested in GICs with Assured Guaranty.

Note 5 – Derivative Instruments

Objective of the swaps – SCPPA uses derivative instruments to hedge its exposure to changing interest rates through the use of interest rate swaps and also to manage its exposure to fluctuating natural gas prices through the use of natural gas hedge contracts. An interest rate swap is the exchange of payments between SCPPA and a counterparty in order to potentially obtain a lower cost of funding than traditional fixed rate bonds, or to hedge interest rate exposure on SCPPA's assets or liabilities. The Authority has entered into separate pay-fixed, receive-variable interest rate swaps and four basis swaps to produce savings or to result in lower costs over the life of each transaction than what the Authority would have paid using fixed-rate debt. While these instruments carry additional risks, SCPPA's swap policy and favorable negotiations have helped to reduce such risks.

Note 5 – Derivative Instruments (continued)

The Authority has adopted Statement No. 53 of the GASB, *Accounting and Financial Reporting for Derivative Instruments (GASB 53)*. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments. In accordance with GASB 53, SCPPA recognizes the changes in fair values of effective hedging derivative instruments as either deferred inflows or outflows of resources on the Authority's Statements of Net Position and includes changes in the fair value of an ineffective derivative instrument in earnings.

For fiscal year ended June 30, 2016, the balance for the swaps deemed to qualify for effective hedge accounting under GASB 53 was a net liability and corresponding deferred outflows of resources of $37.9 million. An increase of $14.8 million from the liability balance of $23.1 million at June 30, 2015.

For the swaps that were deemed ineffective derivative instruments under GASB 53, the changes were reported in the statement of operations. The net liability balance for the ineffective derivative instruments at June 30, 2016 was $21.6 million an increase of $10.2 million from the liability balance of $11.4 million at June 30, 2015.

For fiscal year ended June 30, 2015, the balance for the swaps deemed to qualify for effective hedge accounting under GASB 53 was a net liability and corresponding deferred outflows of resources of $23.1 million. The net liability balance for the ineffective derivative instruments was $11.4 million.

Terms, fair values, and credit risk – The terms, including the fair values and credit ratings of the counterparties under the outstanding swaps as of June 30, 2016, are included in the table below. In most cases, and with the exclusion of basis swaps, the notional amount of any swap matches the principal amount of the associated debt. Except as discussed under the rollover risk, and when associated with basis swaps, the Authority's swap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the associated "bonds payable" category.

	Notional Amount (in thousands)	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values (in thousands)	Swap Termination Date	Counterparty Credit Rating*
MAG 2010-1 Swap (Barclays)	$ 100,000	5/11/2010	SIFMA	80.4% of 3-month LIBOR	$ (302)	7/1/2036	A-/A2/A
MAG 2010-2 Swap (RBC)	100,000	5/12/2010	SIFMA	81% of 3-month LIBOR	(178)	7/1/2036	AA-/Aa3/AA
MAG 2009-1 Swap (BNYMellon)	109,704	5/1/2012	3.125%	SIFMA	(24,797)	7/1/2036	AA-/Aa2/AA
MAG 2009-2 Swap (JPMorgan)	109,595	8/21/2012	3.139%	SIFMA	(24,963)	7/1/2036	A+/Aa3/AA-
MA 2007 Swap	100,000	6/1/2018	1-month LIBOR	100% of 10-yr LIBOR CMS rate less .414%	3,731	9/15/2030	A+/Aa3/AA-
PNG 2007 Swap	36,000	5/1/2009	5.0475%	67% of 3-Month LIBOR plus 1.47%	(13,172)	11/1/2035	BBB+/A3/A
	$ 555,299				$ (59,681)		

* S&P/Moody's/Fitch ratings

Note 5 – Derivative Instruments (continued)

- **MAG 2010-1 Swap** – In May 2010, SCPPA executed $100 million Securities Industry and Financial Markets Association Swap Index (SIFMA)/LIBOR floating-to-floating basis swap related to Magnolia Power Project A Refunding Bonds 2009-1. SCPPA pays the 6-month average of the weekly reset SIFMA Municipal Swap Index semi-annually on an Actual/Actual basis in exchange for receiving 80.4% of average 3-Month LIBOR, reset quarterly and paid semi-annually on an Actual/360 day basis. The swap expires on July 1, 2036.

- **MAG 2010-2 Swap** – In May 2010, SCPPA executed $100 million SIFMA/LIBOR floating-to-floating basis swap related to Magnolia Power Project A Refunding Bonds 2009-2. SCPPA pays the 6-month average of the weekly reset SIFMA Municipal Swap Index semi-annually on an Actual/Actual basis in exchange for receiving 81.0% of average 3-Month LIBOR, reset quarterly and paid semi-annually on an Actual/360 day basis. The swap expires on July 1, 2036.

- **MAG 2009-1 Swap (restated/novated)** – This swap transaction amends the MAG 2007-1 Swap, which had an original trade date of April 30, 2007. The transaction was amended and restated as of April 21, 2009. The Authority pays its counterparty a fixed rate of 3.125% in exchange for receiving 100% of the SIFMA on a notional amount of $110.0 million. In order to provide more favorable terms to the participants, SCPPA made a payment of $15.7 million to the counterparty which has been deferred and is being amortized as an interest yield adjustment over the life of the swap. The amendment allowed the parties to re-coupon the swaps, change the collateral posting requirements, and to move to uninsured swaps. In May 2012, the swap was novated to a new counterparty and the swap documents were amended to raise the collateral threshold.

- **MAG 2009-2 Swap (amended/restated)** – This swap transaction amends the MAG 2007-1 Swap. The original transaction was novated from Bear Stearns to JP Morgan on November 6, 2008 and was amended and restated on April 21, 2009. The Authority pays its counterparty a fixed rate of 3.139% in exchange for receiving 100% of the SIFMA Index on a notional amount of $109.9 million. In order to provide more favorable terms to the participants, SCPPA made a payment of $15.7 million to the counterparty which has been deferred and is being amortized as an interest yield adjustment over the life of the swap. The amendment allowed the parties to re-coupon the swaps, change the collateral posting requirements, and to move to uninsured swaps. In August 2012, the swap documents were amended to raise the collateral threshold.

- **STS Swap/Swaption (terminated)** – In March 2015, the STS 2000 Series A Bonds were refunded and the STS Swap/Swaption was terminated.

Note 5 – Derivative Instruments (continued)

- **MA 2007 Swap (amended)** – In January 2007, the Authority entered into a Constant Maturity Swap (CMS) in connection with its outstanding Mead-Adelanto Project bonds. The transaction consisted of a $100 million basis swap and does not relate to any single series of the Mead-Adelanto bonds. The amended swap terms became effective on February 1, 2008 and the Authority pays the swap counterparty 100% of the one month LIBOR in exchange for receiving 100% of the 10-year LIBOR minus 41.4 basis points. The swap expires on September 15, 2030. On November 5, 2008 the MA 2007 Swap was novated from Bear Stearns to JP Morgan. In addition, the swap was suspended until November 1, 2011. As part of the novation, the credit terms of the existing swap agreements were maintained and SCPPA received $4.1 million from JP Morgan as compensation for the suspension of the cash flows of the MA 2007 CMS. The $4.1 million was deferred to be amortized over the suspension term.

  In June 2010, the MA 2007 CMS Agreement was amended to extend the suspension period from November 1, 2011 to June 1, 2018. SCPPA received $5 million as compensation for the suspension of the cash flows of the swap, which was deferred and is being amortized over the suspension term. The credit terms of the existing swap agreements remains unchanged.

- **PNG 2007 Swap** – In October 2007, SCPPA entered into an interest rate swap agreement in connection with the issuance of the Prepaid Natural Gas Project No. 1 Series 2007B Bonds. The swap hedges the interest-rate risk on the LIBOR Floating-rate bonds, where SCPPA pays a fixed rate of 5.0475% in exchange for receiving 67% of three-month LIBOR plus 1.47%. The floating index on the swap exactly matches the coupon on the Bonds and therefore provides a hedge with no tax or basis risk. The swap expires on November 1, 2035.

- **PNG 2007 Commodity Swap** – At the same time, SCPPA also entered into five commodity price swap agreements, on behalf of each of the Prepaid Natural Gas Project No. 1 Participants, in order to hedge against reductions to its gas sale revenues resulting from changes in monthly market index prices. SCPPA pays a floating natural gas price over a 30-year period and receives specified fixed natural gas prices at an agreed pricing point as determined in the Prepaid Natural Gas No. 1 Agreements. The swaps became effective on July 1, 2008 and will all expire on September 30, 2035.

Fair value – The Authority reports its derivative instruments in accordance with GASB 53 and records its fair values in accordance with GASB 72 (See Note 6).

While some of SCPPA's current mark to market values are negative, this valuation would be realized only if the swaps were terminated at the valuation date, and only SCPPA retains the right to optionally terminate most of the transactions.

Note 5 – Derivative Instruments (continued)

Interest-rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of SCPPA's financial instruments or cash flows. SCPPA is exposed to interest-rate risk on its pay-fixed, receive variable interest rate swaps. As the LIBOR or the SIFMA swap index decreases, SCPPA's net payment on swaps increases. In addition, SCPPA is exposed to interest rate risk if the counterparty to the swap defaults or if the swap is terminated.

Market access risk – Market access risk is the risk that SCPPA will not be able to enter credit markets or that credit will become more costly. SCPPA's financial rating is tied to the credit strength of the major participants of the specific project for which each financial instrument is issued. SCPPA is also exposed to market access risks caused by disruptions in the municipal bond market.

Credit risk – As of June 30, 2016, the net fair values of the Authority's applicable swaps for which payments were made were negative for each counterparty except for the MA 2007 swap. However, should interest rates change and the fair values of the swaps become positive, the Authority may be exposed to credit risk in the amount of the derivatives' fair value.

The swap agreements contain varying collateral agreements with the counterparties. The swaps require full collateralization of the fair value of the swap should the counterparty's (or if applicable, the guarantors of the counterparty's) credit rating fall below AA- as issued by Standard & Poor's or Aa3 as issued by Moody's Investors Service for the MA 2007 Swaps; A/A2 for the PNG 2007 Commodity Swap; and A-/A3 for the MAG 2010-1, MAG 2010-2, MAG 2009-1, and MAG 2009-2. Collateral on all swaps is to be in the form of U.S. government securities held by a third-party custodian.

The swap agreements provide that when the Authority has more than one derivative transaction with a given counterparty involving the same Authority project (and having the same swap/bond insurer), should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the non-defaulting party to accelerate and terminate all such related transactions and net the transactions' fair values so that a single sum will be owed by, or owed to, the non-defaulting party.

Basis risk – Basis risk is the risk that the interest rate paid by the Authority on underlying variable rate bonds to bondholders exceeds the variable swap rate received from the counterparty, and the risk that both legs of a basis swap are not exactly equal. With the exception of the PNG 2007 Swap, the Authority bears basis risk on each of its swaps. The PNG 2007 Swap is perfectly hedged since the counterparty pays the Authority its actual variable bond rate on the related bonds.

Note 5 – Derivative Instruments (continued)

All the other swaps have a basis risk since under each of those swaps the Authority received a percentage of LIBOR or a percentage of, or spread to, SIFMA to offset the actual variable bond rate or variable swap rate the Authority pays on any related bonds or on any basis swap. The Authority is exposed to basis risk should the floating rate that it receives on a swap be less than the actual variable rate the Authority pays on any related bonds; or in the case of the floating-to-floating fixed-spread basis swap, less than the variable rate paid to the swap counterparty.

Depending on the magnitude and duration of any basis risk shortfall, the expected cost savings from a swap may not be fully realized.

The following is a summary of interest rates paid to and received from the counterparties as of June 30, 2016:

	MAG 2009-1 Swap	MAG 2009-2 Swap	MAG 2010-1 Swap	MAG 2010-2 Swap	PNG 2007 Swap
Payments to counterparty	3.125%	3.139%	0.405%	0.405%	5.048%
Less, variable payments from counterparty	0.405%	0.405%	0.503%	0.506%	1.897%
Net interest-rate swap payments	2.720%	2.734%	-0.098%	-0.101%	3.151%
Add, variable-rate bond coupon payments	0.400%	0.390%	N/A	N/A	1.897%
Synthetic interest rate on bonds	3.120%	3.124%	-0.098%	-0.101%	5.048%

Termination risk – The Authority or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the contract. If any of the swaps were terminated, any associated variable rate bonds would no longer be hedged to a fixed rate. If at the time of termination the swap has a negative fair value, the Authority would be liable to the counterparty for a payment equal to the swap's fair value.

Rollover risk – Rollover risk is the risk that the swap contract is not co-terminus with the related bonds. In the event that this type of swap terminates, the Authority would be exposed to variable interest rates on the underlying bonds.

Note 5 – Derivative Instruments (continued)

Swap payments and associated debt – Using rates as of June 30, 2016, debt service requirements of the Authority's outstanding variable rate debt and net swap payments are as follows. As rates vary, variable rate bond interest payments and net swap payments will vary.

	(amounts in thousands)			
	Variable-Rate Bonds		Interest-Rate	
Fiscal Year Ending June 30,	Principal	Interest	Swaps, Net	Total
2017	$ 750	$ 1,000	$ 6,692	$ 7,692
2018	785	997	6,671	7,668
2019	815	994	6,649	7,643
2020	850	991	6,626	7,617
2021	885	987	6,602	7,589
2022–2026	36,180	4,634	30,932	35,566
2027–2031	167,120	3,444	23,081	26,525
2032–2036	217,945	2,285	13,716	16,001
2037–2039	64,220	-	-	-
	$ 489,550	$ 15,332	$ 100,969	$ 116,301

The following table shows the changes in fair value of derivative instruments (amounts in thousands):

Description	June 30, 2015	Change in Fair Value	June 30, 2016
Assets			
Mead Adelanto – Derivative instruments	$ 2,229	$ 1,502	$ 3,731
	$ 2,229	$ 1,502	$ 3,731
Deferred outflows of resources			
Magnolia – Deferred outflows	$ 13,272	$ 11,525	$ 24,797
Prepaid Natural Gas – Deferred outflows	9,882	3,290	13,172
	$ 23,154	$ 14,815	$ 37,969
Liabilities			
Magnolia – Derivative instruments	$ 26,975	$ 23,266	$ 50,241
Prepaid Natural Gas – Derivative instruments	9,882	3,290	13,172
	$ 36,857	$ 26,556	$ 63,413

Note 6 – Fair Value Measurement

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application,* effective for financial statements for years beginning after June 15, 2015. This statement clarifies the definition of fair value, establishes general principles for measuring fair value, provides additional fair value application guidance, and enhances disclosures about fair value measurements. This statement establishes a three-level hierarchy to the valuation techniques used to measure fair value. Disclosure is required to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques.

In accordance with GASB 72, Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Fair Value is a market-based measurement for a particular asset or liability based on assumptions that market participants would use in pricing the asset or liability. Such assumptions include observable and unobservable inputs of market data, as well as assumptions about risk and the risk inherent in the inputs to the valuation technique.

Valuation inputs are assumptions that market participants use in pricing an asset or liability. The hierarchy of inputs used to generate the valuation is classified into three different Levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the government can access at the measurement date.
- Level 2 inputs include quoted prices for similar assets or liabilities in markets that are active; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for an asset, either directly or indirectly.
- Level 3 inputs are unobservable inputs from the asset or liability where there is very little market activity and they should be used only when relevant Level 1 and Level 2 inputs are unavailable.

The Authority's fair value measurements are performed on a recurring basis. Because investing is not a core part of the Authority's mission, the Authority determines that the disclosures related to these investments only need to be disaggregated by major type. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value of SCPPA's swaps reflect the nonperformance risk of their client counterparty relating to that liability, and the nonperformance risk of the bank counterparty relating to that asset. The tables on pages 89 and 90 presents fair value balances and their levels within the fair value hierarchy as of June 30, 2016 and 2015. The investment balances presented exclude amounts related to Government Money Market Funds and Guaranteed Investment Contracts.

Note 6 – Fair Value Measurement (continued)

Fair Value of SCPPA's Investments under GASB 72 – Debt and other securities classified in Level 1 of the fair value hierarchy are valued through the evaluation of information obtained from live data sources, including active market makers and inter-dealer brokers and the use of prices quoted in active markets for those securities. Level 2 Securities are valued using a multi-dimensional relationship model or matrix pricing model utilizing market data including, but not limited to, benchmark yields, reported trades, and broker/dealer quotes.

Fair Value of SCPPA's Swaps under GASB 72 – Fair values take into consideration the prevailing interest rate environment and the specific terms and conditions of a given transaction. The expected swap cash flows are calculated using the zero-coupon discounting method which takes into consideration the prevailing interest rate environment, the specific terms and conditions of a given transaction, and assumes that the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates. The income approach is then used to obtain the fair value of the swaps, where future amounts (the expected swap cash flows) are converted to a single current (discounted) amount, using a rate of return that takes into account the relative risk of nonperformance associated with the cash flows, and time value of money. Where applicable under the income approach, the option pricing model technique, such as the Black-Derman-Toy model, or other appropriate option pricing model is used. The observability of inputs used to perform the measurement results in the swap fair values being categorized as Level 2.

The time and technical resources expended by the independent provider focused on computing the June 30, 2016 Fair Values pursuant to GASB 72 for the first time was considerable. The provider determined that it would be unable to provide the Fair Values for June 30, 2015 with their limited resources. Therefore the Fair Values for fiscal year 2015 will not be restated.

Note 6 – Fair Value Measurement (continued)

The Authority has the following fair value measurements at June 30, 2016:

		Fair Value Using		
	June 30, 2016	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments by fair value level				
Debt securities				
U.S. government securities	$ 2,565	$ 2,565	$ -	$ -
U.S. agencies	651,136	-	651,136	-
Total debt securities	653,701	2,565	651,136	-
Other				
Commercial Paper	58,442	-	58,442	-
Certificate of deposit	25,908	-	25,908	-
Banker's acceptances	-	-	-	-
Total other	84,350	-	84,350	-
Total investments by fair value level	$ 738,051	$ 2,565	$ 735,486	$ -
Derivative Instruments by fair value level				
Investment Derivative	$ (21,712,369)	$ -	$ (21,712,369)	$ -
Effective hedge	(37,968,733)	-	(37,968,733)	-
Total Derivative Instruments by fair value level	$ (59,681,102)	$ -	$ (59,681,102)	$ -

Note 6 – Fair Value Measurement (continued)

The Authority has the following fair value measurements at June 30, 2015:

		Fair Value Using		
	June 30, 2015	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments by fair value level				
Debt securities				
U.S. government securities	$ -	$ -	$ -	$ -
U.S. agencies	530,668	-	530,668	-
Total debt securities	530,668	-	530,668	-
Other				
Commercial Paper	121,965	-	121,965	-
Certificate of deposit	21,500	-	21,500	-
Banker's acceptances	3,800	-	3,800	-
Total other	147,265	-	147,265	-
Total investments by fair value level	$ 677,933	$ -	$ 677,933	$ -

Note 7 – Long-Term Debt

Long-term debt outstanding at June 30, 2016 consisted of "new money" bonds, refunding bonds, and subordinate refunding bonds due in varying annual amounts through July 1, 2040. The new money bonds were issued to finance the purchase and construction or acquisition of the Authority's interest in each of the Projects. The refunding and subordinate refunding bonds were issued to refund specified new money bonds.

Note 7 – Long-Term Debt (continued)

In accordance with the bond indentures, the new money bonds and refunding bonds are special, limited obligations of the Authority. With the exception of the Magnolia Power Project B, Lease Revenue Bonds (City of Cerritos, California) 2003-1 (Project B Bonds), the bonds issued by each project are payable solely from and secured solely by interests in that project as follows:

- Proceeds from the sale of bonds;
- All revenues, incomes, rents, and receipts attributable to that project and interest earned on securities held under the bond indenture or indentures; and
- All funds established by the indenture or indentures.

The Authority has agreed to certain covenants with respect to bonded indebtedness, including the requirement to enforce the natural gas, power, and transmission sales agreements with the participants. At the option of the Authority, all outstanding new money bonds and refunding bonds are subject to redemption prior to maturity, except for the 2006-1 Magnolia Revenue Bonds; the 2015 A and B, the 2013 Series A and B, the 2012 Series A, the 2011 Series A Subordinate Refunding Bonds, and portions of the 2015C, the 2009A, , the 2008A, and the 1992 Subordinate Refunding Bonds issued for the Southern Transmission System; portions of the 2016A and the 2012 Series A Mead-Phoenix and Mead-Adelanto Bonds; the 2007 Series A and B Prepaid Natural Gas Project No. 1 Bonds; portions of the 2016A Refunding Revenue Bonds and the 2010 Series A and B Canyon Power Revenue Bonds; portions of the 2010-1 Milford I Wind Revenue Bonds; portions of the 2011-1 Milford II Wind Revenue Bonds; portions of the 2010 Series A Linden Wind Revenue Bonds; and portions of the 2010-1 Windy Point/Windy Flats Revenue Bonds.

Variable rate debt includes debt with rates based on daily, weekly, and long-term rates as determined by a Remarketing Agent.

Note 7 – Long-Term Debt (continued)

A summary of changes in long-term debt follows (amounts in thousands):

	GENERATION					GREEN POWER					
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power	Hoover Uprating	Tieton Hydro-power	Milford I Wind	Milford II Wind	Windy Point	Linden Wind
Total long-term debt at June 30, 2015	$ 24,440	$ 21,345	$ 319,423	$ 307,987	$ 323,602	$ 4,181	$ 49,931	$ 204,704	$ 149,610	$ 463,114	$ 127,753
Total debt due within one year at June 30, 2015	11,690	21,590	10,985	-	9,335	1,930	840	8,820	5,530	19,390	3,670
Total debt at June 30, 2015	36,130	42,935	330,408	307,987	332,937	6,111	50,771	213,524	155,140	482,504	131,423
Principal payments	(11,690)	(21,590)	(10,985)	-	(9,335)	(1,930)	(840)	(8,820)	(5,530)	(19,390)	(3,670)
Revenue bonds issued	-	-	-	-	-	-	-	-	-	-	-
Bonds refunded/defeased	-	-	-	(81,720)	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	79,635	-	-	-	-	-	-	-
Change in unamortized premiums & discounts	-	-	(1,004)	7,709	(748)	(10)	(64)	(1,129)	(1,848)	(5,339)	(871)
Total debt at June 30, 2016	24,440	21,345	318,419	313,611	322,854	4,171	49,867	203,575	147,762	457,775	126,882
Total debt due within one year at June 30, 2016	(12,030)	(21,345)	(11,470)	(6,735)	(9,375)	(2,030)	(870)	(9,175)	(5,795)	(20,145)	(3,820)
Total long-term debt at June 30, 2016	$ 12,410	$ -	$ 306,949	$ 306,876	$ 313,479	$ 2,141	$ 48,997	$ 194,400	$ 141,967	$ 437,630	$ 123,062

	TRANSMISSION			NATURAL GAS			
	Southern Transmission System	Mead- Phoenix	Mead- Adelanto	Pinedale	Barnett	Prepaid Natural Gas	Total
Total long-term debt at June 30, 2015	$ 667,654	$ 29,730	$ 99,570	$ 22,489	$ 52,836	$ 308,387	$ 3,176,756
Total debt due within one year at June 30, 2015	53,085	5,480	17,690	2,274	5,326	4,075	181,710
Total debt at June 30, 2015	720,739	35,210	117,260	24,763	58,162	312,462	3,358,466
Principal payments	(53,085)	(5,480)	(17,690)	(2,274)	(5,326)	(4,075)	(181,710)
Revenue bonds issued	-	22,610	27,413	-	-	-	50,023
Bonds refunded/defeased	-	-	-	-	-	-	(81,720)
Refunding bonds issued	-	-	-	-	-	-	79,635
Change in unamortized premiums & discounts	(10,570)	3,831	3,100	-	-	(254)	(7,197)
Total debt at June 30, 2016	657,084	56,171	130,083	22,489	52,836	308,133	3,217,497
Total debt due within one year at June 30, 2016	(53,650)	(5,515)	(17,985)	(2,249)	(5,266)	(4,275)	(191,730)
Total long-term debt at June 30, 2016	$ 603,434	$ 50,656	$ 112,098	$ 20,240	$ 47,570	$ 303,858	$ 3,025,767

Note 7 – Long-Term Debt (continued)

Palo Verde Project – Debt consists of subordinate refunding series bonds with variable interest rates and final maturity occurring on July 1, 2017.

San Juan Project – Debt consists of refunding series bonds with fixed interest rates of 0.79% and final maturity on January 1, 2017.

San Juan Power Project Refunding Bonds – On December 19, 2014, SCPPA issued $42,935,000 of San Juan Unit 3 Power Project 2014 Series A Refunding Bonds. These fixed rate bonds were issued for the purpose of refunding the outstanding 2005 Refunding Series A bonds and to pay costs of issuance related to the 2014 bonds. The transaction generated 7% or over $4.96 million in net present value savings. The transaction resulted in a net loss for accounting purposes of approximately $111,000.

Magnolia Power Project – Debt consists of revenue and refunding series bonds with variable and fixed interest rates between 3.00% and 5.00% with final maturities occurring in 2036.

Of the outstanding Magnolia Power Project Revenue Bonds, $124 million of "Project B Bonds" are secured by lease rental payments to be made by the City of Cerritos (the City) in connection with the lease of certain facilities and premises owned by the City to the Authority and the leaseback of such facilities and premises to the City. The Base Rental Payments will be equal to the principal and interest on the Project B Bonds. In accordance with the Assignment Agreement between the Authority and the Trustee, the Authority will assign certain of its rights under the lease, including its right to receive the Base Rental Payments, to the Trustee for the benefit of the owners of the Project B Bonds.

The City has covenanted to budget and appropriate sufficient funds to make all payments required to be made under the lease. The lease has a term of 55 years.

Canyon Power Project – As of June 30, 2016, debt consists of revenue bonds with fixed interest rates ranging from 2.00% to 5.94% and final maturity occurring in 2040.

Canyon Power Project Refunding Revenue Bonds – On April 13, 2016, SCPPA issued $79,635,000 of tax-exempt Canyon Power Project 2016 Series A Refunding Bonds (the "2016 Series A Bonds"). These fixed rate bonds were issued to advance refund certain maturities of the outstanding CPP 2010 Series A Bonds and to pay costs of issuance relating to the 2016 Series A Bonds. The refunding transaction generated net present value savings of $4.2 million, a combined true interest cost of 2.53% and an average life of 7.981 years. This transaction resulted in a net loss for accounting purposes of $6.4 million.

Note 7 – Long-Term Debt (continued)

On June 9, 2010 the 2010 Series B Bonds were issued as Build America Bonds that are "qualified bonds" under the provisions of the American Recovery and Reinvestment Act of 2009. The interest on these bonds will not be excluded from gross income for federal income tax purposes, but will be exempt from the State of California personal income taxes. As such, the Authority may receive a cash subsidy from the United States Treasury up to 35% of the interest payable on the 2010 Series B Bonds which is applied to offset the interest costs of the 2010 Series B Bonds.

Apex Power Project – Debt consists of revenue bonds with fixed interest rates between 0.646% and 5.00% and final maturity occurring in 2038.

Hoover Uprating Project – Debt consists of refunding series bonds with fixed interest rates of 5.25% and a final maturity occurring on October 1, 2017.

Tieton Hydropower Project – As of June 30, 2016, debt consists of revenue bonds with fixed interest rates between 4.326% and 5.798% and a final maturity occurring in 2040.

Milford I Wind Project – As of June 30, 2016, debt consists of revenue bonds with fixed interest rates ranging from 3.00% to 5.00% and final maturity occurring in 2030.

Milford II Wind Project – As of June 30, 2016, debt consists of revenue bonds with fixed interest rates ranging from 3.00% to 5.25% and final maturity occurring in 2031.

Linden Wind Energy Project – As of June 30, 2016, debt consists of revenue bonds with fixed interest rates between 4.00% and 5.92% and final maturity occurring in 2035.

Linden Wind Energy Project Revenue Bonds – On September 28, 2010, SCPPA issued $138.3 million of the Linden Wind Energy Project Revenue Bonds, consisting of $96.8 million of 2010 Series A Tax Exempt Bonds and $41.5 million of the Series B Taxable Build America Bonds, together the 2010 Bonds.

The 2010 Series B Bonds were issued as Build America Bonds that are "qualified bonds" under the provisions of the American Recovery and Reinvestment Act of 2009. The interest on these bonds will not be excluded from gross income for federal income purposes, but will be exempt from the State of California personal income taxes. As such, the Authority receives a cash subsidy from the United States Treasury up to 35% of the interest payable on the 2010 Series B Bonds which is applied to offset the interest costs of the 2010 Series B Bonds.

Southern Transmission System Project – Debt consists of refunding and subordinate refunding series bonds with fixed interest rates ranging from 0.470% to 6.125% and final maturities occurring in 2027.

Note 7 – Long-Term Debt (continued)

STS Project Refunding Bonds – On March 4, 2015, SCPPA issued $84,640,000 Transmission Project Revenue Bonds, 2015 Subordinate Refunding Series A and $28,925,000 Subordinate Series B (Taxable Bonds), together the $113,565,000 2015 A&B bonds. These fixed rate bonds were issued to redeem all of the outstanding $102,000,000 Transmission Project Subordinate Refunding Bonds, 2000 Series A; to terminate the 2000 Swap/Swaption; and to pay the costs of issuance of the STS 2015 A&B bonds. The refunding transaction generated a net present value savings of $954,453. This transaction resulted in a net loss for accounting purposes of $31.5 million.

In addition, on March 25, 2015, SCPPA issued $116,535,000 Transmission Project Revenue Bonds, 2015 Subordinate Refunding Series C Bonds. These fixed rate bonds were issued to advance refund all of the outstanding $125,000,000 Transmission Project Subordinate Refunding Bonds, 2008 Series B and to pay the costs of issuance of the STS 2015 Series C bonds. The refunding transaction generated a net present value savings of approximately $20.7 million. This transaction resulted in a net loss of accounting purposes of $20.8 million.

Windy Point/Windy Flats Project – As of June 30, 2016, debt consists of revenue bonds with fixed interest rates between 3.00% and 5.00% and final maturity occurring in 2030.

Mead Phoenix/Mead Adelanto Projects – Debt consists of revenue and refunding series bonds with variable interest and fixed interest rates. Fixed interest rates range from 1.498% and 5.00% with final maturities occurring in 2030.

Mead Phoenix (LADWP)/Mead Adelanto (LADWP) Revenue Bonds – On May 25, 2016, SCPPA issued $27,415,000 of Mead-Adelanto Project, Authority Interest (LADWP) 2016 Series A Revenue Bonds and $22,610,000 of Mead-Phoenix Project, Authority Interest (LADWP) 2016 Series A Revenue Bonds in an aggregate principal amount of $50,025,000, together the “2016 Series A Bonds”. These tax-exempt fixed rate bonds were issued to provide funds to pay the costs of acquisition of an additional ownership interest in the Mead-Adelanto and Mead-Phoenix Projects. The 2016 Series A Bonds were priced at a combined true interest cost of 1.98% and an average life of 8.336 years.

Multiple Project Revenue Bonds – In January 1990, the Authority issued $647,750,000 of its Multiple Project Revenue Bonds for the purpose of funding electric generation and/or transmission projects undertaken by the Authority. Proceeds of the financing available for the funding of such projects initially amounted to approximately $600,000,000. Upon the request of the Authority’s members, the approval of its Board of Directors, and the meeting of other preconditions, portions of such proceeds could be transferred to fund capital costs of a selected Authority project. In October 1992, the Authority transferred $285,000,000 of such proceeds to fund costs of the Authority Interest (Members) in the Mead-Adelanto Project. In October 1992, the Authority also transferred $103,600,000 of such proceeds to fund costs of the Authority Interest (Members) in the Mead-Phoenix Project.

Note 7 – Long-Term Debt (continued)

Since July 1, 2013, no Multiple Project Revenue Bonds have been outstanding, but the related indenture of trust remains in effect in connection with the revenue bonds for the Authority Interest (Members) in the Mead-Adelanto Project and the Authority Interest (Members) in the Mead-Phoenix Project. The 2016 Bonds were not funded with proceeds of nor are they related to the Multiple Project Bonds.

Natural Gas Projects – Debt consists of revenue bonds with fixed interest rates ranging from 4.88% to 6.03% and final maturities occurring in 2032.

Prepaid Natural Gas Project – Debt consists of revenue bonds with variable and fixed interest rates ranging from 5.00% to 5.25% and final maturity occurring in 2035.

Note 7 – Long-Term Debt (continued)

Premiums / Discounts– Unamortized premiums and discounts, net, which are included in the statements of net position as a component of long-term debt, are as follows (amounts in thousands):

Unamortized (Premium) Discount, Net	June 30, 2016 (Premium) Discount
Magnolia Power Project	$ (2,874)
Canyon Power Project	(14,226)
Apex Power Project	(13,329)
Hoover Uprating Project	(6)
Tieton Hydropower Project	(1,037)
Milford I Wind Project	(7,200)
Milford II Wind Project	(10,397)
Windy Point Project	(30,390)
Linden Wind Energy Project	(5,052)
Southern Transmission System Project	(49,443)
Mead-Phoenix Project	(5,866)
Mead-Adelanto Project	(11,574)
Prepaid Natural Gas Project No. 1	(2,593)
	$ (153,987)

Unamortized (Premium) Discount, Net	June 30, 2015 (Premium) Discount
Magnolia Power Project	$ (3,878)
Canyon Power Project	(6,517)
Apex Power Project	(14,077)
Hoover Uprating Project	(16)
Tieton Hydropower Project	(1,101)
Milford I Wind Project	(8,329)
Milford II Wind Project	(12,245)
Windy Point Project	(35,729)
Linden Wind Energy Project	(5,923)
Southern Transmission System Project	(60,013)
Mead-Phoenix Project	(2,035)
Mead-Adelanto Project	(8,474)
Prepaid Natural Gas Project No. 1	(2,847)
	$ (161,184)

Note 7 – Long-Term Debt (continued)

Advance refundings – The Authority has established irrevocable escrow trusts with the proceeds from issuance of subordinate refunding bonds. These investments will be used to pay specified revenue bonds called at scheduled redemption dates.

Defeasance of debt – The Authority has defeased specified revenue bonds by placing the proceeds from the issuance of subordinate refunding bonds in irrevocable trusts to provide for all future debt service payments on the refunded bonds. The trust investments and related liability for bonds that are considered legally defeased are not included in the Authority's financial statements. At June 30, 2016 and 2015, $511.6 million and $466.6 million, respectively, of revenue bonds outstanding are considered legally defeased.

The refunded bonds constitute a contingent liability of the Authority only to the extent that cash and investments presently in the control of the refunding trustees are not sufficient to meet debt service requirements and are therefore excluded from the combined financial statements because the likelihood of additional funding requirements is considered remote.

Debt service – The scheduled debt service payments for future years ending June 30 are included in the table on the following page. The variable rates used for the PV 2008 Subordinate Refunding Series A and B Bonds were both 0.0420%. The variable rates used for the MAG 2009-1 and MAG 2009-2 were 0.400% and 0.390%, respectively. All of the preceding variable rates were the rates at June 30, 2016. The variable rates are set by the bond-remarketing agent on a weekly basis based on economic conditions and bond ratings.

Note 7 – Long-Term Debt (continued)

Future principal and interest payments are as follows (amounts in thousands):

	GENERATION					GREEN POWER					
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power	Hoover Uprating	Tieton Hydro-power	Milford I Wind	Milford II Wind	Windy Point	Linden Wind Energy
2017 Principal	$ 12,030	$ 21,345	$ 11,470	$ 6,735	$ 9,375	$ 2,030	$ 870	$ 9,175	$ 5,795	$ 20,145	$ 3,820
2017 Interest	461	169	10,672	15,509	12,537	165	2,468	9,476	6,934	20,449	6,261
2018 Principal	12,410	-	7,230	7,185	9,435	2,135	910	9,615	6,065	21,045	3,970
2018 Interest	155	-	10,242	16,102	12,453	56	2,429	9,022	6,646	19,513	6,085
2019 Principal	-	-	7,560	7,540	9,545	-	950	10,085	6,370	22,020	4,170
2019 Interest	-	-	9,903	15,775	12,316	-	2,385	8,545	6,346	18,515	5,903
2020 Principal	-	-	7,925	7,835	9,710	-	1,000	10,570	6,665	23,040	4,335
2020 Interest	-	-	9,539	15,450	12,128	-	2,336	8,040	6,030	17,462	5,711
2021 Principal	-	-	8,305	8,185	9,920	-	1,050	11,090	7,000	24,125	4,555
2021 Interest	-	-	9,152	15,069	11,892	-	2,284	7,508	5,691	16,362	5,511
2022 - 2026 Principal	-	-	51,765	47,500	54,320	-	7,810	64,135	40,700	139,310	26,115
2022 - 2026 Interest	-	-	40,054	68,618	54,478	-	10,410	28,647	22,551	62,450	24,015
2027 - 2031 Principal	-	-	69,655	55,135	65,355	-	8,420	81,705	52,550	177,700	33,315
2027 - 2031 Interest	-	-	29,962	55,441	42,972	-	8,049	10,609	10,386	23,078	16,627
2032 - 2036 Principal	-	-	85,175	72,110	82,090	-	10,745	-	12,220	-	41,550
2032 - 2036 Interest	-	-	17,630	36,939	25,606	-	5,664	-	321	-	6,336
2037 - 2041 Principal	-	-	66,460	87,160	59,775	-	17,075	-	-	-	-
2037 - 2041 Interest	-	-	1,060	13,342	4,581	-	2,539	-	-	-	-
2042 - 2043 Principal	-	-	-	-	-	-	-	-	-	-	-
2042 - 2043 Interest	-	-	-	-	-	-	-	-	-	-	-
Principal	$ 24,440	$ 21,345	$ 315,545	$ 299,385	$ 309,525	$ 4,165	$ 48,830	$ 196,375	$ 137,365	$ 427,385	$ 121,830
Interest	$ 616	$ 169	$ 138,214	$ 252,245	$ 188,963	$ 221	$ 38,564	$ 81,847	$ 64,905	$ 177,829	$ 76,449

Note 7 – Long-Term Debt (continued)

	TRANSMISSION			NATURAL GAS			
	Southern Transmission System	Mead- Phoenix	Mead- Adelanto	Pinedale	Barnett	Prepaid Natural Gas	Total
2017 Principal	$ 53,650	$ 5,515	$ 17,985	$ 2,249	$ 5,266	$ 4,275	$ 191,730
2017 Interest	27,140	1,620	4,663	1,215	2,855	15,450	138,044
2018 Principal	54,315	6,850	19,820	1,980	4,640	4,605	172,210
2018 Interest	24,876	1,740	4,359	1,104	2,596	15,228	132,606
2019 Principal	56,100	7,185	20,705	1,770	4,150	5,385	163,535
2019 Interest	22,176	1,471	3,381	1,003	2,357	14,978	125,054
2020 Principal	49,005	7,365	21,565	1,627	3,818	6,445	160,905
2020 Interest	19,632	1,214	2,347	907	2,134	14,675	117,605
2021 Principal	64,465	5,990	17,110	1,522	3,573	7,725	174,615
2021 Interest	17,220	949	1,441	819	1,926	14,303	110,127
2022 - 2026 Principal	269,015	7,695	9,370	6,387	15,013	57,550	796,685
2022 - 2026 Interest	40,707	3,352	4,206	2,940	6,930	63,727	433,085
2027 - 2031 Principal	61,091	9,705	11,954	5,115	12,040	98,965	742,705
2027 - 2031 Interest	2,935	1,260	1,553	1,286	3,037	43,709	250,904
2032 - 2036 Principal	-	-	-	1,839	4,336	120,590	430,655
2032 - 2036 Interest	-	-	-	109	257	13,839	106,701
2037 - 2041 Principal	-	-	-	-	-	-	230,470
2037 - 2041 Interest	-	-	-	-	-	-	21,522
2042 - 2043 Principal	-	-	-	-	-	-	-
2042 - 2043 Interest	-	-	-	-	-	-	-
Principal	$ 607,641	$ 50,305	$ 118,509	$ 22,489	$ 52,836	$ 305,540	$ 3,063,510
Interest	$ 154,686	$ 11,606	$ 21,950	$ 9,383	$ 22,092	$ 195,909	$ 1,435,648

Note 8 – Notes Payable and Other Liabilities

Notes payable and other liabilities consist mainly of Palo Verde Participants' overbillings from prior periods; an allowance for future major maintenance expenses for the Magnolia Power Project; and swap-related transaction fees received in the Mead Adelanto Project. The notes payable held in the Palo Verde Project are invested in a guaranteed investment contract (GIC) that will mature in June 2017. The GIC is unsecured, bears an interest rate at 4.97%, and is paid out in monthly installments of $0.6 million. On June 30, 2016, the remaining balance of the GIC is $7.4 million.

The three-year suspension of the Mead Adelanto 2007 CMS (the CMS Swap) in November 2008 netted a compensation of $4.1 million. In June 2010, the suspension was extended to June 2018 for a net compensation of $5.0 million. The total deferred balance of the CMS Swap is $0.6 million as of June 30, 2016. (See Note 5).

Notes payable and other liabilities rollforward (amounts in thousands):

Description	June 30, 2015	Additions	Payments/ Amortization	Amortization of Surplus Fund	June 30, 2016
PV prior year overbillings	$ 13,724	$ -	$ (7,070)	$ 393	$ 7,047
MPP major maintenance	13,152	5,314	(669)	-	17,797
Mead Adelanto 2007 Swap suspension	1,848	-	(628)	-	1,220
Net pension liability	874	137	-	-	1,011
	$ 29,598	$ 5,451	$ (8,367)	$ 393	$ 27,075

Note 9 – Advances from Participants

Advances from participants consist mainly of billings to participants related to acquisition, capital drilling, and inventory wherein the matching operating expenses will be recognized at a future date. Also, and specific only to the Natural Gas Pinedale Project, advances held by the project are funds from LADWP and TID, both owners independent of SCPPA, and are for their share of operating costs and capital expenditures pursuant to their respective Agency Agreements.

Note 9 – Advances from Participants (continued)

Advances from participants' rollforward (amounts in thousands):

Description	June 30, 2015	Activity	June 30, 2016
San Juan advances from participants	$ 9,332	$ 14,014	$ 23,346
Magnolia advances from participants	17,796	9,310	27,106
Canyon Power advances from participants	2,225	-	2,225
Tieton advances from participants	202	-	202
Milford I advances from participants	250	-	250
Milford II advances from participants	250	-	250
Windy Point advances from participants	1,000	-	1,000
Linden Wind Energy advances from participants	2,004	-	2,004
NG Pinedale advances from participants	19,862	1,608	21,470
NG Barnett advances from participants	9,770	(710)	9,060
Ormat advances from participants	857	-	857
MWD advances from participants	500	-	500
Ameresco advances from participants	400	-	400
PDF advances from participants	6,485	(3,688)	2,797
SCPPA Building advances from participants	133	2,376	2,509
Don A. Campbell/ Wild Rose advances from participants	480	1,149	1,629
Columbia 2 Solar advances from participants	538	(133)	405
Don A. Campbell 2 advances from participants	-	400	400
Kingbird Solar advances from participants	-	404	404
Heber1 advances from participants	-	400	400
	$ 72,084	$ 25,130	$ 97,214

Note 10 – Net Position

The Authority's billing amounts to the participants are determined by its Board of Directors and are subject to review and approval by the participants. Billings to participants are designed to recover "costs" as defined by the power sales, natural gas 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. The accumulated difference between billings and the Authority's expenses calculated in accordance with accounting principles generally accepted in the United States of America are presented as Net Position. It is intended that this difference will be recovered in the future through billings for repayment of principal on the related bonds.

Note 10 – Net Position (continued)

Net position is comprised of the following (in thousands):

	June 30, 2014	Fiscal Year 2015 Activity	June 30, 2015	Fiscal Year 2016 Activity	June 30, 2016
GAAP items not included in billings to participants					
Depreciation of plant	$ (1,620,330)	$ (106,590)	$ (1,726,920)	$ (106,526)	$ (1,833,446)
Nuclear fuel amortization	(5,860)	-	(5,860)	-	(5,860)
Decommissioning expense	(224,510)	(10,857)	(235,367)	(21,214)	(256,581)
Amortization of bond discount, debt issue costs, and loss on refundings	(806,657)	(8,928)	(815,585)	7,277	(808,308)
Interest expense	(54,948)	53	(54,895)	(5)	(54,900)
Loss on defeasance of bonds	(85,827)	-	(85,827)	-	(85,827)
Derivatives and related charges	(39,512)	28,364	(11,148)	(10,238)	(21,386)
Pension expense	-	(730)	(730)	(85)	(815)
Bond requirements included in billings to participants					
Operations and maintenance, net of investment income	82,047	(62,911)	19,136	(50,643)	(31,507)
Costs of acquisition of capacity	4,983	(1,570)	3,413	(1,519)	1,894
Billings to amortize costs recoverable	382,050	-	382,050	-	382,050
Reduction in debt service billings due to transfer of excess funds	(90,020)	-	(90,020)	(3,863)	(93,883)
Principal repayments	1,952,524	177,424	2,129,948	191,761	2,321,709
Withdrawal of funds	(24,821)	-	(24,821)	-	(24,821)
Other	280,167	20,421	300,588	14,520	315,108
	(250,714)	34,676	(216,038)	19,465	(196,573)
Projects' Stabilization Fund net position	152,027	4,560	156,587	(8,965)	147,622
	$ (98,687)	$ 39,236	$ (59,451)	$ 10,500	$ (48,951)

Note 11 – Pension Plans

Plan descriptions – All qualified permanent and probationary employees are eligible to participate in SCPPA's Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and SCPPA resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service.

Note 11 – Pension Plans (continued)

The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8%	6.5%
Required employer contribution rates	19.6%	6.7%

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. SCPPA is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2016, the contributions recognized as part of pension expense for the Plans were $152,749.

Pension liabilities, pension expenses and deferred outflows / inflows of resources related to pensions – As of June 30, 2016, SCPPA reported a net pension liability of $1,010,974 for its proportionate share of the net pension liability. SCPPA's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2015, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. SCPPA's proportion of the net pension liability was based on a projection of SCPPA's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. SCPPA's proportionate share of the net pension liability for the Plans was 0.03604% and 0.01404% as of the June 30, 2015 and 2014 measurement dates, respectively.

Note 11 – Pension Plans (continued)

For the year ended June 30, 2016, SCPPA recognized pension expense of $152,749. At June 30, 2016, SCPPA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 278,896	$ -
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	144,230	-
Differences between actual and expected experience	17,039	
Changes in assumptions	-	(161,200)
Net differences between projected and actual earnings on plan investments	-	(80,811)
Total	$ 440,165	$ (242,011)

$278,896 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

For the Period Ended June 30,	2017	$ (20,846)
	2018	(27,724)
	2019	(50,820)
	2020	18,648
		$ (80,742)

Note 11 – Pension Plans (continued)

Actuarial assumptions – The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry -Age Normal
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.5% (1)
Mortality	Derived using CalPERS' Membership Data

(1) Net pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Discount rate – The discount rate used to measure the total pension liability was 7.65% for the Plans. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plans, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.65% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

Note 11 – Pension Plans (continued)

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as CalPERS has changed its methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund.

The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+ (b)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100.0%		

(a) An expected inflation of 2.5% used for this period
(b) An expected inflation of 3.0% used for this period

Note 11 – Pension Plans (continued)

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate – The following presents SCPPA's proportionate share of the net pension liability for the Plans, calculated using the discount rate for each Plan, as well as what SCPPA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.65%
Net Pension Liability	$ 1,697,764
Current Discount Rate	7.65%
Net Pension Liability	$ 1,010,974
1% Increase	8.65%
Net Pension Liability	$ 446,442

Pension plan fiduciary net position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the pension plan – At June 30, 2016, SCPPA did not have an outstanding amount of contributions payable to the pension plan for the year ended June 30, 2016.

Note 12 – Commitments and Contingencies

Public benefits – The members continue to collect the public benefit charge through existing rate structures and have instituted programs to benefit their customers including conservation and energy efficiency programs, public educational programs, research and development, and low income rate subsidies, totaling a combined $2.0 billion since their inception in 1997. The decisions on how these funds are allocated are made by the local governing authority, in most cases this is the city council.

Executive action and state legislation – A number of bills affecting the electric industry have been introduced or enacted by the California Legislature. In general, these bills regulate greenhouse gas emissions and provide for greater investment in energy efficiency and environmentally friendly generation and storage alternatives through more stringent renewable resource portfolio standard requirements. The following is a brief summary of certain of these bills that have been enacted:

Greenhouse gas emissions – Executive Order S-3-05 placed an emphasis on efforts to reduce greenhouse gas emissions by establishing statewide greenhouse gas reduction targets. The targets are: (i) a reduction to 2000 emission levels by 2010; (ii) a reduction to 1990 levels by 2020; and (iii) a reduction to 80% below 1990 levels by 2050. The Executive Order also called for the California Environmental Protection Agency (the "EPA") to lead a multi-agency effort to examine the impacts of climate change on California and develop strategies and mitigation plans to achieve the targets. In addition, Executive Order S-06-06 directs the State of California to meet a 20% biomass utilization target within the renewable generation targets of 2010 and 2020 for the contribution to greenhouse gas emission reduction. Executive Order B-30-15 was issued on April 29, 2015 setting a new interim statewide greenhouse gas emissions reduction target to 40% below 1990 levels by 2030 to ensure achieving the 2050 emissions reduction target. The interim goal was since incorporated into pending legislation, SB 32 (Pavley), currently being considered in the California State Assembly.

Note 12 – Commitments and Contingencies (continued)

Assembly Bill 32, the Global Warming Solutions Act of 2006 (the GWSA) became effective as law on January 1, 2007. The GWSA prescribed a statewide cap on global warming pollution with a goal of reaching 1990 greenhouse gas emission levels by 2020. In addition, the GWSA establishes an annual mandatory reporting program for all investor-owned utilities (IOUs), local publicly-owned electric utilities ("POUs"), and other load-serving utilities (electric utilities providing energy to end-use customers) to inventory and report greenhouse gas emissions to the California Air Resources Board (CARB) and requires CARB to adopt regulations for significant greenhouse gas emission sources (allowing CARB to design a cap-and-trade system), and gives CARB the authority to enforce such regulations beginning in 2012. CARB adopted a "scoping plan" to reduce greenhouse gas emissions which included a mixed approach of market structures, regulation, fees and voluntary measures. The scoping plan included a cap-and-trade system that covers 85% of all California greenhouse gas emissions. In August 2011, CARB revised the scoping plan in response to litigation. The revised scoping plan continued to include a cap-and-trade program. The scoping plan is required to be updated every five years and the updated scoping plan was approved on May 22, 2014.

On October 20, 2011, CARB adopted a regulation, which was approved on December 13, 2011, implementing a cap-and-trade system. The cap-and-trade regulation became effective on January 1, 2012, and emission compliance obligations under the cap-and-trade regulation began on January 1, 2013. The cap-and-trade program is the largest of its type in the United States and covers sources accounting for 85% of California's greenhouse gas emissions.

The cap-and-trade program is being implemented in phases. The first phase of the program was implemented from January 1, 2013 to December 31, 2014 and introduced a hard emissions cap that covered emissions from electricity generators, electricity importers, and large industrial sources emitting more than 25,000 metric tons of carbon dioxide-equivalent greenhouse gases (CDE) per year. In 2015, the program was expanded to cover emissions from transportation fuels, natural gas, propane, and other fossil fuels. The cap will decline each year until the end of the program, which is currently scheduled for December 2020 unless otherwise extended.

The cap-and-trade program includes the distribution of carbon allowances equal to the annual emissions cap. Each allowance is equal to one metric ton of CDE. Initially, as part of the transition process, most of the carbon allowances were distributed for free. Quarterly auctions for additional allowances began in November 2012. IOUs, as well as POUs that sell electricity into the ISO markets (including some Project Participants), will be required to auction their allowances. They will then need to purchase allowances to meet their compliance obligations, and use the remaining from the sale of their allocated allowances for the benefit of their rate payers.

Note 12 – Commitments and Contingencies (continued)

On January 1, 2014, the California cap and trade program was linked to the equivalent program in Quebec, Canada, as part of the Western Climate Initiative. The Western Climate Initiative is a regional effort consisting of California and four Canadian provinces (Quebec, British Colombia, Ontario, and Manitoba), which have established a greenhouse gas reduction trading framework.

On April 25, 2014, CARB adopted various changes to the cap-and-trade program, including provisions relating to the electricity sector such as "safe harbor" provisions under the "resource shuffling" prohibition. These changes became effective on July 1, 2014. Additional amendments are expected to be considered through 2016, including regarding post-2020 programmatic issues and any needed changes to comply with the federal Clean Power Plan.

The Authority and the Project Participants are unable to predict at this time the full impact of the cap-and-trade program on the Project Participants' respective electric utilities or on the electric utility industry in general. However, the Project Participants could be adversely affected if the carbon emissions of their respective resource portfolios are in excess of the allowances administratively allocated to them, and they are required to purchase allowances on the market to cover their emissions.

Emissions performance standards – Senate Bill 1368 (SB 1368) became effective as law on January 1, 2007. It provides for an emission performance standard, restricting new investments in baseload fossil fuel electric generating resources that exceed the rate of greenhouse gas emissions for existing combined-cycle natural gas baseload generation. SB 1368 allows the California Energy Commission (CEC) to establish a regulatory framework to enforce the greenhouse gas emission performance standard for POUs such as the Project Participants. In January 2012, the CEC initiated a review of these regulations to ensure there is adequate review of investments in facilities that do not meet the emission performance standard.

On March 19, 2014, the CEC issued its Final Conclusions in the EPS proceeding. The CEC proposed to expand the public notice requirement so that a publicly-owned utility would have to post a notice of a public meeting at which its governing board would consider any expenditures over $2.5 million to meet environmental regulatory requirements at a non-EPS compliant baseload facility. The CEC further proposed to require each POU to file an annual notice identifying all investments over $2.5 million that it anticipates making during the subsequent 12 months on non-EPS compliant baseload facilities to comply with environmental regulatory requirements. This requirement would be waived for any POU that has entered into a binding agreement to divest within five years of all baseload facilities exceeding the EPS. The CEC did not propose to lower the EPS. Further, by letter from the CPUC to the CEC, the CPUD expressed its view that the EPS not be lowered.

Note 12 – Commitments and Contingencies (continued)

A final regulatory package was unanimously adopted at the CEC's June 18, 2014 business meeting. The adopted regulations had limited changes to the proposed POU reporting requirements. CEC staff has also since confirmed that the $2.5 million threshold applies to an individual investment by each utility – not the combined investment of all participants in a project. These changes and any future changes to the EPS regulations may impact Authority members.

Energy procurement and efficiency reporting – Senate Bill 1037, which was signed into law on September 29, 2005, requires that each POU, including the Project Participants, prior to procuring new energy generation resources, first acquire all available energy efficiency, demand reduction, and renewable resources that are cost effective, reliable and feasible, then report annually to its customers and to the CEC its investment in energy efficiency and demand reduction programs. Each Project Participant has complied with such reporting requirements.

Assembly Bill 2021, signed on September 29, 2006, requires that POUs establish, report, and explain the basis of the annual energy efficiency and demand reduction targets every three years for a ten-year horizon since 2007. A subsequent bill has changed the time interval for establishing annual targets to every four years. Each of the Project Participants has complied with this reporting requirement.

Assembly Bill 802, signed into law on October 8, 2015 allows savings, in conjunction with the established targets for reduction, to bring buildings up to code to count (rather than only "above code" savings to count) towards energy efficiency and demand reduction targets while setting new benchmarking requirements for California utilities.

Pending legislation in the California State Legislature, most notably AB 1330 (Bloom), would set individual utility energy efficiency procurement targets.

Renewable Portfolio Standard (RPS) – Senate Bill X1 2 (SBX1 2), the "California Renewable Energy Resources Act," was signed into law on April 12, 2011. SBX1 2 codifies the RPS target for retail electricity sellers to serve 33% of their loads with eligible renewable energy resources by 2020 as provided in Executive Order S-14-08. As enacted, SBX 1 2 makes the requirements of the RPS program applicable to POUs. The governing boards of POUs are responsible for implementing the requirements, rather than the CPUC, as in the case of the IOUs, and each POU is required to adopt and implement a renewable energy resources procurement plan. The plan must require the utility to procure a minimum quantity of electricity product from eligible renewable energy resources, including renewable energy certificates ("RECs"), as a specified percentage of total kilowatt hours sold to the utility's retail end-use customers to achieve specific targets. Certain enforcement authority with respect to POUs is given to the CEC and CARB is given the authority to impose penalties.

Note 12 – Commitments and Contingencies (continued)

SBX1 2 grandfathers any facility approved by the governing board of a POU prior to June 1, 2010 for procurement to satisfy renewable energy procurement obligations adopted under prior law if the facility is a "renewable electrical generation facility" as defined in the bill (subject to certain restrictions). The CEC has developed detailed rules to implement SXB1 2 and on June 12, 2013, the CEC adopted regulations for the enforcement of the RPS program requirements for POUs.

In connection with the implementation of SBX1 2, the CEC is responsible for certifying the electric generation facilities as "eligible renewable energy resources" for purposes of the RPS program and has adopted guidelines for this purpose that identifies the requirements, conditions and process for certification of facilities as eligible renewable energy resources. These guidelines are revised periodically including to reflect changes in statute and market conditions and were most recently updated on June 10, 2015. Certain amendments to the RPS Enforcement Procedure regulations were approved by the CEC on October 14, 2015 that clarify and expand certain eligibility definitions. The current guidelines identify bio-methane as an eligible renewable energy resource. Under these guidelines adopted on April 30, 2013, utilities that procure bio-methane were required to reapply for certification of the generating facilities that use bio-methane.

On January 5, 2015, Governor Jerry Brown proposed three major climate goals to be completed within the next 15 years: 1) increase 33% to 50% California's electricity derived from renewables; 2) reduce current petroleum use in cars and trucks by up to 50%; and 3) increase by 50% the efficiency of existing buildings and make heating fuels cleaner. A number of bills were subsequently introduced in the State Legislature that, if adopted, would, among other things, implement the climate goals announced by the Governor. As expected, the proposed bills would increase the State's Renewables Portfolio Standard from 33% to 50% (SB 350 (de Leon) and AB 645 (Williams)). The Authority and the Project Participants are unable to predict the outcome or potential impacts of any possible legislation at this time.

Clean Energy and Pollution Reduction Act of 2015 – SB 350, the Clean Energy and Pollution Reduction Act of 2015, was signed into law on October 7, 2015. SB 350, as enacted, establishes an RPS target of 50% by December 31, 2030 for the amount of electricity generated and sold to retail customers from eligible renewable energy resources for retail sellers and POUs, including certain interim targets. It requires each seller to provide a renewable energy procurement plan on an annual basis, and to file an integrated resource plan (IRP), and a schedule for periodic updates to the plan, for approval. The governing body of the POU is responsible for adopting the IRP, subject to review by the CEC, which can recommend modifications to correct any shortcomings. The CEC adopted an order instituting a new rulemaking proceeding on January 13, 2016 to implement the RPS and IRP provisions of SB 350.

SB 350 specifically requires the CPUC to identify a "balanced portfolio of resources" to ensure "reliability" and "optimal integration" of renewables, and requires that utilities include in their procurement plans a "strategy for procuring best-fit and least cost resources" to meet the portfolio needs that CPUC identifies.

Note 12 – Commitments and Contingencies (continued)

SB 350 further requires the CEC to establish annual targets for statewide energy efficiency savings and demand reduction that will achieve a cumulative doubling of statewide energy efficiency savings in electricity and natural gas final end uses of retail customers by January 1, 2030. The CPUC is required to establish energy efficiency targets for electrical and gas corporations consistent with this goal, and specifies programs that may be used to achieve the goal. POUs are required to establish annual targets for energy efficiency savings and demand reduction consistent with the goal and to report those targets to the CEC every four years for the next 10-year period. The bill provides guidance as to what measures qualify and requires an evaluation of feasibility and cost effectiveness in setting annual targets for those savings. SB 350 also requires the CEC to adopt a responsible contractor policy and establish consumer protection guidelines.

SB 350 requires the ISO to prepare proposed governance modifications to facilitate the transformation of the ISO into a regional organization but provides that such governance modifications will not take effect prior to completion of a specified process for review and study of the impacts of a regional market and the enactment by the Legislature of future legislation implementing the proposed governance changes by 2019.

Solar power – Senate Bill 1 (also known as the California Solar Initiative), which was signed into law on August 21, 2006, requires POUs, including the Project Participants, to establish a program supporting the stated goal of the legislation to install 3,000 MW of photovoltaic energy in California. POUs are also required to establish eligibility criteria in collaboration with the CEC for the funding of solar energy systems receiving ratepayer-funded incentives. Certain reporting requirements also have to be met by the POUs. Each of the Project Participants has established programs in accordance with the requirements of the California Solar Initiative.

The electric industry is subject to continuing legislative and administrative reforms. States routinely consider changes to the way they regulate the electric industry. Historically, both further deregulation and forms of additional regulation have been proposed for the industry, which has been highly regulated throughout its history. While there is no current proposal to further the industry, there still are additional regulations or legislative mandates being proposed or considered for the industry such as higher reliance on renewable energy and tighter regulations for greenhouse gas emission reductions. The Authority and the Project Participants are unable to predict at this time the impact any such proposals will have on the operations and finances of the Project Participant's electric utility or the electric utility industry generally

The effect of these developments in the California energy markets on the Project Participants cannot be fully ascertained at this time. Also, volatility in energy price in California may return due to a variety of factors which affect both the supply and demand for electric energy in the western United States.

Note 12 – Commitments and Contingencies (continued)

This price volatility may contribute to greater volatility in the revenues of their respective electric systems from the sale (and purchase) of electric energy and, therefore, could materially affect each Project Participant's financial condition. Each Project Participant undertakes resource planning, risk management activities, and manages its resource portfolio to mitigate such price volatility and spot market rate exposure.

Federal Policy on Cybersecurity – Executive Order "Improving Critical Infrastructure Security" was issued on February 13, 2013. Among other things, the Executive Order calls for improved information sharing and processing of security clearances for owners and operators of critical infrastructures. It also required the development of a framework ("Framework"), led by the National institute of Standards and Technology), to reduce cyber risks to critical infrastructure.

The Executive Order could result in substantive changes to policy, regulatory, and compliance issues that will affect the electric industry. The Authority and the Project Participants will continue to monitor this issue in order to help ensure that the Framework continues to recognize the existing cybersecurity efforts in the electric sector, and does not undermine them by creating duplicative or inconsistent processes.

The "Cybersecurity Information Sharing Act of 2015" was signed into law on December 18, 2015. It creates an industry-supported, voluntary cybersecurity information sharing program that will encourage both public and private sector entities to share cyber-related threat information.

Federal energy legislation – Under the federal Energy Policy Act of 2005 (EPAct 2005), FERC was given refund authority over municipal utilities if they sell into short-term markets, like the ISO markets, and sell eight million MWhs or more of electric energy on an annual basis. In addition, FERC was given authority over the behavior of market participants, where it can impose penalties on any seller for using a manipulative or deceptive device, including market manipulation, in connection with the purchase or sale of energy or transmission service. The EPAct 2005 authorized FERC to issue permits to construct or modify transmission facilities located in a national interest electric transmission corridor if FERC determines that the statutory conditions are met. EPAct 2005 requires the creation of an electric reliability organization (ERO) to establish and enforce, under FERC supervision, mandatory reliability standards to increase system reliability and minimize blackouts. Failure to comply with such mandatory standards exposes a utility to significant fines and penalties by the ERO.

NERC Reliability Standards – EPAct 2005 required FERC to certify an ERO to develop mandatory and enforceable reliability standards, subject to FERC review and approval. On February 3, 2006, FERC issued Order 672, which certified the North American Electric Reliability Corporation (NERC) as the ERO. Many reliability standards have since been approved by FERC. Such standards pertain not only to the planning, operations, and maintenance of Bulk-Power System facilities, but also to the cyber and physical security of certain critical facilities.

Note 12 – Commitments and Contingencies (continued)

FERC Order 693 further provided ERO and Regional Entities (entities to which NERC has delegated enforcement authority through an agreement approved by FERC) with the discretion to calculate a penalty without collecting the penalty if circumstances warrant.

Federal regulation of transmission access – EPAct 2005 authorizes FERC to compel "open access" to the transmission systems of certain utilities that are not generally regulated by FERC, including municipal utilities if the utility sells more than four million MWhs of electricity per year. Under open access, a transmission provider must allow all customers to use the system under standardized rates, terms and conditions of service.

Other legislation – Congress has considered and is considering numerous bills addressing domestic energy policies and various environmental matters, including bills relating to energy supplies and development (such as a federal energy efficiency standard and expedited permitting for natural gas drilling projects), global warming, and water quality. Many of these bills, if enacted into law, could have a material impact on the Authority, the Project Participants, and the electric utility industry in general. The Authority and the Project Participants are unable to predict the outcome or potential impacts of any possible legislation at this time.

Environmental issues – Electric utilities are subject to continuing environmental regulation. Federal, state and local standards and procedures which regulate the environmental impact of electric utilities are subject to change. There is no assurance that any Authority or Project Participant facility or project will remain subject to the laws and regulations currently in effect, will always be in compliance with future laws and regulations, or will always be able to obtain all required operating permits. The Authority is unable to predict the outcome of these legal and legislative challenges at this time.

Greenhouse Gas Regulations Under the Clean Air Act – The United States Environmental Protection Agency (the "EPA") has taken steps to regulate greenhouse gas emissions under existing law. In 2009, the EPA issued a final "endangerment finding," in which it declared that the weight of scientific evidence requires a finding that six identified greenhouse gases, namely, carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride, cause global warming, and that global warming endangers public health and welfare. The final rule for the "endangerment finding" was published in the Federal Register on December 15, 2009. As a result of this finding, the EPA considered it was authorized to issue regulations limiting carbon dioxide emissions from, among other things, stationary sources such as electric generating facilities, under the federal Clean Air Act.

The "Tailoring Rule," published in the Federal Register on June 3, 2010, states that greenhouse gas emissions will be regulated from large stationary sources, including electric generating facilities, if the sources emit more than the specified threshold levels of tons per year of carbon dioxide.

Note 12 – Commitments and Contingencies (continued)

Large sources, with the potential to emit in excess of the applicable threshold, will be subject to the major source permitting requirements under the Clean Air Act, including the EPS's Prevention of Significant Deterioration ("PSD") and its Title V operating permit program. Permits would be required in order to construct, modify, and operate facilities exceeding the emissions threshold. The endangerment finding and the Tailoring Rule have been challenged in court, but were upheld on June 26, 2012. The appealed petition for rehearing was denied on December 2012. In October 2013 several petitions for review relating to these findings were consolidated in a United States Supreme Court case and on June 23, 2014 the Court issued its decision on the US EPA's Tailoring Rule. The decision invalidated substantial portions of the Tailoring Rule, governing when PSD and Title V permitting would be triggered, while preserving various aspects of the EPA's ability to regulate greenhouse gas emissions from most major new sources.

Pursuant to a December 23, 2010 settlement agreement, the EPA proposed on April 13, 2012 to establish New Source Performance Standards limiting carbon dioxide emissions from fossil-fuel fired electric generating units. In response to a June 25, 2013 Presidential Memorandum, the EPA rescinded the April 13, 2012 proposal and re-proposed standards that they stated would apply only to new facilities, not reconstructed or modified facilities. The EPA is required by the Presidential Memorandum to propose by June 1, 2014, and finalize by June 1, 2015, standards, regulations, or guidelines that address carbon pollution from modified, reconstructed and existing power plants.

On June 2, 2014, the EPA released its "Clean Power Plan" proposal for both existing and modified or reconstructed power plants as contemplated by a Presidential Memorandum. The proposed rule is designed to reduce carbon (CO2) emissions from the power sector by 30% on average nationwide by 2030, as compared to 2012 levels. Under the proposal, the EPA will set different interim (2024) and final (2030) emissions targets for each state based on overall CO2 emissions and the amount of electricity generated in the state. It was proposed that state emission targets may be met in a combination of ways, including through a "Best System of Emissions Reduction," which may include coal plant efficiency upgrades, switching from coal to natural gas, and by improving energy efficiency or promoting renewable energy. In the event a state fails to develop a satisfactory implementation plan, the EPA may impose a federal implementation plan instead.

On August 3, 2015, the EPA announced the final version of the Clean Power Plan for existing power plants, effective December 22, 2015. The EPA further released its final new source performance standards for emissions of carbon dioxide for newly constructed, modified, and reconstructed power plants effective October 23, 2015.

Note 12 – Commitments and Contingencies (continued)

A number of lawsuits have been filed challenging final rules and seeking to prevent the EPA from moving forward to implement the Clean Power Plan. The Authority and the Project Participants are unable to predict the outcome of these challenges to the EPA's endangerment finding and subsequent rulemaking or the effect that any final rules promulgated by the EPA regulating greenhouse gas emissions from electric generating units and other stationary sources would have on the Authority's projects or the Project Participants and their respective electric systems.

National Ambient Air Quality Standards – The Clean Air Act requires that the EPA establish National Ambient Air Quality Standards (NAAQS) for certain air pollutants. Once NAAQS have been established, each state must identify areas that do not meet the EPA standard ("non-attainment areas") and develop regulatory measures in its state implementation plan to reduce or control the emissions of that air pollutant in order to meet the applicable standard and become an "attainment area". A proposal to lower the NAAQS for ozone was submitted and withdrawn and the EPA resumed the process of issuing non-attainment designations for the ozone NAAQS under the standard set in 2008. These developments may result in stringent permitting processes for new sources of emissions and additional state restrictions on existing sources of emissions. On May 29, 2013, the EPA proposed a rule to implement the 2008 ozone NAAQ and solicited public comments on the proposal. On October, 2015, the EPA issued its final rule, lowering the ozone standard to 70 parts per billion. The final rule was published in the Federal Register on October 6, 2015 and became effective on December 28, 2015. Legal challenges have been filed by several states and industry groups.

Mercury and Air Toxic Standards ("MATS") – On December 16, 2011, the EPA signed a rule establishing new standards to reduce air pollution from coal- and oil-fired power plants under sections 111 (new source performance standards) and 112 (toxics program) of the Clean Air Act. The EPA updated the MATS emission limits on November 30, 2012 and again on March 28, 2013 and is currently reconsidering certain aspects of the regulation. Power plants have up to four years to meet these standards. While many plants meet some or all of these new standards, some plants will be required to install new equipment to meet the standards. The Supreme Court has since remanded the rulemaking back to a lower court because the EPA misinterpreted Clean Air Act Section 112 when it failed to consider compliance costs in regulating mercury from power plants. The EPA issued a final finding on April 14, 2016. The Project Participants purchase power from coal-fired power stations that may be affected by these new rules, and may be exposed to increased costs.

Other proposals – The EPA released its final rule relating to the Coal Combustion Residuals (CCR) such as ash on December 19, 2014, adopting the industry-preferred alternative regulation classifying CCRs as nonhazardous solid waste. The definition of "CCR landfill" now includes "coal" (so other non-coal mines that receive utility coal ash may qualify as CCR landfills), and clarifies that when groundwater contamination from an unlined CCR surface impoundment exceeds an applicable water standard, the owner/operator may choose to retrofit the unit instead of closing it. Congress is considering legislation that would make further refinements to the rule.

Note 12 – Commitments and Contingencies (continued)

On May 16, 2014, the EPA released a final regulation on Cooling Water Intake Structures at certain existing power plants. The regulation was established in order to reduce the number of fish and other aquatic organisms that are trapped against intake screens or drawn into the generating unit; the regulation became effective on October 14, 2014 and is expected to increase the cost of power the Project Participants purchase from certain fossil fuel-fired units.

On June 7, 2012, the EPA proposed setting technology-based effluent limitations guidelines and standards for metals and other pollutants in wastewater discharged from steam electric power plants. The EPA I also considering best management practices for surface impoundments containing CCRs. On September 30, 2015, the EPA announced its final Steam Electric Effluent Limitation Guidelines to update the federal limits on toxic metals in discharge wastewater. The EPA will provide the industry more time to coordinate compliance with this and the coal ash rule.

Other factors – The electric utility industry in general has been, or in the future may be, affected by a number of other factors which could impact the financial condition and competitiveness of many electric utilities and the level of utilization of generating and transmission facilities. Such factors, including those discussed above, could have an adverse effect on the financial condition of any given electric utility and likely will affect individual utilities in different ways.

The Authority is unable to predict what impact such factors will have on the business operations and financial condition of its members but the impact could be significant. Extensive information on the electric utility industry is available from the legislative and regulatory bodies and other sources in the public domain.

Nuclear spent fuel and waste disposal – Under the Nuclear Waste Policy Act, the Department of Energy (DOE) was to develop the facilities necessary for the storage and disposal of spent fuel and to have the first such facility in operation by 1998. DOE collected a fee of 0.1 cents/kwh of electric generation from the nuclear plant operators to fund the development and operation of the disposal facility.

In July 2002, a measure was signed into law designating the Yucca Mountain, in the state of Nevada, as the nation's high-level nuclear waste repository. This meant that the DOE could then file a construction and operation plan for the Yucca Mountain with the Nuclear Regulatory Commission (NRC). Due to a series of setbacks including scientific challenges by the National Academy of Science, falsified research data by consultants, and delays in submitting the construction application to the NRC, the operation date of the repository was pushed back several times.

In June 2008, the DOE submitted to the NRC a license application to construct the repository. In 2009, the federal government, under the new administration, decided to cut off all the appropriated funds for the development of the repository at the Yucca Mountain, at the urging of the Congress, except a small budget allocation for the closing of the project.

Note 12 – Commitments and Contingencies (continued)

The DOE subsequently submitted a request to the NRC to withdraw the license application. The withdrawal request was denied by the NRC due to a lack of valid reasons. Concurrently, an independent commission was formed by the DOE to find a solution for the nuclear waste disposition that would include Yucca Mountain among the different options. There are questions among utilities, as well as public utility commissions nationwide, about the continued collection of disposal fees by the DOE for the Nuclear Waste Fund recognizing that there is a lack of spent fuel disposal policy from the federal government. After further contest by the Public Utility Commissions of several states as well as the nuclear operators, the DOE suspended the collection of the 0.1 cents/kwh nuclear waste fee effective May 16, 2014.

The Palo Verde Operating Agent, on behalf of the co-owners, has litigated the DOE to recover the costs of storing spent fuel at Palo Verde because the DOE failed to honor the contract to remove and dispose of spent fuel as scheduled. In 2010, the federal court ruled in favor of Palo Verde and granted a compensation of $30.2 million which covered costs incurred up to 2006. The Authority's share of the settlement was $1.8 million. Palo Verde continues to pursue cost recovery through the DOE as additional spent fuel related expenses are accumulated for the continued operation of the plant. In 2012, Palo Verde filed a claim of $59 million for costs associated with the storage of spent fuel at the plant site for the period 2007-2011. Settlement was reached with the DOE for $57.4 million of which the Authority's share is $3.4 million. In June 2015, the Authority received a payment in the amount of $2.5 million for its share of the settlement with the DOE. At present, the DOE submits payments on a quarterly basis, which is applied to the annual nuclear fuel budget.

The spent fuel storage in the wet pool at Palo Verde exhausted its capacity in 2003. A Dry Cask Storage Facility (the Facility), also called the Independent Spent Fuel Storage Installation (ISFSI), was built and completed in 2003 at a total cost of $33.9 million (about $2 million for the Authority). In addition to the Facility, the costs also include heavy lift equipment inside the units and at the yard, railroad track, tractors, transporter, transport canister, and surveillance equipment. The Facility has the capacity to store all the spent fuel generated by the Palo Verde plant until 2027. To date, over 138 casks, each containing 24 spent fuel assemblies were placed in the Facility. The original plan called for the annual transfer of about 240 fuel assemblies from the wet pool to the Facility. In the aftermath of the nuclear incident at Fukushima Daiichi Nuclear Station in Japan, following the strong earthquake and subsequent tsunami in 2011, Palo Verde decided to accelerate its campaign to transfer spent fuel from the spent fuel pool to the Facility to relieve the congestion within the pool. Beginning in 2018, PVNGS is expected to use the newly designed "Magnastor" casks that contain 36 spent fuel assemblies allowing the dry cask storage facility to accept more spent fuel. The new cask design is currently in fabrication. Storing spent fuel at Palo Verde is now considered indefinite with undetermined costs until spent fuel is removed from the plant site.

Note 12 – Commitments and Contingencies (continued)

The Senate Energy and Natural Resources Committee is currently considering bipartisan legislation to address both interim and long-term spent fuel storage. The bill sponsors include California's Senator Dianne Feinstein.

Nuclear insurance – The Price-Anderson Act (the Act) requires that all utilities with nuclear generating facilities share in the payment for liability claims resulting from a nuclear incident. The Act limits liability from third-party claims to approximately $13.4 billion per incident. Participants in the Palo Verde Nuclear Generating Station (PVNGS) currently insure potential claims and liability through commercial insurance with a $375 million limit; the remainder of the potential liability is covered by the industry-wide retrospective assessment program provided under the Act. This program limits assessments to $127.3 million per operating reactor for each licensee (there are about 102 operating reactors in the U.S.) for each nuclear incident occurring at any nuclear reactor in the United States; payments under the program are limited to $26.2 million per reactor, per incident, per year to be indexed for inflation every five years. Based on the Authority's 5.91% interest in Palo Verde, the Authority would be responsible for a maximum assessment of $22.6 million per incident for all three units, limited to payments of $4.5 million per incident, per year.

In addition to the above, the Authority may be subject to retroactive insurance assessments for its participation in the Neil Property Insurance Program in the amount of $2.5 million.

Other commitments – The major capital projects that are currently in progress include the cyber security upgrade, digital upgrade of the Generrex generator excitation system, the life extension of the Water Reclamation Facility's clarifiers, the spray pond concrete replacement, the Nuclear Administrative and Technical Manual replacement, and the construction of the Learning Center-In Processing facility. These, along with other regulatory plant modifications, are currently estimated at $235 million which translates to approximately $13.9 million for the Authority. Also anticipated in the long-range plan are $224 million ($13.2 million for the Authority) worth of capital projects which include the cooling tower life extension long-range plan, upgrades to the high-pressure turbines and electro-hydraulic controls, the replacement of the reactor coolant pumps, Control Element Drive Mechanism Control System (CEDMCS), plant cooling water pipelines, and the Site Work Management System (SWMS).

Note 12 – Commitments and Contingencies (continued)

In response to the nuclear event in Fukushima, Japan, the NRC has required PVNGS to implement the following: increase the redundancy in its power supply to emergency cooling systems, reinforce its spent fuel pool, accelerate the transfer of spent fuel from the pool to the dry cask storage, add pipelines and associated equipment necessary for supplying additional cooling water to the reactors, and upgrade the communication and control system to allow remote access to the plant. To date, the station has purchased additional diesel generators, pumps, hoses, fire trucks and stages at the plant site. It also has access to other emergency equipment stored by the nuclear industry in two facilities in Memphis, Tennessee and Phoenix, Arizona. In addition to these, Palo Verde has allotted approximately $82 million (approximately $4.8 million for the Authority) for Fukushima initiatives which include fuel building modifications, an emergency equipment storage facility, temporary power connections, seismic and flood hazards validation, and corresponding mitigating strategies, among several others. All Fukushima upgrade-related activities are expected to be implemented by the end of 2016. Additional NRC-mandated requirements are anticipated but the costs associated with these future projects are unknown at this time.

As a result of, among other things, the anticipated costs of environmental compliance at SJGS and the California laws that may limit the ability of SCPPA to enter into certain life extension projects for coal-fired power plants, including SJGS, the authority and other SJGS owners entered discussions with respect to the restructuring of their respective rights and obligations in the Project. A proposal including the shutdown of Units 2 and 3 by December 2017 and the California owners possibly exiting the project was finally approved by the EPA on October 9, 2014 and the EPA rule became effective November 10, 2014. The owners continued to meet to negotiate terms to allow the California owners to exit the project and after extensive mediated negotiations, five related agreements were reached that restructured the ownership of the San Juan Project and addressed other related issues. Although regulatory approvals with respect to the transfer of ownership have been obtained, certain appeal proceedings filed by parties opposed to the restructuring remain ongoing. No assurances can be given that such ownership restructuring will be completed. Further, the Authority cannot reasonably estimate what its decommissioning obligation may be for its ownership interest in SJGS Unit 3, or whether deposits made into a reclamation trust account will cover all costs of its reclamation obligations.

Other legal matters – Claims and a lawsuit for damages have been filed with the Authority, Intermountain Power Authority (the IPA), and LADWP seeking in excess of $500 million in damages. The claimants allege, among other things, that due to improper grounding of the transmission line of STS, their dairy herds were damaged and the value of their land was diminished. The Authority believed these claims were substantially without merit as to itself because the Authority has no ownership or operational control over the subject transmission lines, and merely acted as a financing agency with respect to STS. Phase 1 of the trial, limited to the owners of six dairies, began on September 30, 2013, but after 20 trial days ended in a mistrial. The plaintiffs then filed a motion for a change of venue, which the trial court denied. Plaintiffs appealed that ruling to the Utah Court of Appeals and the Utah Supreme Court, both of which affirmed the trial court's decision.

Note 12 – Commitments and Contingencies (continued)

The case is back in the trial court, which has set a new trial date for March 13, 2017. No determination can be made at this time whether an unfavorable outcome is probable or remote, nor can an accurate estimate be made of the range of potential loss.

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

Note 13 – Subsequent Events

Springbok 1 Solar Farm Project – On August 21, 2014, SCPPA on behalf of LADWP, entered into a power purchase agreement with 8minuteenergy for 100 MW of solar energy with all associated environmental attributes, and photovoltaic generating capacity from the Springbok 1 Solar Farm located in western Kern County, California. The commercial operation date is currently expected to be in September 2016, starting a term of 25 years. SCPPA has an Early Buy Out option at the end of the 15th, 20th, and 25th Contract Years. The project is expected to have a measured initial generation capacity factor up to 34% with a 0.7% annual degradation. LADWP serves as the Project Manager on behalf of SCPPA.

Astoria 2 Solar Project – On July 23, 2014, SCPPA on behalf of Azusa, Banning, Colton and Vernon, entered into a power purchase agreement with Recurrent Energy for solar energy from the Astoria 2 Solar Project. SCPPA is entitled to 35 MW of photovoltaic generating capacity from commercial operation to December 31, 2021 and 45 MW of generating capacity from January 1, 2022 until the expected expiration date of December 31, 2036. Commercial operation is currently expected to begin in late August 2016. Power and Water Resources Pooling Authority, Lodi, Corona, Moreno Valley, and Rancho Cucamonga, are each buying the output of a separate portion of the facility, which is located in Kern County, California. SCPPA has purchase options in the 10th, 15th, and 20th Contract Years. The project is forecasted to start at a capacity factor of 31% with a 0.5% annual degradation. ACES Power Marketing is the Scheduling Coordinator for the Project,

Summer Solar Project – On November 15, 2012, SCPPA on behalf of Azusa, Pasadena and Riverside, entered into a power purchase agreement with Sustainable Power Group ("sPower") for 20 MW of solar photovoltaic generating capacity from the Summer Solar Facility for a term of 25 years from January 1, 2017. The facility is located in Lancaster, California, and was commercial in July 2016. The project is forecasted to start at a capacity factor of 28% with a 0.5% annual degradation. SCPPA does not have purchase options on this project. Riverside serves as the Scheduling Coordinator for the project.

Note 13 – Subsequent Events (continued)

Springbok 2 Solar Farm Project – On August 28, 2015, SCPPA on behalf of LADWP, entered into a power purchase agreement with 8minute energy for 150 MW of solar photovoltaic generating capacity from the Springbok 2 Solar Farm located 70 miles north of Los Angeles in Kern County, California. The commercial operation date is currently expected to be in September 2016, starting a term of 27 years, with an option for a three-year extension. SCPPA has an Early Buy Out option at the end of the 15th, 20th, 27th, and 30th Contract Years. The project is expected to start at a capacity factor of 33% with a 0.7% annual degradation. LADWP serves as the Project Manager on behalf of SCPPA.

Antelope Big Sky Ranch Solar Project – On November 15, 2012, SCPPA on behalf of Azusa, Pasadena and Riverside, entered into a power purchase agreement with sPower for 20 MW of solar photovoltaic generating capacity from the Antelope Big Sky Ranch Facility. The facility is located near Lancaster, California, and commercial operation occurred in late August 2016 for a term of 25 years from January 1, 2017. The project is expected to start at a capacity factor of 28% with a 0.5% annual degradation. SCPPA has purchase options in the 10th, 15th, and 20th Contract Years. Pasadena is the Scheduling Coordinator for the project.

Project Stabilization Fund – On August 18, 2016, the SCPPA Board of Directors amended and superseded the resolution that established the Project Stabilization Fund in 1996 in order to simplify the process for withdrawing funds and eliminate provisions that have been found unnecessary over the 20 years that the PSF has been in existence.

REQUIRED SUPPLEMENTARY INFORMATION

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2016
LAST TEN YEARS*

	2016	2015
Proportion of the net pension liability	0.03604%	0.01404%
Proportionate share of the net pension liability	$ 1,010,974	$ 873,857
Covered - employee payroll	$ 2,258,941	$ 1,091,557
Proportionate Share of the net pension liability as percentage of covered-employee payroll	44.75%	80.06%
Plan's fiduciary net position	$ 24,907,306	$ 24,940,528
Plan fiduciary net position as a percentage of the total pension liability	78.32%	81.00%

Notes to Schedule

Changes in assumptions – In 2016, GASB 68 was modified to state that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate was changed from 7.50 percent (net of administrative expense in 2014) to 7.65 percent as of June 30, 2015 measurement date to correct the adjustment which previously reduced the discount rate for administrative expense.

*Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
SCHEDULE OF CONTRIBUTIONS
AS OF JUNE 30, 2016
LAST TEN YEARS*

	2016	2015
Contractually required contribution (actuarially determined)	$ 265,844	$ 699,279
Contributions in relation to the actuarially determined contribution	(278,896)	(699,279)
Contribution deficiency (excess)	$ (13,052)	$ -
Covered-employee payroll	$ 2,258,941	$ 1,091,557
Contributions as a percentage of covered-employee payroll	11.77%	64.06%

Notes to Schedule

Valuation date:	6/30/2014	6/30/2013

Methods and assumptions used to determine contribution rates:

Single and Agent Employers Example	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	3.50%
Salary increases	4.5%, average, including inflation of 3.0%
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Retirement age	57 yrs.
Mortality	RP-2000 Healthy Annuitant Mortality Table

*Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

SUPPLEMENTAL INFORMATION

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, 2016
(AMOUNTS IN THOUSANDS)

	Debt Service Fund	Decommissioning Trust Fund	Escrow Account	General Reserve Account	Issue Account	Operating Account	Reserve & Contingency	Revenue Fund	Total
Balance at June 30, 2015	$ -	$ 172,399	$ 144,771	$ 1,305	$ 13,309	$ 43,740	$ 16,629	$ -	$ 392,153
Additions									
Investment earnings	-	2,099	35,829	13	1	677	131	1	38,751
Discount on investment purchases	-	24	-	-	21	15	4	-	64
Distribution of investment earnings	-	-	-	(13)	(22)	(125)	(135)	295	-
Revenue from power sales	-	-	-	-	-	-	-	77,166	77,166
Distribution of revenue	-	-	-	-	12,150	50,745	14,567	(77,462)	-
Other receipts	-	-	-	-	-	704	-	-	704
Transfer from escrow	27,145	-	(44,529)	-	17,384	-	-	-	-
Total additions	27,145	2,123	(8,700)	-	29,534	52,016	14,567	-	116,685
Deductions									
Construction expenditures	-	-	-	-	-	-	13,844	-	13,844
Operating expenditures	-	3	-	-	-	42,685	-	-	42,688
Fuel costs	-	-	-	-	-	15,877	-	-	15,877
Payment of principal	-	-	-	-	11,690	-	-	-	11,690
Interest paid - non-escrow	-	-	-	-	118	-	-	-	118
Payment of principal and interest – escrow	27,145	-	-	-	17,383	-	-	-	44,528
Total deductions	27,145	3	-	-	29,191	58,562	13,844	-	128,745
Balance at June 30, 2016	$ -	$ 174,519	$ 136,071	$ 1,305	$ 13,652	$ 37,194	$ 17,352	$ -	$ 380,093

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, unrealized gain (loss) on investments, or $45 and $24 held in the revolving fund at June 30, 2016 and 2015, respectively.

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, 2016
(AMOUNTS IN THOUSANDS)

	Debt Service Fund	Debt Service Reserve Account	Revenue Fund	Operating Fund	Reserve & Contingency Fund	Mine Reclamation Fund	Total
Balance at June 30, 2015	$ 10,764	$ 25	$ -	$ 5,894	$ 13,380	$ 2,883	$ 32,946
Additions							
Investment earnings	12	-	1	7	39	22	81
Discount on investments	7	-	-	2	6	6	21
Distribution of investment earnings	(19)	-	73	(8)	(46)	-	-
Revenue from power sales	-	-	87,660	-	-	-	87,660
Distribution of revenues	21,680	-	(87,734)	64,854	1,200	-	-
Other	-	-	-	8,774	(3,760)	3,760	8,774
Total additions	21,680	-	-	73,629	(2,561)	3,788	96,536
Deductions							
Operating expenses	-	-	-	56,648	(63)	-	56,585
Construction expenses	-	-	-	-	649	-	649
Payment of principal	21,590	-	-	-	-	-	21,590
Interest paid	350	-	-	-	-	-	350
Total deductions	21,940	-	-	56,648	586	-	79,174
Balance at June 30, 2016	$ 10,504	$ 25	$ -	$ 22,875	$ 10,233	$ 6,671	$ 50,308

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, unrealized gain (loss) on investments or $60 and $18 held in the revolving fund at June 30, 2016 and 2015, respectively.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
MAGNOLIA POWER PROJECT
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	Debt Service Account	Debt Service Reserve Account	Project Fund	Operating Reserve Fund	Reserve & Contingency	Operating Fund	Revenue Fund	General Reserve Fund	Escrow Fund	Fuel Reserve Fund	GHG Reserve Fund	Total
Balance at June 30, 2015	$ 15,634	$ 28,824	$ -	$ 4,927	$ 22,081	$ 7,902	$ -	$ 90	$ -	$ 7,310	$ 2,897	$ 89,665
Additions												
Investment earnings	7	492	-	41	69	4	6	-	-	27	9	655
Discount on investment purchases	3	15	-	-	22	1	-	-	-	3	1	45
Distribution of investment earnings	(11)	(503)	-	(26)	(92)	(5)	637	-	-	-	-	-
Transfer of funds for debt service payment	-	-	- -	-	-	-	-	-	-	-	-	-
Receipt from participants	-	-	-	-	-	-	53,406	-	-	-	-	53,406
Distribution of revenues	18,613	(1)	-	-	15,887	15,647	(54,049)	-	-	3,903	-	-
Other	3,863	(3,863)	-	(9,100)	(2,892)	17,144	-	-	-	(5,152)	-	-
Total additions	22,475	(3,860)	-	(9,085)	12,994	32,791	-	-	-	(1,219)	10	54,106
Deductions												
Construction expenses	-	-	-	-	2,362	-	-	-	-	-	-	2,362
Operating expenses	-	-	-	(4,373)	(2,362)	37,605	-	-	-	-	-	30,870
Payment of principal	10,985	-	-	-	-	-	-	-	-	-	-	10,985
Interest paid	10,831	-	-	-	-	-	-	-	-	-	-	10,831
Total deductions	21,816	-	-	(4,373)	-	37,605	-	-	-	-	-	55,048
Balance at June 30, 2016	$ 16,293	$ 24,964	$ -	$ 215	$ 35,075	$ 3,088	$ -	$ 90	$ -	$ 6,091	$ 2,907	$ 88,723

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, unrealized gain (loss) on investments, or $30 and $27 held in the revolving fund at June 30, 2016 and 2015, respectively.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
CANYON POWER PROJECT
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	Revenue Fund	Operating Fund	Debt Service Fund	Debt Service Reserve Fund	Project Fund	U.S. Treasury Direct Subsidy	Cost of Issuance Fund	Escrow Fund	Total
Balance at June 30, 2015	$ -	$ 631	$ 8,366	$ 19,721	$ 4,238	$ 1,836	$ -	$ -	$ 34,792
Additions									
Investment earnings	-	-	6	259	2	-	-	-	267
Discount on investment purchases	-	-	4	1	2	-	-	-	7
Distribution of investment earnings	270	-	(10)	(260)	-	-	-	-	-
Receipt from participants	21,975	-	-	-	-	-	-	-	21,975
Distribution of revenues	(22,245)	2,632	21,449	-	-	(1,836)	-	-	-
Bond Proceeds 2016A	-	-	(1,038)	-	-	-	535	94,337	93,834
Other	-	135	3,926	-	-	(1,846)	-	-	2,215
Total additions	-	2,767	24,337	-	4	(3,682)	535	94,337	$ 118,298
Deductions									
Construction expenses	-	-	-	-	(5)	-	-	-	(5)
Operating expenses	-	2,754	-	-	-	-	-	-	2,754
Interest paid	-	-	16,732	-	-	(3,693)	-	-	13,039
Debt Issue Costs	-	-	-	-	-	-	507	-	507
2010A Bond Redemption - Escrow	-	-	-	-	-	-	-	94,337	94,337
Total deductions	-	2,754	16,732	-	(5)	(3,693)	507	94,337	110,632
Balance at June 30, 2016	$ -	$ 644	$ 15,971	$ 19,721	$ 4,247	$ 1,847	$ 28	$ -	$ 42,458

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 or unrealized gain (loss) on investments, or $6 and $18 held in the revolving fund at June 30, 2016 and 2015, respectively.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
APEX POWER PROJECT
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	Revenue Fund	Depository Fund	Operating Fund	Debt Service Fund	Debt Service Reserve Fund	Reserve & Contingency Fund	General Reserve	Project Fund	Cost of Issuance Fund	Total
Balance at June 30, 2015	$ -	$ -	$ 17,440	$ 15,639	$ 5,488	$ 3,997	$ 58	$ 29,435	$ -	$ 72,057
Additions										
Investment earnings	-	-	4	1	45	6	-	52	-	108
Discount on investment purchases	30	-	-	-	-	-	-	-	-	30
Distribution of investment earnings	56	-	(4)	(1)	(45)	(6)	-	-	-	-
Receipt from participants	35,718	-	-	-	-	-	-	-	-	35,718
Distribution of revenues	(36,804)	37,765	(22,104)	21,943	-	(800)	-	-	-	-
Other transfers	796	(488)	5,389	-	-	(3,190)	-	(2,507)	-	-
Other receipts	204	4,638	1	-	-	-	-	-	-	4,843
Total additions	-	41,915	(16,714)	21,943	-	(3,990)	-	(2,455)	-	40,699
Deductions										
Acquisition costs	-	-	-	-	-	-	-	-	-	-
Operating expenses	-	41,915	-	-	-	2	-	-	-	41,917
Payment of principal	-	-	-	9,335	-	-	-	-	-	9,335
Interest paid	-	-	-	12,588	-	-	-	-	-	12,588
Total deductions	-	41,915	-	21,923	-	2	-	-	-	63,840
Balance at June 30, 2016	$ -	$ -	$ 726	$ 15,659	$ 5,488	$ 5	$ 58	$ 26,980	$ -	$ 48,916

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 and unrealized gain (loss) on investments, or $12 and $21 held in the revolving fund at June 30, 2016 and 2015, respectively.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
HOOVER UPRATING PROJECT
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	Debt Service Fund	General Reserve Fund	Operating Fund	Revenue Fund	Total
Balance at June 30, 2015	$ 1,527	$ 1,700	$ 1,337	$ -	$ 4,564
Additions					
Investment earnings	1	17	3	-	21
Discount on investments	1	-	1	-	2
Distribution of investment earnings	(2)	(17)	(4)	23	-
Revenue from power sales	-	-	-	2,320	2,320
Distribution of revenue	2,246	-	97	(2,343)	-
Total additions	2,246	-	97	-	2,343
Deductions					
Operating expenses	-	-	157	-	157
Payment of principal	1,930	-	-	-	1,930
Interest paid	269	-	-	-	269
Total deductions	2,199	-	157	-	2,356
Balance at June 30, 2016	$ 1,574	$ 1,700	$ 1,277	$ -	$ 4,551

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, unrealized gain (loss) on investments, or $3 and $15 held in the revolving fund at June 30, 2016 and 2015, respectively.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
TIETON HYDROPOWER PROJECT
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	Revenue Fund	Operating Fund	Debt Service Fund	Debt Service Reserve Fund	Reserve & Contingency Fund	General Reserve Fund	Total
Balance at June 30, 2015	$ -	$ 570	$ 2,099	$ 5,008	$ 419	$ 24	$ 8,120
Additions							
Investment earnings	-	1	1	66	1	-	69
Distribution of investment earnings	69	(1)	(1)	(66)	(1)	-	-
Receipt from participants	5,532	-	-	-	-	-	5,532
Distribution of revenues	(5,601)	2,243	3,358	-	-	-	-
Total additions	-	2,243	3,358	-	-	-	5,601
Deductions							
Operating expenses	-	2,252	-	-	-	-	2,252
Payment of principal	-	-	840	-	-	-	840
Interest paid	-	-	2,503	-	-	-	2,503
Total deductions	-	2,252	3,343	-	-	-	5,595
Balance at June 30, 2016	$ -	$ 561	$ 2,114	$ 5,008	$ 419	$ 24	$ 8,126

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, unrealized gain (loss) on investments, or $3 and $9 held in the revolving fund at June 30, 2016 and 2015, respectively.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
MILFORD 1 WIND PROJECT
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	Revenue Fund	Operating Fund	Debt Service Fund	Debt Service Reserve Fund	General Reserve Fund	Operating Reserve Fund	Total
Balance at June 30, 2015	$ -	$ 4,438	$ 13,846	$ 18,874	$ 2,520	$ 3,000	$ 42,678
Additions							
Investment earnings	-	4	5	235	9	32	285
Discount on investments	-	1	1	10	2	-	14
Distribution of investment earnings	299	(5)	(6)	(245)	(11)	(32)	-
Receipt from participants	31,817	-	-	-	-	-	31,817
Distribution of revenues	(32,116)	13,244	18,872	-	-	-	-
Total additions	-	13,244	18,872	-	-	-	32,116
Deductions							
Operating expenses	-	12,412	-	-	-	-	12,412
Payment of principal	-	-	8,820	-	-	-	8,820
Interest paid	-	-	9,874	-	-	-	9,874
Total deductions	-	12,412	18,694	-	-	-	31,106
Balance at June 30, 2016	$ -	$ 5,270	$ 14,024	$ 18,874	$ 2,520	$ 3,000	$ 43,688

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, unrealized gain (loss) on investments, or $9 held in the revolving fund at June 30, 2016 and 2015.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
MILFORD 2 WIND PROJECT
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	Revenue Fund	Operating Fund	Debt Service Fund	Debt Service Reserve Fund	Total
Balance at June 30, 2015	$ -	$ 5,218	$ 9,195	$ 3,216	$ 17,629
Additions					
Investment earnings	-	7	3	43	53
Discount on investments	-	1	4	-	5
Distribution of investment earnings	62	(12)	(7)	(43)	-
Receipt from participants	18,414	-	-	-	18,414
Distribution of revenues	(18,476)	5,610	12,866	-	-
Total additions	-	5,606	12,866	-	18,472
Deductions					
Operating expenses	-	5,195	-	-	5,195
Payment of principal	-	-	5,530	-	5,530
Interest paid	-	-	7,201	-	7,201
Total deductions	-	5,195	12,731	-	17,926
Balance at June 30, 2016	$ -	$ 5,629	$ 9,330	$ 3,216	$ 18,175

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, unrealized gain (loss) on investments, or $6 and $9 held in the revolving fund at June 30, 2016 and 2015, respectively.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
WINDY POINT PROJECT
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	Revenue Fund	Operating Fund	Debt Service Fund	Debt Service Reserve Fund	Total
Balance at June 30, 2015	$ -	$ 8,971	$ 30,218	$ 10,262	$ 49,451
Additions					
Investment earnings	-	12	7	145	164
Discount on investments	-	2	20	6	28
Distribution of investment earnings	192	(14)	(27)	(151)	-
Receipt from participants	80,271	-	-	-	80,271
Distribution of revenue	(80,463)	39,420	41,043	-	-
Total additions	-	39,420	41,043	-	80,463
Deductions					
Operating expenses	-	41,767	-	-	41,767
Payment of principal	-	-	19,390	-	19,390
Interest paid	-	-	21,277	-	21,277
Premium on investment purchases	-	3	-	-	3
Total deductions	-	41,770	40,667	-	82,437
Balance at June 30, 2016	$ -	$ 6,621	$ 30,594	$ 10,262	$ 47,477

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, unrealized gain (loss) on investments, or $9 held in the revolving fund at June 30, 2016 and 2015.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
LINDEN WIND ENERGY PROJECT
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	Revenue Fund	Operating Fund	Debt Service Fund	Debt Service Reserve Fund	General Reserve Fund	Project Fund	U.S. Treasury Direct Subsidy	Total
Balance at June 30, 2015	$ -	$ 1,732	$ 6,913	$ 2,324	$ 69	$ 587	$ 399	$ 12,024
Additions								
Investment earnings	-	1	2	23	-	-	-	26
Discount on investments	-	-	4	-	-	-	-	4
Distribution of investment earnings	30	(1)	(6)	(23)	-	-	-	-
Revenue from power sales	17,025	-	-	-	-	-	-	17,025
Distribution of revenue	(17,055)	7,833	9,222	-	-	-	-	-
Other transfers	-	21	800	-	(21)	-	(800)	-
Other receipts	-	-	-	-	-	-	-	-
Total additions	-	7,854	10,022	-	(21)	-	(800)	17,055
Deductions								
Operating expenses	-	7,828	-	-	-	-	-	7,828
Payment of principal	-	-	3,670	-	-	-	-	3,670
Interest paid	-	-	6,411	-	-	-	(803)	5,608
Premium and interest on investment purchases	-	(1)	1	-	-	-	1	1
Total deductions	-	7,827	10,082	-	-	-	(802)	17,107
Balance at June 30, 2016	$ -	$ 1,759	$ 6,853	$ 2,324	$ 48	$ 587	$ 401	$ 11,972

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, unrealized gain (loss) on investments, or $3 and $9 held in the revolving fund at June 30, 2016 and 2015, respectively.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
SOUTHERN TRANSMISSION SYSTEM PROJECT
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	General Reserve Fund	Issue Fund	Operating Fund	Revenue Fund	Total
Balance at June 30, 2015	$ 2,899	$ 85,280	$ 4,958	$ -	$ 93,137
Additions					
Investment earnings	10	680	4	1	695
Discount on investment purchases	4	83	-	-	87
Distribution of investment earnings	(14)	(763)	(4)	781	-
Revenue from transmission sales	-	-	-	113,422	113,422
Distribution of revenue	4,995	76,738	32,471	(114,204)	-
Transfer (from) / to escrow fund for principal and interest payment	-	-	-	-	-
Other	1	(2)	1	-	-
Total additions	4,996	76,736	32,472	-	114,204
Deductions					
Construction expenses	-	-	-	-	-
Operating expenses	-	-	34,480	-	34,480
Payment of principal	-	53,085	-	-	53,085
Interest paid	-	26,606	-	-	26,606
Debt issuance costs	-	55	-	-	55
Premium and interest on investment purchases	-	(3)	-	-	(3)
Total deductions	-	79,743	34,480	-	114,223
Balance at June 30, 2016	$ 7,895	$ 82,273	$ 2,950	$ -	$ 93,118

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, unrealized gain (loss) on investments, or $42 and $21 held in the revolving fund at June 30, 2016 and 2015, respectively.

(AMOUNTS IN THOUSANDS)

	Revenue Fund	Debt Service Account	Debt Service Reserve Account	Operating Fund	Reserve & Contingency Fund	Project Fund	Surplus Fund	Cost of Issuance Fund	Total
Balance at June 30, 2015	$ -	$ 6,170	$ -	$ 1,007	$ 12	$ -	$ 371	$ -	$ 7,560
Additions									
Investment earnings	-	2	-	1	-	-	-	-	3
Discount on investment earnings	-	3	-	-	-	-	-	-	3
Distribution of investment earnings	7	(6)	-	(1)	-	-	-	-	-
Transmission revenue	8,169	-	-	-	-	-	-	-	8,169
Distribution of revenues	(8,176)	7,029	-	1,005	297	-	(155)	-	-
Bond Proceeds 2016A	-	-	-	-	-	26,647	-	347	26,994
Other	-	-	-	86	97	226	(97)	-	312
Total additions	-	7,028	-	1,091	394	26,873	(252)	347	35,481
Deductions									
Operating expenses	-	-	-	1,613	-	-	-	-	1,613
Construction expenses	-	-	-	-	397	26,873	-	-	27,270
Principal payment	-	5,480	-	-	-	-	-	-	5,480
Debt issue costs	-	-	-	-	-	-	-	318	318
Interest paid	-	1,254	-	-	-	-	-	-	1,254
Total deductions	-	6,734	-	1,613	397	26,873	-	318	35,935
Balance at June 30, 2016	$ -	$ 6,464	$ -	$ 485	$ 9	$ -	$ 119	$ 29	$ 7,106

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, unrealized gain (loss) on investments, or $3 and $12 held in the revolving fund at June 30, 2016 and 2015, respectively.

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, 2016
(AMOUNTS IN THOUSANDS)

	Revenue Fund	Debt Service Account	Debt Service Reserve Fund	Operating Fund	Reserve & Contingency	Project fund	Cost of Issuance	Surplus Fund	Total
Balance at June 30, 2015	$ -	$ 20,227	$ -	$ 750	$ 42	$ -	$ -	$ 7,556	$ 28,575
Additions									
Investment earnings	-	8	-	1	-	-	-	3	12
Discount on investment earnings	-	7	-	-	-	-	-	6	13
Distribution of investment earnings	25	(15)	-	(1)	-	-	-	(9)	-
Transmission revenue	25,117	-	-	-	-	-	-	-	25,117
Distribution of revenues	(25,142)	22,517	-	2,162	463	-	-	-	-
Bond Proceeds 2016A	-	-	-	-	-	32,824	410	-	33,234
Other	-	-	-	(7)	-	287	-	-	280
Total additions	-	22,517	-	2,155	463	33,111	410	-	58,656
Deductions									
Construction expenses	-	-	-	-	153	33,111	-	-	33,264
Operating expenses	-	-	-	2,267	-	-	-	-	2,267
Principal payment	-	17,690	-	-	-	-	-	-	17,690
Debt issue costs	-	-	-	-	-	-	372	-	372
Interest paid	-	4,636	-	-	-	-	-	-	4,636
Total deductions	-	22,326	-	2,267	153	33,111	372	-	58,229
Balance at June 30, 2016	$ -	$ 20,418	$ -	$ 638	$ 352	$ -	$ 38	$ 7,556	$ 29,002

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, unrealized gain (loss) on investments, or $12 held in the revolving fund at June 30, 2016 and 2015.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NATURAL GAS PINEDALE PROJECT
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	Revenue Fund	Operating Fund	Debt Service Fund	General Reserve Fund	Project Fund	Capital Fund	Total
Balance at June 30, 2015	$ -	$ 3,816	$ 2,971	$ 38	$ 2,695	$ (247)	$ 9,273
Additions							
Investment earnings	-	4	1	-	2	-	7
Discount on investment purchases	-	-	-	-	-	-	-
Distribution of investment earnings	1	-	(1)	-	-	-	-
Receipt from participants	4,825	10,084	-	-	-	-	14,909
Sales of natural gas	483	4,863	-	-	-	-	5,346
Distribution of revenues	(5,309)	1,482	3,522	-	8	297	-
Other transfer	-	-	-	-	-	-	-
Total additions	-	16,433	3,522	-	10	297	20,262
Deductions							
Construction expenses	-	-	-	-	-	31	31
Operating expenses	-	14,798	-	-	-	-	14,798
Payment of principal	-	-	2,274	-	-	-	2,274
Interest paid	-	-	1,330	-	-	-	1,330
Total deductions	-	14,798	3,604	-	-	31	18,433
Balance at June 30, 2016	$ -	$ 5,451	$ 2,889	$ 38	$ 2,705	$ 19	$ 11,102

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, unrealized gain (loss) on investments, or $30 held in the revolving fund at June 30, 2016 and 2015.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NATURAL GAS BARNETT PROJECT
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	Revenue Fund	Operating Fund	Debt Service Fund	General Reserve Fund	Project Fund	Capital Fund	Total
Balance at June 30, 2015	$ -	$ 2,022	$ 6,958	$ 22	$ 39,839	$ (5,291)	$ 43,550
Additions							
Investment earnings	-	2	4	-	212	-	218
Discount on investment purchases	-	-	-	-	23	-	23
Distribution of investment earnings	4	-	(4)	-	-	-	-
Receipt from participants	8,786	172	-	-	-	-	8,958
Sales of natural gas	1,751	390	-	-	-	-	2,141
Distribution of revenues	(10,541)	2,174	8,258	-	(367)	476	-
Other receipts	-	-	-	-	-	-	-
Total additions	-	2,738	8,258	-	(132)	476	11,340
Deductions							
Construction expenses	-	-	-	-	-	448	448
Operating expenses	-	2,869	-	-	-	-	2,869
Payment of principal	-	-	5,326	-	-	-	5,326
Interest paid	-	-	3,128	-	-	-	3,128
Total deductions	-	2,869	8,454	-	-	448	11,771
Balance at June 30, 2016	$ -	$ 1,891	$ 6,762	$ 22	$ 39,707	$ (5,263)	$ 43,119

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, unrealized gain (loss) on investments, or $18 held in the revolving fund at June 30, 2016 and 2015.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
PREPAID NATURAL GAS PROJECT No. 1
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS REQUIRED BY THE BOND INDENTURE FOR THE YEAR ENDED JUNE 30, 2016
(AMOUNTS IN THOUSANDS)

	Revenue Fund	Operating Fund	Debt Service Fund	Total
Balance at June 30, 2015	$ -	$ 12,554	$ 3,492	$ 16,046
Additions				
Investment earnings	-	487	205	692
Discount on investment purchases	-	-	(1)	(1)
Distribution of investment earnings	484	(484)	-	-
Receipt from gas sales	5,934	-	-	5,934
Distribution of revenues	(20,309)	430	19,879	-
Commodity swap settlement	13,891	-	-	13,891
Other receipts	-	-	622	622
Total additions	-	433	20,705	21,138
Deductions				
A & G expenses	-	310	-	310
Payment of principal	-	-	4,075	4,075
Payment of interest	-	-	16,281	16,281
Total deductions	-	310	20,356	20,666
Balance at June 30, 2016	$ -	$ 12,677	$ 3,841	$ 16,518

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, unrealized gain (loss) on investments, or $18 held in the revolving fund at June 30, 2016 and 2015.