



Report of Independent Auditors and
Combined Financial Statements for

**Southern California
Public Power Authority**

June 30, 2015 and 2014

MOSS-ADAMS_{LLP}

Certified Public Accountants | Business Consultants

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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, 2015 and 2014, 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.

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 Project, Ameresco Chiquita Landfill Gas Project, Don A. Campbell Wild Rose Geothermal Project, Copper Mountain Solar 3 Project, Columbia Solar 2 Project, Project Development Fund, Projects' Stabilization Fund and SCPPA Fund as of June 30, 2015 and 2014, 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the Authority adopted the provisions of GASB 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, effective July 1, 2014. The beginning of year net position has been adjusted for this change. Our opinion is not modified with respect to this matter.

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, 2015 and the Schedule of Contributions as of June 30, 2015 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, 2015, 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.

Miss Adams UP

Portland, Oregon
October 30, 2015

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2015 and 2014. 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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	June 30,		
	2015	2014	2013
Assets			
Net utility plant	\$ 1,475,962	\$ 1,574,194	\$ 1,362,772
Investments	676,135	679,569	730,573
Cash and cash equivalents	337,374	301,753	230,929
Prepaid and other	1,030,529	1,099,682	1,152,331
Total assets	<u>3,520,000</u>	<u>3,655,198</u>	<u>3,476,605</u>
Deferred outflows of resources	119,709	95,061	122,746
Total assets and deferred outflows of resources	<u>\$ 3,639,709</u>	<u>\$ 3,750,259</u>	<u>\$ 3,599,351</u>
Liabilities			
Noncurrent liabilities	\$ 3,249,181	\$ 3,456,473	\$ 3,307,841
Current liabilities	449,772	392,473	398,509
Total liabilities	<u>3,698,953</u>	<u>3,848,946</u>	<u>3,706,350</u>
Deferred inflows of resources	207	-	-
Net position			
Net investment in capital assets	(594,920)	(608,196)	(621,687)
Restricted	610,915	583,618	565,717
Unrestricted	(75,446)	(74,109)	(51,029)
Total net position	<u>(59,451)</u>	<u>(98,687)</u>	<u>(106,999)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 3,639,709</u>	<u>\$ 3,750,259</u>	<u>\$ 3,599,351</u>
Revenues, expenses and changes in net position for the year ended June 30			
Operating revenues	\$ 813,095	\$ 702,327	\$ 639,925
Operating expenses	(668,880)	(564,690)	(503,837)
Operating income	144,215	137,637	136,088
Investment and other income	21,909	30,066	14,727
Derivative gain (loss)	28,364	395	60,189
Debt expense	(157,254)	(156,729)	(157,645)
Change in net position	37,234	11,369	53,359
Net position, beginning of year, before adjustment	(98,687)	(106,999)	(176,987)
Less: Accumulated adjustment for change in accounting principal	(1,004)	-	-
Net position, beginning of year, as adjusted	(99,691)	(106,999)	(176,987)
Net contributions/(withdrawals) by participants	3,006	(3,057)	16,629
Net position, end of year	<u>\$ (59,451)</u>	<u>\$ (98,687)</u>	<u>\$ (106,999)</u>

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

Combined Financial Statements (continued)

Net Position –

During fiscal year 2015 the Authority's net position increased by \$40 million mainly due to the decrease in assets and deferred outflows of resources of \$111 million offset by the decrease in liabilities of \$151 million.

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

- Utility Plant – decreased by \$98 million.
This decrease is primarily due to the \$107 million scheduled depreciation in Generation and Transmission Projects; and \$8 million depletion in Natural Gas Reserve Projects; offset by the \$17 million ongoing capital improvements in the Palo Verde Project (PV), Apex Power Project (APP), and Magnolia Power Project (MPP).
- Investments – decreased by \$3 million.
This decrease is largely due to the \$16 million release of reserves combined with the 2014A Revenue Bonds proceeds for the refunding of the San Juan Project (SJ) 2005A Revenue Bonds; \$6 million release of Southern Transmission System (STS) reserves combined with the 2015A&B and 2015C Revenue Bond proceeds for the refunding of 2000A and 20008B Bonds. The decreases were offset by the \$15 million accumulated overbillings in the APP; and \$4 million participant's contribution and reinvestment of interest earnings in the Project Stabilization fund (PSF) and PV Decommissioning Trust Fund.
- Cash and cash equivalents – increased by \$36 million.
This increase is mainly due to the \$32 million net of accumulated overbillings and advances in various Projects; \$2 million Build America Bonds' (BABs) subsidy received in the Canyon Power Project (CPP) for the payment of debt service; and \$6 million additional funds deposited in the Project Development funds (PDF) for the ongoing negotiations of the incoming Springbok Project and Clearwater Projects. The increases were offset by the release of \$4 million reserve fund for the refunding of the 2005A Revenue Bonds in the SJ Project.
- Prepaid and other assets – decreased by \$69 million.
This decrease is primarily due to the \$63 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); and \$6 million decrease in accounts receivable in various Projects.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

Combined Financial Statements (continued)

- Deferred outflows of resources – increased by \$24 million.
The increase is largely due to the \$28 million net increase of unamortized loss on refunding which is a result of the refunding of STS's 2000A and 2008B Revenue Bonds; and \$8 million increase in the fair values of derivative instruments in the MPP and NGPP Projects; offset by the \$12 million amortizations of loss on refunding in various debt-funded Projects.

Liabilities

The decrease in the Authority's liabilities of \$151 million is primarily due to the following:

- \$168 million of principal maturities and related amortizations for all debt-funded projects; \$29 million net of the early retirement of debt in SJ; and \$19 million net decrease in the reported change in fair value of the derivative instruments largely due to the termination of the STS 2000 Swaption. The decreases were offset by the \$43 million bond premium received from the issuance of the STS 2015A&C Revenue Bonds; and \$23 million increase in the accumulated overbillings, advances, and accruals in various Projects.

During fiscal year 2014, the Authority's assets and deferred outflow of resources increased by \$151 million mainly due to the acquisition of the APP, and was offset by the \$143 million increase in liabilities largely due to the issuance of the APP 2014 A&B Revenue Bonds to finance the acquisition, resulting in an increase in the Authority's net position of \$8 million.

Operating income –

The net increase in operating income of \$7 million is mainly due to the SJ Project which increased billings to the participants for early debt retirements, and received fire settlements totaling \$13 million. The increase was offset by the \$7 million decrease in billings in the STS due to the release of the unused bond proceeds of the 2008B Upgrade Funds for the debt service requirements.

During FY 2014, the net increase of \$2 million is due to the \$26 million increase in participants' billings for debt service requirements in the Mead-Adelanto (MA) and Mead-Phoenix (MP) Projects, and increased expenses for O&M costs and nuclear fuel in the MPP and PV Projects; and the receipt of \$3 million in upfront savings for the restructuring of the Prepaid Project Bonds. This increase was offset by \$28 million decrease in participants' billings in the SJ Project because of the completion of the scheduled major maintenance outages.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

Combined Financial Statements (continued)

Investment and Other Income –

Investment and other income decreased \$8 million primarily due to the receipt of a \$5 million fire insurance settlement in SJ and \$3 million upfront savings from the debt restructuring of the 2007 Gas Prepaid Project Bonds in FY 2014.

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. \$28.4 million and \$0.4 million were charged to expense and income related to the Authority's derivative instruments that were deemed investment instruments as of June 30, 2015 and 2014, respectively. The increase in derivative gain of \$28 million is mainly due to termination of the STS 2000 Swaps. (See Note 5).

Debt Expense –

Debt expense increased by \$1 million largely due to the \$6 million increase in interest expense from the issuance of the APP 2014 A&B being in commercial operation for the entire fiscal year of 2015, as compared to three months in fiscal year 2014. The increase was offset by \$2 million decrease in interest expense due to the refunding of SJ 2005 Revenue Bonds; and \$3 million related to amortization for all debt-funded projects.

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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

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 \$1.7 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 20% renewable energy and are now updating their objectives to meet 33% by 2020 as required by SBX1 2.

SCPPA continues to seek cost effective resources to support members' Renewable Portfolio Standard (RPS) objectives for 2016 and forward. 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 five hundred (500) individual project proposals since starting in 2007. Many of these projects have advanced into specific contract negotiations, and over 1,000 MW of capacity are now being operated in support of members' renewable objectives.

Change in accounting principal – SCPPA adopted GASB Statement No. 68 (GASB 68) during fiscal year 2015. With the implementation of GASB 68, SCPPA's beginning net position has been adjusted to conform with the new reporting and accounting requirements. The statements established accounting and financial reporting standards for employers and public pension plans, including reporting of the net pension liability on the statement of net position, deferred inflows and deferred outflows associated with investment, economic and demographic gains and losses associated with the pension plans. GASB 68 also provides guidance related to the calculation of pension expense. The financial statements for fiscal year 2014 have not been restated as the necessary information to do so was not made available by the California Public Employees' Retirement System.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

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,	
	2015	2014
ASSETS		
Noncurrent assets		
Net utility plant	\$ 1,475,962	\$ 1,574,194
Investments – restricted	631,010	648,532
Investments – unrestricted	45,125	31,037
Advance to IPA - restricted	11,550	11,550
Advances for capacity and energy, net – restricted	2,036	3,688
Fair value of derivative instruments	2,229	752
Prepaid and other assets	909,230	968,744
Total noncurrent assets	<u>3,077,142</u>	<u>3,238,497</u>
Current assets		
Cash and cash equivalents – restricted	236,950	205,018
Cash and cash equivalents – unrestricted	100,424	96,735
Interest receivable	1,278	3,042
Accounts receivable	11,673	17,399
Materials and supplies	25,909	24,904
Prepaid and other assets	66,624	69,603
Total current assets	<u>442,858</u>	<u>416,701</u>
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized loss on pension assets	353	-
Unamortized loss on refunding	96,202	79,668
Accumulated decrease in fair value of hedging derivatives	23,154	15,393
Total deferred outflows of resources	<u>119,709</u>	<u>95,061</u>
Total assets and deferred outflows of resources	<u>\$ 3,639,709</u>	<u>\$ 3,750,259</u>
LIABILITIES		
Noncurrent liabilities		
Long-term debt	\$ 3,176,756	\$ 3,353,692
Fair value of derivative instruments	36,857	55,984
Notes payable, net pension and other liabilities	9,118	15,890
Advances from participants	26,450	30,907
Total noncurrent liabilities	<u>3,249,181</u>	<u>3,456,473</u>
Current liabilities		
Debt due within one year	181,710	158,320
Notes payable and other liabilities due within one year	20,480	15,275
Advances from participants due within one year	45,634	50,892
Accrued interest	63,301	65,396
Accounts payable and accruals	133,067	96,337
Accrued property tax	5,580	6,253
Total current liabilities	<u>449,772</u>	<u>392,473</u>
Total liabilities	<u>3,698,953</u>	<u>3,848,946</u>
DEFERRED INFLOWS OF RESOURCES		
Unamortized gain on pension investments	207	-
Total deferred inflows of resources	<u>207</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	(594,920)	(608,196)
Restricted	610,915	583,618
Unrestricted	(75,446)	(74,109)
Total net position	<u>(59,451)</u>	<u>(98,687)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 3,639,709</u>	<u>\$ 3,750,259</u>

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

	Years Ended June 30,	
	2015	2014
Operating revenues		
Sales of electric energy	\$ 628,515	\$ 504,862
Sales of transmission services	140,541	151,086
Sales of natural gas	44,039	46,379
Total operating revenues	<u>813,095</u>	<u>702,327</u>
Operating expenses		
Operations and maintenance	537,216	445,016
Depreciation, depletion and amortization	106,590	97,964
Amortization of nuclear fuel	14,493	16,031
Decommissioning	10,857	5,679
Pension expense (credit)	(276)	-
Total operating expenses	<u>668,880</u>	<u>564,690</u>
Operating income	<u>144,215</u>	<u>137,637</u>
Non operating revenues (expenses)		
Investment and other income	21,909	30,066
Derivative gain	28,364	395
Debt expense	(157,254)	(156,729)
Net non operating revenues (expenses)	<u>(106,981)</u>	<u>(126,268)</u>
Change in net position	37,234	11,369
Net position – beginning of year, before adjustment	<u>(98,687)</u>	<u>(106,999)</u>
Less: Accumulated adjustment for change in accounting principal	<u>(1,004)</u>	<u>-</u>
Net position – beginning of year, as adjusted	<u>(99,691)</u>	<u>(106,999)</u>
Net contributions (distributions) by participants	<u>3,006</u>	<u>(3,057)</u>
Net position – end of year	<u>\$ (59,451)</u>	<u>\$ (98,687)</u>

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

	Years Ended June 30,	
	2015	2014
Cash flows from operating activities		
Receipts from participants	\$ 700,656	\$ 621,802
Receipts from sale of oil and gas	16,286	9,152
Payments to operating managers	(350,001)	(296,029)
Other disbursements and receipts	17,376	21,897
Net cash flows from operating activities	<u>384,317</u>	<u>356,822</u>
Cash flows from noncapital financing activities		
Advances by participants, net	<u>1,590</u>	<u>25,708</u>
Cash flows from capital financing activities		
Additions to plant and prepaid projects, net	(34,316)	(335,618)
Debt interest payments	(143,210)	(145,419)
Proceeds from sale of bonds	316,095	333,872
Payment for defeasance of revenue bonds	(349,670)	-
Transfer of funds from (to) Mine Reclamation Trust Fund	(420)	(489)
Transfer of funds from (to) other projects	-	(24,822)
Principal payments on debt	(122,520)	(189,730)
Payment for bond issue costs	(24,150)	(2,508)
Net cash used for capital and related financing activities	<u>(358,191)</u>	<u>(364,714)</u>
Cash flows from investing activities		
Interest received on investments	5,294	8,132
Purchases of investments	(425,834)	(436,386)
Proceeds from sale/maturity of investments	428,445	481,262
Net cash from investing activities	<u>7,905</u>	<u>53,008</u>
Net change in cash and cash equivalents	35,621	70,824
Cash and cash equivalents, beginning of year	<u>301,753</u>	<u>230,929</u>
Cash and cash equivalents, end of year	<u>\$ 337,374</u>	<u>\$ 301,753</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 144,215	\$ 137,637
Adjustments to reconcile operating income to net cash provided		
Depreciation, depletion and amortization	158,745	149,779
Decommissioning	10,857	5,679
Advances for capacity and energy	2,550	3,031
Amortization of nuclear fuel	14,493	16,031
Pension expense	(276)	-
Changes in assets and liabilities		
Accounts receivable	4,481	(4,830)
Accounts payable and accruals	33,764	29,294
Other	15,488	20,201
Net cash provided by operating activities	<u>\$ 384,317</u>	<u>\$ 356,822</u>
Cash and cash equivalents as stated in the Combined Statements of Net Position		
Cash and cash equivalents – restricted	\$ 236,950	\$ 205,018
Cash and cash equivalents – unrestricted	<u>100,424</u>	<u>96,735</u>
	<u>\$ 337,374</u>	<u>\$ 301,753</u>

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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, 2014
(AMOUNTS IN THOUSANDS)

	GENERATION				
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power
ASSETS					
Noncurrent assets					
Net utility plant	\$ 72,982	\$ 75,461	\$ 219,668	\$ 258,135	\$ 290,782
Investments – restricted	194,156	21,213	55,558	23,297	23,477
Investments – unrestricted	30,477	-	-	-	-
Advance to IPA – restricted	-	-	-	-	-
Advances for capacity and energy, net – restricted	-	-	-	-	-
Fair value of derivative instruments	-	-	-	-	-
Prepaid and other assets	-	727	-	-	-
Total noncurrent assets	<u>297,615</u>	<u>97,401</u>	<u>275,226</u>	<u>281,432</u>	<u>314,259</u>
Current assets					
Cash and cash equivalents – restricted	9,869	8,596	27,618	7,576	16,306
Cash and cash equivalents – unrestricted	7,423	13,732	6,127	1,697	17,430
Interest receivable	538	25	116	1,864	16
Accounts receivable	5,332	177	1,621	59	-
Due from other project – restricted	-	-	-	-	-
Materials and supplies	9,826	4,563	7,021	1,042	2,452
Prepaid and other assets	677	1,428	822	-	812
Total current assets	<u>33,665</u>	<u>28,521</u>	<u>43,325</u>	<u>12,238</u>	<u>37,016</u>
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized loss on refunding	-	1,000	12,899	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	6,856	-	-
Total deferred outflows of resources	<u>-</u>	<u>1,000</u>	<u>19,755</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 331,280</u>	<u>\$ 126,922</u>	<u>\$ 338,306</u>	<u>\$ 293,670</u>	<u>\$ 351,275</u>
LIABILITIES					
Noncurrent liabilities					
Long-term debt	\$ 36,130	\$ 60,161	\$ 331,564	\$ 309,045	\$ 333,684
Fair value of derivative instruments	-	-	19,419	-	-
Notes payable and other liabilities	13,413	-	-	-	-
Advances from participants	-	-	-	-	2,500
Total noncurrent liabilities	<u>49,543</u>	<u>60,161</u>	<u>350,983</u>	<u>309,045</u>	<u>336,184</u>
Current liabilities					
Debt due within one year	11,330	13,200	10,565	-	-
Notes payable and other liabilities due within one year	6,653	-	8,622	-	-
Advances from participants due within one year	-	9,082	22,429	2,225	-
Accrued interest	1	1,797	3,639	8,366	3,327
Accounts payable and accruals	12,615	10,448	6,141	196	17,073
Accrued property tax	1,303	371	-	-	-
Due to other projects	-	-	-	-	-
Total current liabilities	<u>31,902</u>	<u>34,898</u>	<u>51,396</u>	<u>10,787</u>	<u>20,400</u>
Total liabilities	<u>81,445</u>	<u>95,059</u>	<u>402,379</u>	<u>319,832</u>	<u>356,584</u>
NET POSITION					
Net investment in capital assets	25,522	245	(109,533)	(46,548)	(11,985)
Restricted	183,786	22,536	57,196	17,785	3,054
Unrestricted	40,527	9,082	(11,736)	2,601	3,622
Total net position	<u>249,835</u>	<u>31,863</u>	<u>(64,073)</u>	<u>(26,162)</u>	<u>(5,309)</u>
Total liabilities and net position	<u>\$ 331,280</u>	<u>\$ 126,922</u>	<u>\$ 338,306</u>	<u>\$ 293,670</u>	<u>\$ 351,275</u>

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

	GREEN POWER					
	Hoover Uprating	Tieton Hydropower	Milford I Wind	Milford II Wind	Windy Point Project	Linden Wind
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, 2014
(AMOUNTS IN THOUSANDS)

	GREEN POWER					
	Hoover Upgrading	Tieton Hydropower	Milford I Wind	Milford II Wind	Windy Point Project	Linden Wind Energy
ASSETS						
Noncurrent assets						
Net utility plant	\$ -	\$ 41,205	\$ -	\$ -	\$ -	\$ 124,470
Investments – restricted	2,982	5,383	31,219	6,973	22,812	4,674
Investments – unrestricted	560	-	-	-	-	-
Advance to IPA - restricted	-	-	-	-	-	-
Advances for capacity and energy, net – restricted	3,688	-	-	-	-	-
Fair value of derivative instruments	-	-	-	-	-	-
Prepaid and other assets	-	-	163,935	140,588	416,944	-
Total noncurrent assets	7,230	46,588	195,154	147,561	439,756	129,144
Current assets						
Cash and cash equivalents – restricted	181	2,124	6,475	5,372	17,307	4,772
Cash and cash equivalents – unrestricted	787	684	8,723	5,932	7,575	2,534
Interest receivable	2	14	56	14	16	1
Accounts receivable	-	-	-	-	-	400
Due from other project – restricted	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Prepaid and other assets	1,572	-	11,401	8,697	32,241	-
Total current assets	2,542	2,822	26,655	20,015	57,139	7,707
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	\$ 9,772	\$ 49,410	\$ 221,809	\$ 167,576	\$ 496,895	\$ 136,851
LIABILITIES						
Noncurrent liabilities						
Long-term debt	\$ 6,127	\$ 50,836	\$ 214,773	\$ 157,200	\$ 488,305	\$ 132,382
Fair value of derivative instruments	-	-	-	-	-	-
Notes payable and other liabilities	-	-	-	-	-	-
Advances from participants	-	-	-	-	-	-
Total noncurrent liabilities	6,127	50,836	214,773	157,200	488,305	132,382
Current liabilities						
Debt due within one year	1,835	815	8,450	5,270	18,535	3,530
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	104	1,273	5,211	3,797	11,253	3,313
Accounts payable and accruals	65	416	8,432	5,657	6,370	1,093
Accrued property tax	-	-	-	-	737	247
Due to other projects	-	-	-	-	-	-
Total current liabilities	2,004	2,706	22,343	14,974	37,895	10,187
Total liabilities	8,131	53,542	237,116	172,174	526,200	142,569
NET POSITION						
Net investment in capital assets	-	(10,446)	-	-	-	(11,443)
Restricted	357	6,249	-	-	-	6,534
Unrestricted	1,284	65	(15,307)	(4,598)	(29,305)	(809)
Total net position	1,641	(4,132)	(15,307)	(4,598)	(29,305)	(5,718)
Total liabilities and net position	\$ 9,772	\$ 49,410	\$ 221,809	\$ 167,576	\$ 496,895	\$ 136,851

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

	TRANSMISSION		
	Southern Transmission System	Mead- Phoenix	Mead- Adelanto
	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	<u>299,467</u>	<u>32,906</u>	<u>103,367</u>
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	<u>49,929</u>	<u>4,800</u>	<u>14,221</u>
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	<u>78,315</u>	<u>1,586</u>	<u>4,540</u>
Total assets and deferred outflows of resources	<u>\$ 427,711</u>	<u>\$ 39,292</u>	<u>\$ 122,128</u>
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	<u>667,654</u>	<u>29,730</u>	<u>100,790</u>
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	<u>78,551</u>	<u>6,925</u>	<u>21,543</u>
Total liabilities	<u>746,205</u>	<u>36,655</u>	<u>122,333</u>
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	<u>(318,494)</u>	<u>2,637</u>	<u>(205)</u>
Total liabilities and net position	<u>\$ 427,711</u>	<u>\$ 39,292</u>	<u>\$ 122,128</u>

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2014
(AMOUNTS IN THOUSANDS)

	TRANSMISSION		
	Southern		
	Transmission System	Mead- Phoenix	Mead- Adelanto
ASSETS			
Noncurrent assets			
Net utility plant	\$ 261,767	\$ 31,287	\$ 91,226
Investments – restricted	66,092	2,300	17,900
Investments – unrestricted	-	-	-
Advance to IPA – restricted	11,550	-	-
Advances for capacity and energy, net – restricted	-	-	-
Fair value of derivative instruments	-	-	752
Prepaid and other assets	-	-	-
Total noncurrent assets	<u>339,409</u>	<u>33,587</u>	<u>109,878</u>
Current assets			
Cash and cash equivalents – restricted	32,585	4,100	10,050
Cash and cash equivalents – unrestricted	146	322	358
Interest receivable	54	1	1
Accounts receivable	3,834	114	63
Due from other project – restricted	-	-	-
Materials and supplies	-	-	-
Prepaid and other assets	-	-	-
Total current assets	<u>36,619</u>	<u>4,537</u>	<u>10,472</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	50,438	3,751	11,580
Accumulated decrease in fair value of hedging derivatives	-	-	-
Total deferred outflows of resources	<u>50,438</u>	<u>3,751</u>	<u>11,580</u>
Total assets and deferred outflows of resources	<u>\$ 426,466</u>	<u>\$ 41,875</u>	<u>\$ 131,930</u>
LIABILITIES			
Noncurrent liabilities			
Long-term debt	\$ 681,723	\$ 35,928	\$ 120,185
Fair value of derivative instruments	28,028	-	-
Notes payable and other liabilities	-	-	2,477
Advances from participants	-	-	-
Total noncurrent liabilities	<u>709,751</u>	<u>35,928</u>	<u>122,662</u>
Current liabilities			
Debt due within one year	50,885	5,215	17,385
Notes payable and other liabilities due within one year	-	-	-
Advances from participants due within one year	-	-	-
Accrued interest	14,391	814	2,954
Accounts payable and accruals	6,035	102	363
Accrued property tax	-	-	-
Due to other projects	-	-	-
Total current liabilities	<u>71,311</u>	<u>6,131</u>	<u>20,702</u>
Total liabilities	<u>781,062</u>	<u>42,059</u>	<u>143,364</u>
NET POSITION			
Net investment in capital assets	(412,196)	(6,105)	(37,241)
Restricted	87,683	5,556	24,970
Unrestricted	(30,083)	365	837
Total net position	<u>(354,596)</u>	<u>(184)</u>	<u>(11,434)</u>
Total liabilities and net position	<u>\$ 426,466</u>	<u>\$ 41,875</u>	<u>\$ 131,930</u>

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	<u>44,751</u>	<u>81,897</u>	<u>246,035</u>
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	<u>11,479</u>	<u>13,065</u>	<u>17,325</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	-	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	9,882
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>9,882</u>
Total assets and deferred outflows of resources	<u>\$ 56,230</u>	<u>\$ 94,962</u>	<u>\$ 273,242</u>
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	<u>40,387</u>	<u>61,388</u>	<u>318,269</u>
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	<u>10,983</u>	<u>10,480</u>	<u>7,049</u>
Total liabilities	<u>51,370</u>	<u>71,868</u>	<u>325,318</u>
NET POSITION			
Net investment in capital assets	205	12,419	-
Restricted	4,494	11,034	-
Unrestricted	161	(359)	(52,076)
Total net position	<u>4,860</u>	<u>23,094</u>	<u>(52,076)</u>
Total liabilities and net position	<u>\$ 56,230</u>	<u>\$ 94,962</u>	<u>\$ 273,242</u>

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2014
(AMOUNTS IN THOUSANDS)

	NATURAL GAS		
	Pinedale	Barnett	Prepaid Natural Gas
ASSETS			
Noncurrent assets			
Net utility plant	\$ 48,747	\$ 54,240	\$ -
Investments – restricted	-	27,950	11,579
Investments – unrestricted	-	-	-
Advance to IPA – restricted	-	-	-
Advances for capacity and energy, net – restricted	-	-	-
Fair value of derivative instruments	-	-	-
Prepaid and other assets	126	-	246,424
Total noncurrent assets	48,873	82,190	258,003
Current assets			
Cash and cash equivalents – restricted	10,055	13,988	6,839
Cash and cash equivalents – unrestricted	9,235	2,121	23
Interest receivable	-	43	47
Accounts receivable	1,711	1,562	1,441
Due from other project – restricted	-	-	-
Materials and supplies	-	-	-
Prepaid and other assets	652	-	11,292
Total current assets	21,653	17,714	19,642
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	-	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	8,537
Total deferred outflows of resources	-	-	8,537
Total assets and deferred outflows of resources	\$ 70,526	\$ 99,904	\$ 286,182
LIABILITIES			
Noncurrent liabilities			
Long-term debt	\$ 24,763	\$ 58,162	\$ 312,724
Fair value of derivative instruments	-	-	8,537
Notes payable and other liabilities	-	-	-
Advances from participants	19,261	9,146	-
Total noncurrent liabilities	44,024	67,308	321,261
Current liabilities			
Debt due within one year	2,219	5,211	3,875
Notes payable and other liabilities due within one year	-	-	-
Advances from participants due within one year	10,045	1,301	-
Accrued interest	745	1,752	2,659
Accounts payable and accruals	4,853	2,426	2,796
Accrued property tax	3,595	-	-
Due to other projects	-	-	-
Total current liabilities	21,457	10,690	9,330
Total liabilities	65,481	77,998	330,591
NET POSITION			
Net investment in capital assets	341	6,970	-
Restricted	2,206	13,679	-
Unrestricted	2,498	1,257	(44,409)
Total net position	5,045	21,906	(44,409)
Total liabilities and net position	\$ 70,526	\$ 99,904	\$ 286,182

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

	POWER PURCHASE AGREEMENTS						
	Ormat	MWD Small	Pebble	Ameresco	Don A. Campbell Wild	Copper	Columbia
	Geothermal Energy	Hydro	Springs	Chiquita Landfill Gas	Rose Geothermal	Mountain Solar 3	Solar 2
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

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2014
(AMOUNTS IN THOUSANDS)

	POWER PURCHASE AGREEMENTS					
	Ormat Geothermal Energy	MWD Small Hydro	Pebble Springs	Ameresco Chiquita Landfill Gas	Don A. Campbell Wild Rose Geothermal	Copper Mountain Solar 3
ASSETS						
Noncurrent assets						
Net utility plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments - restricted	-	-	-	-	-	-
Investments - unrestricted	-	-	-	-	-	-
Advance to IPA - restricted	-	-	-	-	-	-
Advances for capacity and energy, net - restricted	-	-	-	-	-	-
Fair value of derivative instruments	-	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-	-
Current assets						
Cash and cash equivalents - restricted	-	-	-	-	-	-
Cash and cash equivalents - unrestricted	2,819	1,221	4,123	2,041	67	1,615
Interest receivable	-	-	-	-	-	-
Accounts receivable	-	170	-	-	915	-
Due from other project - restricted	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Prepaid and other assets	3	6	-	-	-	-
Total current assets	2,822	1,397	4,123	2,041	982	1,615
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	<u>\$ 2,822</u>	<u>\$ 1,397</u>	<u>\$ 4,123</u>	<u>\$ 2,041</u>	<u>\$ 982</u>	<u>\$ 1,615</u>
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	-	-
Accrued interest	-	-	-	-	-	-
Accounts payable and accruals	1,965	897	4,123	1,641	982	1,615
Accrued property tax	-	-	-	-	-	-
Due to other projects	-	-	-	-	-	-
Total current liabilities	2,822	1,397	4,123	2,041	982	1,615
Total liabilities	2,822	1,397	4,123	2,041	982	1,615
NET POSITION						
Net investment in capital assets	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total net position	-	-	-	-	-	-
Total liabilities and net position	<u>\$ 2,822</u>	<u>\$ 1,397</u>	<u>\$ 4,123</u>	<u>\$ 2,041</u>	<u>\$ 982</u>	<u>\$ 1,615</u>

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

	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				
Unamortized loss on pension assets	-	-	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, other and net pension 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				
Unamortized gain on pension investments	-	-	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 inflows or resources and net position	\$ 6,485	\$ 156,587	\$ 4,778	\$ 3,639,709

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2014
(AMOUNTS IN THOUSANDS)

	MISCELLANEOUS				
	Multiple Project Fund	Project Development Fund	Projects' Stabilization Fund	SCPPA Fund	Total Combined
ASSETS					
Noncurrent assets					
Net utility plant	\$ -	\$ -	\$ -	\$ 4,224	\$ 1,574,194
Investments – restricted	-	-	130,967	-	648,532
Investments – unrestricted	-	-	-	-	31,037
Advance to IPA – restricted	-	-	-	-	11,550
Advances for capacity and energy, net – restricted	-	-	-	-	3,688
Fair value of derivative instruments	-	-	-	-	752
Prepaid and other assets	-	-	-	-	968,744
Total noncurrent assets	-	-	130,967	4,224	3,238,497
Current assets					
Cash and cash equivalents – restricted	-	65	20,826	314	205,018
Cash and cash equivalents – unrestricted	-	-	-	-	96,735
Interest receivable	-	-	234	-	3,042
Accounts receivable	-	-	-	-	17,399
Due from other project – restricted	-	-	-	-	-
Materials and supplies	-	-	-	-	24,904
Prepaid and other assets	-	-	-	-	69,603
Total current assets	-	65	21,060	314	416,701
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized loss on refunding	-	-	-	-	79,668
Accumulated decrease in fair value of hedging derivatives	-	-	-	-	15,393
Total deferred outflows of resources	-	-	-	-	95,061
Total assets and deferred outflows of resources	\$ -	\$ 65	\$ 152,027	\$ 4,538	\$ 3,750,259
LIABILITIES					
Noncurrent liabilities					
Long-term debt	\$ -	\$ -	\$ -	\$ -	\$ 3,353,692
Fair value of derivative instruments	-	-	-	-	55,984
Notes payable and other liabilities	-	-	-	-	15,890
Advances from participants	-	-	-	-	30,907
Total noncurrent liabilities	-	-	-	-	3,456,473
Current liabilities					
Debt due within one year	-	-	-	-	158,320
Notes payable and other liabilities due within one year	-	-	-	-	15,275
Advances from participants due within one year	-	65	-	282	50,892
Accrued interest	-	-	-	-	65,396
Accounts payable and accruals	-	-	-	33	96,337
Accrued property tax	-	-	-	-	6,253
Due to other projects	-	-	-	-	-
Total current liabilities	-	65	-	315	392,473
Total liabilities	-	65	-	315	3,848,946
NET POSITION					
Net investment in capital assets	-	-	-	4,223	(608,196)
Restricted	-	-	152,027	-	583,618
Unrestricted	-	-	-	-	(74,109)
Total net position	-	-	152,027	4,223	(98,687)
Total liabilities and net position	\$ -	\$ 65	\$ 152,027	\$ 4,538	\$ 3,750,259

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	<u>76,594</u>	<u>93,185</u>	<u>84,917</u>	<u>19,906</u>	<u>110,397</u>
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	<u>85,382</u>	<u>78,147</u>	<u>73,159</u>	<u>16,712</u>	<u>104,016</u>
Operating income (loss)	<u>(8,788)</u>	<u>15,038</u>	<u>11,758</u>	<u>3,194</u>	<u>6,381</u>
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)	<u>6,345</u>	<u>(541)</u>	<u>(11,375)</u>	<u>(11,473)</u>	<u>(8,928)</u>
Change in net position	<u>(2,443)</u>	<u>14,497</u>	<u>383</u>	<u>(8,279)</u>	<u>(2,547)</u>
Net position – beginning of year	<u>249,835</u>	<u>31,863</u>	<u>(64,073)</u>	<u>(26,162)</u>	<u>(5,309)</u>
Net contributions (distributions) by participants	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position – end of year	<u>\$ 247,392</u>	<u>\$ 46,360</u>	<u>\$ (63,690)</u>	<u>\$ (34,441)</u>	<u>\$ (7,856)</u>

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014
(AMOUNTS IN THOUSANDS)

	GENERATION				
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power
Operating revenues					
Sales of electric energy	\$ 82,369	\$ 77,298	\$ 101,292	\$ 19,456	\$ 25,517
Sales of transmission services	-	-	-	-	-
Sales of natural gas	-	-	-	-	-
Total operating revenues	<u>82,369</u>	<u>77,298</u>	<u>101,292</u>	<u>19,456</u>	<u>25,517</u>
Operating expenses					
Operations and maintenance	41,851	63,443	78,853	6,683	22,390
Depreciation, depletion and amortization	20,695	7,926	11,438	9,582	3,015
Amortization of nuclear fuel	16,031	-	-	-	-
Decommissioning	2,429	3,250	-	-	-
Total operating expenses	<u>81,006</u>	<u>74,619</u>	<u>90,291</u>	<u>16,265</u>	<u>25,405</u>
Operating income (loss)	<u>1,363</u>	<u>2,679</u>	<u>11,001</u>	<u>3,191</u>	<u>112</u>
Non operating revenues (expenses)					
Investment and other income	8,000	6,092	1,155	4,279	13
Derivative gain (loss)	-	-	(1,995)	-	-
Debt expense	(285)	(3,991)	(11,720)	(15,674)	(5,434)
Net non operating revenues (expenses)	<u>7,715</u>	<u>2,101</u>	<u>(12,560)</u>	<u>(11,395)</u>	<u>(5,421)</u>
Change in net position	9,078	4,780	(1,559)	(8,204)	(5,309)
Net position – beginning of year	<u>240,757</u>	<u>27,083</u>	<u>(62,514)</u>	<u>(17,958)</u>	<u>-</u>
Net contributions (distributions) by participants	-	-	-	-	-
Net position – end of year	<u>\$ 249,835</u>	<u>\$ 31,863</u>	<u>\$ (64,073)</u>	<u>\$ (26,162)</u>	<u>\$ (5,309)</u>

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 Project	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)

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014
(AMOUNTS IN THOUSANDS)

	GREEN POWER					
	Hoover Uprating	Tieton Hydropower	Milford I Wind	Milford II Wind	Windy Point Project	Linden Wind Energy
Operating revenues						
Sales of electric energy	\$ 2,535	\$ 4,525	\$ 29,962	\$ 18,423	\$ 78,446	\$ 17,313
Sales of transmission services	-	-	-	-	-	-
Sales of natural gas	-	-	-	-	-	-
Total operating revenues	<u>2,535</u>	<u>4,525</u>	<u>29,962</u>	<u>18,423</u>	<u>78,446</u>	<u>17,313</u>
Operating expenses						
Operations and maintenance	3,350	1,308	22,751	14,264	69,257	7,993
Depreciation, depletion and amortization	-	1,465	-	-	-	5,814
Amortization of nuclear fuel	-	-	-	-	-	-
Decommissioning	-	-	-	-	-	-
Total operating expenses	<u>3,350</u>	<u>2,773</u>	<u>22,751</u>	<u>14,264</u>	<u>69,257</u>	<u>13,807</u>
Operating income (loss)	<u>(815)</u>	<u>1,752</u>	<u>7,211</u>	<u>4,159</u>	<u>9,189</u>	<u>3,506</u>
Non operating revenues (expenses)						
Investment and other income	62	314	471	68	232	865
Derivative gain (loss)	-	-	-	-	-	-
Debt expense	1,122	(2,481)	(9,096)	(5,357)	(16,130)	(5,565)
Net non operating revenues (expenses)	<u>1,184</u>	<u>(2,167)</u>	<u>(8,625)</u>	<u>(5,289)</u>	<u>(15,898)</u>	<u>(4,700)</u>
Change in net position	369	(415)	(1,414)	(1,130)	(6,709)	(1,194)
Net position – beginning of year	<u>1,272</u>	<u>(3,717)</u>	<u>(13,893)</u>	<u>(3,468)</u>	<u>(22,596)</u>	<u>(4,524)</u>
Net contributions (distributions) by participants	-	-	-	-	-	-
Net position – end of year	<u>\$ 1,641</u>	<u>\$ (4,132)</u>	<u>\$ (15,307)</u>	<u>\$ (4,598)</u>	<u>\$ (29,305)</u>	<u>\$ (5,718)</u>

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	<u>105,822</u>	<u>9,819</u>	<u>24,900</u>
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	<u>52,140</u>	<u>4,087</u>	<u>6,368</u>
Operating income (loss)	<u>53,682</u>	<u>5,732</u>	<u>18,532</u>
Non operating revenues (expenses)			
Investment and other income	830	7	24
Derivative gain (loss)	28,028	-	1,477
Debt expense	<u>(46,438)</u>	<u>(2,918)</u>	<u>(8,804)</u>
Net non operating revenues (expenses)	<u>(17,580)</u>	<u>(2,911)</u>	<u>(7,303)</u>
Change in net position	36,102	2,821	11,229
Net position – beginning of year	<u>(354,596)</u>	<u>(184)</u>	<u>(11,434)</u>
Net contributions (distributions) by participants	-	-	-
Net position – end of year	<u>\$ (318,494)</u>	<u>\$ 2,637</u>	<u>\$ (205)</u>

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014
(AMOUNTS IN THOUSANDS)

	TRANSMISSION		
	Southern Transmission System	Mead- Phoenix	Mead- Adelanto
Operating revenues			
Sales of electric energy	\$ -	\$ -	\$ -
Sales of transmission services	117,170	8,257	25,659
Sales of natural gas	-	-	-
Total operating revenues	<u>117,170</u>	<u>8,257</u>	<u>25,659</u>
Operating expenses			
Operations and maintenance	35,269	1,264	2,098
Depreciation, depletion and amortization	22,754	1,524	4,522
Amortization of nuclear fuel	-	-	-
Decommissioning	-	-	-
Total operating expenses	<u>58,023</u>	<u>2,788</u>	<u>6,620</u>
Operating income (loss)	<u>59,147</u>	<u>5,469</u>	<u>19,039</u>
Non operating revenues (expenses)			
Investment and other income	903	3	26
Derivative gain (loss)	2,263	-	127
Debt expense	<u>(48,112)</u>	<u>(3,178)</u>	<u>(9,429)</u>
Net non operating revenues (expenses)	<u>(44,946)</u>	<u>(3,175)</u>	<u>(9,276)</u>
Change in net position	14,201	2,294	9,763
Net position – beginning of year	<u>(368,797)</u>	<u>3,906</u>	<u>(2,760)</u>
Net contributions (distributions) by participants	<u>-</u>	<u>(6,384)</u>	<u>(18,437)</u>
Net position – end of year	<u>\$ (354,596)</u>	<u>\$ (184)</u>	<u>\$ (11,434)</u>

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)

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014
(AMOUNTS IN THOUSANDS)

	NATURAL GAS		
	Pinedale	Barnett	Prepaid Natural Gas
Operating revenues			
Sales of electric energy	\$ -	\$ -	\$ -
Sales of transmission services	-	-	-
Sales of natural gas	9,951	20,116	16,312
Total operating revenues	<u>9,951</u>	<u>20,116</u>	<u>16,312</u>
Operating expenses			
Operations and maintenance	4,018	10,601	11,754
Depreciation, depletion and amortization	5,046	4,070	-
Amortization of nuclear fuel	-	-	-
Decommissioning	-	-	-
Total operating expenses	<u>9,064</u>	<u>14,671</u>	<u>11,754</u>
Operating income (loss)	<u>887</u>	<u>5,445</u>	<u>4,558</u>
Non operating revenues (expenses)			
Investment and other income	5	591	4,092
Derivative gain (loss)	-	-	-
Debt expense	<u>(1,490)</u>	<u>(3,503)</u>	<u>(16,406)</u>
Net non operating revenues (expenses)	<u>(1,485)</u>	<u>(2,912)</u>	<u>(12,314)</u>
Change in net position	(598)	2,533	(7,756)
Net position – beginning of year	<u>5,643</u>	<u>19,373</u>	<u>(36,653)</u>
Net contributions (distributions) by participants	<u>-</u>	<u>-</u>	<u>-</u>
Net position – end of year	<u>\$ 5,045</u>	<u>\$ 21,906</u>	<u>\$ (44,409)</u>

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	Ameresco Chiquita Landfill Gas	Don A. Campbell Wild Rose Geothermal	Copper Mountain Solar 3	Columbia Solar 2
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, 2014
(AMOUNTS IN THOUSANDS)

	POWER PURCHASE AGREEMENTS					
	Ormat Geothermal	MWD Small Hydro	Pebble Springs	Ameresco Chiquita Landfill Gas	Don A. Campbell Wild Rose Geothermal	Copper Mountain Solar 3
Operating revenues						
Sales of electric energy	\$ 7,768	\$ 3,009	\$ 23,222	\$ 2,954	\$ 9,350	\$ 1,423
Sales of transmission services	-	-	-	-	-	-
Sales of natural gas	-	-	-	-	-	-
Total operating revenues	<u>7,768</u>	<u>3,009</u>	<u>23,222</u>	<u>2,954</u>	<u>9,350</u>	<u>1,423</u>
Operating expenses						
Operations and maintenance	7,774	3,011	23,227	2,954	9,350	1,423
Depreciation, depletion and amortization	-	-	-	-	-	-
Amortization of nuclear fuel	-	-	-	-	-	-
Decommissioning	-	-	-	-	-	-
Total operating expenses	<u>7,774</u>	<u>3,011</u>	<u>23,227</u>	<u>2,954</u>	<u>9,350</u>	<u>1,423</u>
Operating income (loss)	<u>(6)</u>	<u>(2)</u>	<u>(5)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non operating revenues (expenses)						
Investment and other income	6	2	5	-	-	-
Derivative gain (loss)	-	-	-	-	-	-
Debt expense	-	-	-	-	-	-
Net non operating revenues (expenses)	<u>6</u>	<u>2</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	-	-	-	-	-	-
Net position – beginning of year	-	-	-	-	-	-
Net contributions (distributions) by participants	-	-	-	-	-	-
Net position – end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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			Total Combined
	Project Development Fund	Projects' Stabilization Fund	SCPPA Fund	
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)

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014
(AMOUNTS IN THOUSANDS)

	MISCELLANEOUS				Total Combined
	Multiple Project Fund	Project Development Fund	Projects' Stabilization Fund	SCPPA Fund	
Operating revenues					
Sales of electric energy	\$ -	\$ -	\$ -	\$ -	\$ 504,862
Sales of transmission services	-	-	-	-	151,086
Sales of natural gas	-	-	-	-	46,379
Total operating revenues	-	-	-	-	702,327
Operating expenses					
Operations and maintenance	-	-	-	130	445,016
Depreciation, depletion and amortization	-	-	-	113	97,964
Amortization of nuclear fuel	-	-	-	-	16,031
Decommissioning	-	-	-	-	5,679
Total operating expenses	-	-	-	243	564,690
Operating income (loss)	-	-	-	(243)	137,637
Non operating revenues (expenses)					
Investment and other income	-	-	2,752	130	30,066
Derivative gain (loss)	-	-	-	-	395
Debt expense	-	-	-	-	(156,729)
Net non operating revenues (expenses)	-	-	2,752	130	(126,268)
Change in net position	-	-	2,752	(113)	11,369
Net position – beginning of year	-	-	127,583	4,264	(106,999)
Cumulative effect of change in pension	-	-	-	-	-
Net position – beginning of year	-	-	127,583	4,264	(106,999)
Net contributions (distributions) by participants	-	-	21,692	72	(3,057)
Net position – end of year	\$ -	\$ -	\$ 152,027	\$ 4,223	\$ (98,687)

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

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014
(AMOUNTS IN THOUSANDS)

	GENERATION				
	Palo Verde	San Juan	Magnolia Power	Canyon Power	Apex Power
Cash flows from operating activities					
Receipts from participants	\$ 75,291	\$ 86,764	\$ 54,969	\$ 16,033	\$ 27,836
Receipts from sale of oil and gas	-	-	-	-	-
Payments to operating managers	(39,630)	(58,591)	(25,900)	(2,416)	(6,252)
Other disbursements and receipts	7,633	-	-	-	173
Net cash flows from operating activities	<u>43,294</u>	<u>28,173</u>	<u>29,069</u>	<u>13,617</u>	<u>21,757</u>
Cash flows from noncapital financing activities					
Advances (withdrawals) by participants, net	-	-	-	-	-
Cash flows from capital financing activities					
Additions to plant and prepaid projects, net	(28,446)	(1,681)	(920)	(7,032)	(296,120)
Debt interest and swap payments	(275)	(5,093)	(12,100)	(14,893)	-
Proceeds from sale of bonds	-	-	-	-	333,872
Payment for defeasance of revenue bonds	-	-	-	-	-
Transfer of funds from (to) escrow	-	-	-	-	-
Transfer of funds from (to) Mine Reclamation Trust Fund	-	(489)	-	-	-
Transfer of funds from (to) other projects	-	-	-	-	-
Principal payments on debt	(10,980)	(27,250)	(15,605)	-	-
Payment for bond issue costs	-	-	-	-	(2,293)
Net cash used for capital and related financing activities	<u>(39,701)</u>	<u>(34,513)</u>	<u>(28,625)</u>	<u>(21,925)</u>	<u>35,459</u>
Cash flows from investing activities					
Interest received on investments	255	799	660	290	5
Purchases of investments	(22,921)	(32,898)	(41,566)	(15,967)	(23,485)
Proceeds from sale/maturity of investments	12,030	43,434	39,160	23,875	-
Net cash provided by (used for) investing activities	<u>(10,636)</u>	<u>11,335</u>	<u>(1,746)</u>	<u>8,198</u>	<u>(23,480)</u>
Net increase (decrease) in cash and cash equivalents	(7,043)	4,995	(1,302)	(110)	33,736
Cash and cash equivalents, beginning of year	24,335	17,333	35,047	9,383	-
Cash and cash equivalents, end of year	<u>\$ 17,292</u>	<u>\$ 22,328</u>	<u>\$ 33,745</u>	<u>\$ 9,273</u>	<u>\$ 33,736</u>
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ 1,363	\$ 2,679	\$ 11,001	\$ 3,191	\$ 112
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation, depletion and amortization	20,695	7,926	11,438	9,582	3,214
Decommissioning	2,429	3,250	-	-	-
Advances for capacity and energy	-	-	-	-	-
Amortization of nuclear fuel	16,031	-	-	-	-
Changes in assets and liabilities					
Accounts receivable	(139)	50	(1,025)	1,010	-
Accounts payable and accruals	3,125	9,586	4,059	(193)	18,712
Other	(210)	4,682	3,596	27	(281)
Net cash provided by operating activities	<u>\$ 43,294</u>	<u>\$ 28,173</u>	<u>\$ 29,069</u>	<u>\$ 13,617</u>	<u>\$ 21,757</u>
Cash and cash equivalents as stated in the Combined Statements of Net Position					
Cash and cash equivalents - restricted	\$ 9,869	\$ 8,596	\$ 27,618	\$ 7,576	\$ 16,306
Cash and cash equivalents - unrestricted	7,423	13,732	6,127	1,697	17,430
	<u>\$ 17,292</u>	<u>\$ 22,328</u>	<u>\$ 33,745</u>	<u>\$ 9,273</u>	<u>\$ 33,736</u>

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

	GREEN POWER					
	Hoover Upgrading	Tieton Hydropower	Milford I Wind	Milford II Wind	Windy Point Project	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	<u>2,231</u>	<u>3,103</u>	<u>14,266</u>	<u>12,101</u>	<u>42,238</u>	<u>8,867</u>
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	<u>(2,203)</u>	<u>(3,347)</u>	<u>(18,686)</u>	<u>(12,733)</u>	<u>(40,616)</u>	<u>(8,887)</u>
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	<u>(115)</u>	<u>569</u>	<u>3,021</u>	<u>930</u>	<u>(1,299)</u>	<u>925</u>
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	<u>\$ 881</u>	<u>\$ 3,133</u>	<u>\$ 13,799</u>	<u>\$ 11,602</u>	<u>\$ 25,205</u>	<u>\$ 8,211</u>
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	<u>\$ 2,231</u>	<u>\$ 3,103</u>	<u>\$ 14,266</u>	<u>\$ 12,101</u>	<u>\$ 42,238</u>	<u>\$ 8,867</u>
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
	<u>\$ 881</u>	<u>\$ 3,133</u>	<u>\$ 13,799</u>	<u>\$ 11,602</u>	<u>\$ 25,205</u>	<u>\$ 8,211</u>

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014
(AMOUNTS IN THOUSANDS)

	GREEN POWER					
	Hoover Uprating	Tieton Hydropower	Milford I Wind	Milford II Wind	Windy Point Project	Linden Wind Energy
Cash flows from operating activities						
Receipts from participants	\$ 2,583	\$ 4,459	\$ 30,544	\$ 16,508	\$ 79,488	\$ 17,292
Receipts from sale of oil and gas	-	-	-	-	-	-
Payments to operating managers	(308)	(1,177)	(12,133)	(5,647)	(38,077)	(9,836)
Other disbursements and receipts	-	155	643	-	-	-
Net cash flows from operating activities	<u>2,275</u>	<u>3,437</u>	<u>19,054</u>	<u>10,861</u>	<u>41,411</u>	<u>7,456</u>
Cash flows from noncapital financing activities						
Advances (withdrawals) by participants, net	-	-	-	-	-	-
Cash flows from capital financing activities						
Additions to plant and prepaid projects, net	-	(81)	-	-	-	-
Debt interest and swap payments	(455)	(2,556)	(10,581)	(7,696)	(22,850)	(6,277)
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	(1,755)	(790)	(8,135)	(5,065)	(17,850)	(3,425)
Payment for bond issue costs	-	-	-	-	-	-
Net cash used for capital and related financing activities	<u>(2,210)</u>	<u>(3,427)</u>	<u>(18,716)</u>	<u>(12,761)</u>	<u>(40,700)</u>	<u>(9,702)</u>
Cash flows from investing activities						
Interest received on investments	22	69	320	54	208	29
Purchases of investments	(1,860)	(500)	(19,842)	(9,696)	(30,279)	(6,232)
Proceeds from sale/maturity of investments	1,860	500	22,343	16,100	36,873	10,485
Net cash provided by (used for) investing activities	<u>22</u>	<u>69</u>	<u>2,821</u>	<u>6,458</u>	<u>6,802</u>	<u>4,282</u>
Net increase (decrease) in cash and cash equivalents	87	79	3,159	4,558	7,513	2,036
Cash and cash equivalents, beginning of year	881	2,729	12,039	6,746	17,369	5,270
Cash and cash equivalents, end of year	<u>\$ 968</u>	<u>\$ 2,808</u>	<u>\$ 15,198</u>	<u>\$ 11,304</u>	<u>\$ 24,882</u>	<u>\$ 7,306</u>
Reconciliation of operating income (loss) to net cash provided by operating activities						
Operating income (loss)	\$ (815)	\$ 1,752	\$ 7,211	\$ 4,159	\$ 9,189	\$ 3,506
Adjustments to reconcile operating income (loss) to net cash provided by operating activities						
Depreciation, depletion and amortization	-	1,465	11,338	8,643	31,635	5,814
Decommissioning	-	-	-	-	-	-
Advances for capacity and energy	3,031	-	-	-	-	-
Amortization of nuclear fuel	-	-	-	-	-	-
Changes in assets and liabilities						
Accounts receivable	38	-	-	-	-	-
Accounts payable and accruals	21	-	502	(1,941)	587	(1,864)
Other	-	220	3	-	-	-
Net cash provided by operating activities	<u>\$ 2,275</u>	<u>\$ 3,437</u>	<u>\$ 19,054</u>	<u>\$ 10,861</u>	<u>\$ 41,411</u>	<u>\$ 7,456</u>
Cash and cash equivalents as stated in the Combined Statements of Net Position						
Cash and cash equivalents - restricted	\$ 181	\$ 2,124	\$ 6,475	\$ 5,372	\$ 17,307	\$ 4,772
Cash and cash equivalents - unrestricted	787	684	8,723	5,932	7,575	2,534
	<u>\$ 968</u>	<u>\$ 2,808</u>	<u>\$ 15,198</u>	<u>\$ 11,304</u>	<u>\$ 24,882</u>	<u>\$ 7,306</u>

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
	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	<u>82,772</u>	<u>7,701</u>	<u>23,142</u>
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)	-	-
Payment for bond issue costs	(1,237)	(5,215)	(17,385)
Net cash used for capital and related financing activities	<u>(88,099)</u>	<u>(6,850)</u>	<u>(22,914)</u>
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	<u>18,045</u>	<u>(596)</u>	<u>3,524</u>
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	<u>\$ 45,449</u>	<u>\$ 4,677</u>	<u>\$ 14,160</u>
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	<u>\$ 82,772</u>	<u>\$ 7,701</u>	<u>\$ 23,142</u>
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
	<u>\$ 45,449</u>	<u>\$ 4,677</u>	<u>\$ 14,160</u>

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014
(AMOUNTS IN THOUSANDS)

	TRANSMISSION		
	Southern		
	Transmission System	Mead- Phoenix	Mead- Adelanto
Cash flows from operating activities			
Receipts from participants	\$ 112,691	\$ 8,524	\$ 25,736
Receipts from sale of oil and gas	-	-	-
Payments to operating managers	(35,406)	(1,511)	(2,392)
Other disbursements and receipts	-	-	-
Net cash flows from operating activities	<u>77,285</u>	<u>7,013</u>	<u>23,344</u>
Cash flows from noncapital financing activities			
Advances (withdrawals) by participants, net	-	-	-
Cash flows from capital financing activities			
Additions to plant and prepaid projects, net	(91)	(53)	-
Debt interest and swap payments	(32,721)	(1,816)	(6,427)
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	-	350	1,200
Principal payments on debt	(49,130)	(6,505)	(17,820)
Payment for bond issue costs	(215)	-	-
Net cash used for capital and related financing activities	<u>(82,157)</u>	<u>(8,024)</u>	<u>(23,047)</u>
Cash flows from investing activities			
Interest received on investments	756	206	841
Purchases of investments	(82,225)	(2,300)	(27,783)
Proceeds from sale/maturity of investments	82,685	5,868	32,587
Net cash provided by (used for) investing activities	<u>1,216</u>	<u>3,774</u>	<u>5,645</u>
Net increase (decrease) in cash and cash equivalents	(3,656)	2,763	5,942
Cash and cash equivalents, beginning of year	36,387	1,659	4,466
Cash and cash equivalents, end of year	<u>\$ 32,731</u>	<u>\$ 4,422</u>	<u>\$ 10,408</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 59,147	\$ 5,469	\$ 19,039
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation, depletion and amortization	22,754	1,524	4,522
Decommissioning	-	-	-
Advances for capacity and energy	-	-	-
Amortization of nuclear fuel	-	-	-
Changes in assets and liabilities			
Accounts receivable	(3,835)	39	31
Accounts payable and accruals	(781)	13	38
Other	-	(32)	(286)
Net cash provided by operating activities	<u>\$ 77,285</u>	<u>\$ 7,013</u>	<u>\$ 23,344</u>
Cash and cash equivalents as stated in the Combined Statements of Net Position			
Cash and cash equivalents – restricted	\$ 32,585	\$ 4,100	\$ 10,050
Cash and cash equivalents – unrestricted	146	322	358
	<u>\$ 32,731</u>	<u>\$ 4,422</u>	<u>\$ 10,408</u>

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

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014
(AMOUNTS IN THOUSANDS)

	NATURAL GAS		
	Pinedale	Barnett	Prepaid Natural Gas
Cash flows from operating activities			
Receipts from participants	\$ 5,015	\$ 10,196	\$ 8,614
Receipts from sale of oil and gas	3,247	5,905	-
Payments to operating managers	(3,912)	(6,448)	(1,632)
Other disbursements and receipts	(7)	-	13,430
Net cash flows from operating activities	<u>4,343</u>	<u>9,653</u>	<u>20,412</u>
Cash flows from noncapital financing activities			
Advances (withdrawals) by participants, net	<u>3,236</u>	<u>399</u>	<u>-</u>
Cash flows from capital financing activities			
Additions to plant and prepaid projects, net	(586)	(536)	-
Debt interest and swap payments	(1,538)	(3,619)	(16,056)
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	(2,253)	(5,302)	(4,065)
Payment for bond issue costs	-	-	-
Net cash used for capital and related financing activities	<u>(4,377)</u>	<u>(9,457)</u>	<u>(20,121)</u>
Cash flows from investing activities			
Interest received on investments	5	251	691
Purchases of investments	(1,200)	(17,000)	(27,435)
Proceeds from sale/maturity of investments	1,800	23,800	27,365
Net cash provided by (used for) investing activities	<u>605</u>	<u>7,051</u>	<u>621</u>
Net increase (decrease) in cash and cash equivalents	3,807	7,646	912
Cash and cash equivalents, beginning of year	<u>15,483</u>	<u>8,463</u>	<u>5,950</u>
Cash and cash equivalents, end of year	<u>\$ 19,290</u>	<u>\$ 16,109</u>	<u>\$ 6,862</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 887	\$ 5,445	\$ 4,558
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation, depletion and amortization	5,046	4,070	-
Decommissioning	-	-	-
Advances for capacity and energy	-	-	-
Amortization of nuclear fuel	-	-	-
Changes in assets and liabilities			
Accounts receivable	52	(182)	28
Accounts payable and accruals	528	404	1,109
Other	(2,170)	(84)	14,717
Net cash provided by operating activities	<u>\$ 4,343</u>	<u>\$ 9,653</u>	<u>\$ 20,412</u>
Cash and cash equivalents as stated in the Combined Statements of Net Position			
Cash and cash equivalents – restricted	\$ 10,055	\$ 13,988	\$ 6,839
Cash and cash equivalents – unrestricted	9,235	2,121	23
	<u>\$ 19,290</u>	<u>\$ 16,109</u>	<u>\$ 6,862</u>

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	Ameresco Chiquita Landfill Gas	Don A. Campbell Wild Rose Geothermal	Copper Mountain Solar 3	Columbia Solar 2
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, 2014
(AMOUNTS IN THOUSANDS)

	POWER PURCHASE AGREEMENTS					
	Ormat Geothermal Energy	MWD Small Hydro	Pebble Springs	Ameresco Chiquita Landfill Gas	Don A. Campbell Wild Rose Geothermal	Copper Mountain Solar 3
Cash flows from operating activities						
Receipts from participants	\$ 4,823	\$ 2,094	\$ 19,843	\$ 2,446	\$ 8,435	\$ 1,618
Receipts from sale of oil and gas	-	-	-	-	-	-
Payments to operating managers	(7,395)	(2,868)	(23,438)	(2,689)	(8,368)	(3)
Other disbursements and receipts	-	-	-	-	-	-
Net cash flows from operating activities	<u>(2,572)</u>	<u>(774)</u>	<u>(3,595)</u>	<u>(243)</u>	<u>67</u>	<u>1,615</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities						
Interest received on investments	5	2	5	-	-	-
Purchases of investments	-	-	-	-	-	-
Proceeds from sale/maturity of investments	-	-	-	-	-	-
Net cash provided by (used for) investing activities	<u>5</u>	<u>2</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>(2,567)</u>	<u>(772)</u>	<u>(3,590)</u>	<u>(243)</u>	<u>67</u>	<u>1,615</u>
Cash and cash equivalents, beginning of year	<u>5,386</u>	<u>1,993</u>	<u>7,713</u>	<u>2,284</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ 2,819</u>	<u>\$ 1,221</u>	<u>\$ 4,123</u>	<u>\$ 2,041</u>	<u>\$ 67</u>	<u>\$ 1,615</u>
Reconciliation of operating income (loss) to net cash provided by operating activities						
Operating income (loss)	\$ (6)	\$ (2)	\$ (5)	\$ -	\$ -	\$ -
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	-	(170)	-	188	(915)	-
Accounts payable and accruals	(2,572)	(610)	(3,590)	(436)	982	1,615
Other	6	8	-	5	-	-
Net cash provided by operating activities	<u>\$ (2,572)</u>	<u>\$ (774)</u>	<u>\$ (3,595)</u>	<u>\$ (243)</u>	<u>\$ 67</u>	<u>\$ 1,615</u>
Cash and cash equivalents as stated in the Combined Statements of Net Position						
Cash and cash equivalents – restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents – unrestricted	<u>2,819</u>	<u>1,221</u>	<u>4,123</u>	<u>2,041</u>	<u>67</u>	<u>1,615</u>
	<u>\$ 2,819</u>	<u>\$ 1,221</u>	<u>\$ 4,123</u>	<u>\$ 2,041</u>	<u>\$ 67</u>	<u>\$ 1,615</u>

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

	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	<u>\$ 6,485</u>	<u>\$ 10,019</u>	<u>\$ 165</u>	<u>\$ 337,374</u>
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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (144)</u>	<u>\$ 384,317</u>
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
	<u>\$ 6,485</u>	<u>\$ 10,019</u>	<u>\$ 165</u>	<u>\$ 337,374</u>

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014
(AMOUNTS IN THOUSANDS)

	MISCELLANEOUS				Total Combined
	Multiple Project Fund	Project Development Fund	Projects' Stabilization Fund	SCPPA Fund	
Cash flows from operating activities					
Receipts from participants	\$ -	\$ -	\$ -	\$ -	\$ 621,802
Receipts from sale of oil and gas	-	-	-	-	9,152
Payments to operating managers	-	-	-	-	(296,029)
Other disbursements and receipts	-	-	-	(130)	21,897
Net cash flows from operating activities	-	-	-	(130)	356,822
Cash flows from noncapital financing activities					
Advances (withdrawals) by participants, net	-	(89)	21,692	470	25,708
Cash flows from capital financing activities					
Additions to plant and prepaid projects, net	-	-	-	(72)	(335,618)
Debt interest and swap payments	(466)	-	-	-	(145,419)
Proceeds from sale of bonds	-	-	-	-	333,872
Payment for defeasance of revenue bonds	-	-	-	-	-
Transfer of funds from (to) escrow	-	-	-	-	-
Transfer of funds from (to) Mine Reclamation Trust Fund	-	-	-	-	(489)
Transfer of funds from (to) other projects	(26,372)	-	-	-	(24,822)
Principal payments on debt	(13,800)	-	-	-	(189,730)
Payment for bond issue costs	-	-	-	-	(2,508)
Net cash used for capital and related financing activities	(40,638)	-	-	(72)	(364,714)
Cash flows from investing activities					
Interest received on investments	1,441	-	1,218	-	8,132
Purchases of investments	-	-	(73,197)	-	(436,386)
Proceeds from sale/maturity of investments	39,197	-	61,300	-	481,262
Net cash provided by (used for) investing activities	40,638	-	(10,679)	-	53,008
Net increase (decrease) in cash and cash equivalents	-	(89)	11,013	268	70,824
Cash and cash equivalents, beginning of year	-	154	9,813	46	230,929
Cash and cash equivalents, end of year	\$ -	\$ 65	\$ 20,826	\$ 314	\$ 301,753
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ -	\$ -	\$ -	\$ (243)	\$ 137,637
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation, depletion and amortization	-	-	-	113	149,779
Decommissioning	-	-	-	-	5,679
Advances for capacity and energy	-	-	-	-	3,031
Amortization of nuclear fuel	-	-	-	-	16,031
Changes in assets and liabilities					
Accounts receivable	-	-	-	-	(4,830)
Accounts payable and accruals	-	-	-	-	29,294
Other	-	-	-	-	20,201
Net cash provided by operating activities	\$ -	\$ -	\$ -	\$ (130)	\$ 356,822
Cash and cash equivalents as stated in the Combined Statements of Net Position					
Cash and cash equivalents – restricted	\$ -	\$ 65	\$ 20,826	\$ 314	\$ 205,018
Cash and cash equivalents – unrestricted	-	-	-	-	96,735
	\$ -	\$ 65	\$ 20,826	\$ 314	\$ 301,753

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1 – Organization and Purpose (continued)

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 the contract term was renewed in February 2013 and will continue for three additional 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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

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 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 expires 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 two Service Agreements for Long-Term Point-to-Point Transmission Service, dated April 22, 2008 (together the “TSA”), with a point of delivery at the Mead 240 kV Substation. The term of these two agreements extends to July 30, 2023. The Authority expects to extend the term or renew these agreements prior to their expiration date or to provide for alternative transmission service from the Facility to the Mead 230 kV Substation. The Seller’s obligations, under the Asset Purchase Agreement, is secured by a letter of credit in the amount of \$10,000,000 which expires 18 months after the acquisition date of the Facility by the Authority and by a guaranty provided by a limited liability company for a period of 5 years following the acquisition.
- **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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

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 Project Manager, will administer, supervise, monitor and enforce the O&M Agreement and the LTSA in accordance with the Agency Agreement.

GREEN POWER

Hoover Upgrading 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 Upgrading capacity and associated firm energy to the Authority in return for the Authority’s agreement to provide for the advancement of funds for the upgrading 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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1 – Organization and Purpose (continued)

- **Contractor Service Agreement** – SCPPA entered into an agreement with Emanuel Services (Contractor) on January 1, 2013 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 term of the contract is for one year and was extended to June 30, 2014. On July 1, 2014 a new contract went into effect with Energy Northwest for a term of one year and it 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 until Glendale exercises its option to repurchase its share. 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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

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, 2015.
- **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, 2015.
- **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, 2015.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1 – Organization and Purpose (continued)

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. 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 – 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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1 – Organization and Purpose (continued)

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. SCPPA pays the operator for SCPPA’s share of both operating and drilling/capital expenses on a monthly basis.
- **Gathering and processing agreements** – SCPPA’s purchase of Pinedale included underlying agreements with Jonah Gas Gathering Company, Questar Gas Management Company, and Western Gas Resources, Inc. for gathering and processing of the natural gas.

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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1 – Organization and Purpose (continued)

- 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 6).
- 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)		Participant Percentage (%)
	Revised Volumes	Original Volumes	
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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1 – Organization and Purpose (continued)

Participant ownership interests – The Authority’s participants may elect to participate in the projects. As of June 30, 2015, the members have the following participation percentages in the Authority’s operating projects:

Participants	GENERATION					TRANSMISSION		
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Apex Power Project	Southern Trans-mission System	Mead-Phoenix Project	Mead-Adelanto Project
City of Los Angeles	67.0%	-	-	-	100.0%	59.5%	24.8%	35.7%
City of Anaheim	-	-	38.0%	100%	-	17.6%	24.2%	13.5%
City of Riverside	5.4%	-	-	-	-	10.2%	4.0%	13.5%
Imperial Irrigation District	6.5%	51.0%	-	-	-	-	-	-
City of Vernon	4.9%	-	-	-	-	-	-	-
City of Azusa	1.0%	14.7%	-	-	-	-	1.0%	2.2%
City of Banning	1.0%	9.8%	-	-	-	-	1.0%	1.3%
City of Colton	1.0%	14.7%	4.2%	-	-	-	1.0%	2.6%
City of Burbank	4.4%	-	31.0%	-	-	4.5%	15.4%	11.5%
City of Glendale	4.4%	9.8%	16.5%	-	-	2.3%	14.8%	11.1%
City of Cerritos	-	-	4.2%	-	-	-	-	-
City of Pasadena	4.4%	-	6.1%	-	-	5.9%	13.8%	8.6%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Participants	GREEN POWER					NATURAL GAS			
	Hoover Uprating Project	Tieton Hydro-power	Milford I Wind	Milford II Wind	Linden Wind Energy	Windy Point Project	Pinedale Project	Barnett Project	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%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

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 Project	2033
Copper Mountain Solar 3 Project	2040
Columbia Solar 2 Project	2033

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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1 – Organization and Purpose (continued)

Copper Mountain Solar 3 Project – On August 31, 2012, SCPPA entered into a power purchase agreement with Copper Mountain Solar 3, LLC to purchase certain renewable energy and associated environmental attributes. The Project’s capacity is 250 MW.

Columbia Solar 2 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 Solar 2 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, when fully developed, is contemplated to entail 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.

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.

Participant Ownership Interests

Participants	Power Purchase Agreements						
	Ormat Geothermal Energy Project	Pebble Springs Wind Project	MWD Small Hydro Project	Ameresco Chiquita Landfill Gas Project	Campbell Wild Rose Geothermal Project	Copper Mountain Solar 3 Project	Columbia Solar 2 Project
Capacity	17.00 MW	98.70 MW	17.04 MW	10.00 MW	16.00 MW	250.00 MW	15.00 MW
City of Los Angeles	-	69.6%	-	-	84.6%	84.0%	-
City of Anaheim	60.0%	-	56.4%	-	-	-	-
City of Riverside	-	-	-	-	-	-	74.3%
City of Azusa	-	-	21.8%	-	-	-	8.6%
City of Banning	10.0%	-	-	-	-	-	-
City of Colton	-	-	21.8%	-	-	-	-
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%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Contract expires	2031	2025	2023	2030	2033	2040	2033

MISCELLANEOUS FUNDS

Multiple Project Fund – During fiscal year 1990, the Authority issued Multiple Project Revenue Bonds for net proceeds of approximately \$600 million to provide funds to finance costs of construction and acquisition of ownership interests or capacity rights in one or more, then unspecified, projects for the generation or transmission of electric energy.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1 – Organization and Purpose (continued)

Certain amounts of these funds were used to finance the Authority's interests in Mead-Phoenix and Mead-Adelanto. Final maturity of the 1989 Multiple Project Bonds occurred on July 1, 2013 leaving a Surplus Amount of approximately \$6.4 million and \$18.4 million available to the SCPPA Mead-Phoenix (MP) and Mead-Adelanto (MA) project participants, respectively. The Surplus Amount is the result of the savings obtained from the partial refunding within five years of the original issue of the 1989 Multiple Project Bonds by the MP and MA 1994 Series A Project Bonds. The partial refunding triggered a recalculation of the arbitrage yield, resulting in a higher arbitrage yield which reduced the rebate liability of the Authority and resulted in additional savings over the remaining life of the 1989 Multiple Project Bonds. At the time of the refunding, the Authority determined that these Surplus Amounts benefited and should be transferred to the MP and MA Project Participants after final maturity of the 1989 Multiple Project Bonds. The Multiple Project Fund was closed after the transfer was completed during the year ended June 30, 2014.

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. (See Note 3).

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement provides guidance for accounting for net pension liabilities, including definition of balances to be included in deferred inflows and deferred outflows of resources. The specific accounts impacting the Authority are included within the SCPPA Fund and are detailed in Note 10.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

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).

Change in accounting principal – 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 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 10. The Authority has not restated the financial statements as of and for the year ended June 30, 2014 given that the necessary information was not made available by the California Public Employees’ Retirement System pension plans.

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.
- **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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (continued)

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 \$3.35/MMBtu; and the estimated total net revenue volume was 11,598,794 MMBtu and 15,251,000 MMBtu, for fiscal years 2015 and 2014, respectively. The depletion rate for the Natural Gas Barnett Project was \$4.83/MMBtu and \$3.47/MMBtu; and the estimated total net revenue volume was 10,441,378 MMBtu and 15,518,375 MMBtu, for fiscal years ended June 30, 2015 and 2014, 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 11 for information about spent nuclear fuel disposal.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (continued)

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 \$7.6 million and \$2.4 million in fiscal years 2015 and 2014, respectively. The decommissioning liability is included as a component of accumulated depreciation and was \$250.3 million and \$242.7 million at June 30, 2015 and 2014, 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, 2015, decommissioning funds totaled approximately \$171.8 million, including approximately \$0.4 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 \$47.4 million in 2008 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 \$57.5 million and \$55.9 million at June 30, 2015 and 2014, respectively.

As of June 30, 2015, 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. The Authority is providing for its share of the estimated future reclamation costs through annual charges to expense, which initially amounted to \$1.9 million at December 31, 2012. The reclamation liability is included as a component of accumulated reclamation costs and was \$6.2 million at June 30, 2015.

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, 2015, reclamation funds totaled \$2.9 million.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY NOTES TO COMBINED FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (continued)

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 and the Multiple Project Fund 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.

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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (continued)

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 10 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.

Final maturity of the 1989 Multiple Project Bonds occurred on July 1, 2013 leaving a Surplus Amount of approximately \$6.4 million and \$18.4 million available to the SCPA Mead-Phoenix and Mead-Adelanto project participants, respectively, which were received during the year ended June 30, 2014. The Surplus Amount was the result of the cumulative savings from refunding of the 1989 Multiple Project Bonds by the 1994 MA and MP Bonds. The partial refunding within five years of the original issuance triggered a recalculation of the arbitrage yield, reducing the Multiple Project Fund’s rebate liability and resulted in additional savings over the remaining life of the 1989 Multiple Project Bonds. Recorded arbitrage rebate and yield restriction liabilities as of June 30, 2015, were \$118,000 for Mead-Phoenix and \$272,000 for Mead-Adelanto.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY NOTES TO COMBINED FINANCIAL STATEMENTS

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 SCPA'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 \$14.5 million and \$21.2 million as of June 30, 2015 and 2014, respectively.

Transportation costs – As a result of the sales and purchases agreements for natural gas entered into by SCPA, 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, 2015 and 2014, transportation costs were approximately \$179,000 and \$258,000, 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. SCPA values the participants' fuel contribution using monthly average pricing from the Project's OEMI fuel purchases. During the fiscal years ended June 30, 2015 and 2014, the participants' contribution in kind was approximately 10.3 MMBtu and 11.0 MMBtu and was valued at approximately \$37.1 million and \$53.7 million, respectively.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

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.

Note 3 – Utility Plant

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

	June 30, 2015							
	GENERATION					GREEN POWER		
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Apex Power Project	Hoover Upgrading Project	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	<u>\$ 60,006</u>	<u>\$ 64,103</u>	<u>\$ 209,944</u>	<u>\$ 248,624</u>	<u>\$ 279,522</u>	<u>\$ -</u>	<u>\$ 39,752</u>	<u>\$ 118,656</u>
	TRANSMISSION			NATURAL GAS		OTHERS		
	Southern Transmission System Project	Mead- Phoenix Project	Mead- Adelanto Project	Pinedale Project	Barnett Project	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	<u>\$ 239,013</u>	<u>\$ 30,006</u>	<u>\$ 86,741</u>	<u>\$ 44,625</u>	<u>\$ 50,710</u>	<u>\$ 4,260</u>	<u>\$ 1,475,962</u>	

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

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 SCPA office facilities. The building was renovated and put into service during fiscal year 2012. Acquisition and construction costs were financed by contributions from SCPA members. On July 18, 2013, the SCPA Board authorized the installation of Solar Voltaic Equipment and Carports at the SCPA Glendora Office Building. The estimated cost was financed by the SCPA Members in accordance with their ownership interests in the SCPA Building. (See Note 1).

At June 30, 2014 Utility Plant, net consisted of the following (amounts in thousands):

	June 30, 2014							
	GENERATION					GREEN POWER		
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Apex Power Project	Hoover Uprating Project	Tieton Hydro- power	Linden Wind Energy
Utility plant								
Production	\$ 713,228	\$ 258,334	\$ 286,103	\$ 252,426	\$ 288,841	\$ -	\$ 47,799	\$ 123,082
Transmission	16,639	-	15,247	31,853	-	-	-	23,431
General	3,564	6,802	15,495	488	4,956	21	11	-
Natural gas reserves	-	-	-	-	-	-	-	-
	733,431	265,136	316,845	284,767	293,797	21	47,810	146,513
Less accumulated depreciation	730,940	193,570	98,148	26,632	3,015	21	6,686	22,043
	2,491	71,566	218,697	258,135	290,782	-	41,124	124,470
Construction work in progress	28,037	3,895	971	-	-	-	81	-
Nuclear fuel, at amortized cost	42,454	-	-	-	-	-	-	-
Net utility plant	<u>\$ 72,982</u>	<u>\$ 75,461</u>	<u>\$ 219,668</u>	<u>\$ 258,135</u>	<u>\$ 290,782</u>	<u>\$ -</u>	<u>\$ 41,205</u>	<u>\$ 124,470</u>
	TRANSMISSION		NATURAL GAS			OTHERS		
	Southern Transmission System Project	Mead- Phoenix Project	Mead- Adelanto Project	Pinedale Project	Barnett Project	SCPA Fund	Total	
Utility plant								
Production	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,969,813	
Transmission	770,498	54,825	173,101	-	-	-	1,085,594	
General	44,400	2,730	473	4,090	-	4,386	87,416	
Natural gas reserves	-	-	-	73,126	84,117	-	157,243	
	814,898	57,555	173,574	77,216	84,117	4,386	3,300,066	
Less accumulated depreciation	553,131	26,477	82,348	28,538	30,242	234	1,802,025	
	261,767	31,078	91,226	48,678	53,875	4,152	1,498,041	
Construction work in progress	-	209	-	69	365	72	33,699	
Nuclear fuel, at amortized cost	-	-	-	-	-	-	42,454	
Net utility plant	<u>\$ 261,767</u>	<u>\$ 31,287</u>	<u>\$ 91,226</u>	<u>\$ 48,747</u>	<u>\$ 54,240</u>	<u>\$ 4,224</u>	<u>\$ 1,574,194</u>	

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 3 – Utility Plant (continued)

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

	Balance July 1, 2014	Additions	Disposals	Transfers	Balance June 30, 2015
Nondepreciable utility plant					
Land	\$ 49,272	\$ -	\$ -	\$ -	\$ 49,272
Construction work in progress	33,265	16,707	-	(14,866)	35,106
Construction work in progress – gas	434	435	-	(434)	435
Nuclear fuel*	42,454	15,473	(14,313)	-	43,614
Total nondepreciable utility plant	<u>125,425</u>	<u>32,615</u>	<u>(14,313)</u>	<u>(15,300)</u>	<u>128,427</u>
Depreciable utility plant					
Production					
Nuclear generation (Palo Verde Project)	712,314	(566)	(1,875)	13,014	722,887
Coal-fired plant (San Juan Unit 3 Project)	260,002	-	(229)	1,475	261,248
Gas-fired plant	825,699	963	-	-	826,662
Green power	156,419	19	-	-	156,438
Transmission	1,057,199	730	(125)	363	1,058,167
General	79,083	115	(19)	14	79,193
Natural gas reserves	160,078	-	(67)	434	160,445
Total depreciable utility plant	<u>3,250,794</u>	<u>1,261</u>	<u>(2,315)</u>	<u>15,300</u>	<u>3,265,040</u>
Less accumulated depreciation	<u>(1,802,025)</u>	<u>(117,446)</u>	<u>1,966</u>	<u>-</u>	<u>(1,917,505)</u>
Total utility plant, net	<u>\$ 1,574,194</u>	<u>\$ (83,570)</u>	<u>\$ (14,662)</u>	<u>\$ -</u>	<u>\$ 1,475,962</u>

**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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY NOTES TO COMBINED FINANCIAL STATEMENTS

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 Upgrading 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.

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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 4 – Investments (continued)

As of June 30, 2015, the Authority held the following as cash and cash equivalents and investments:

Investment Type	Carrying Value (in thousands)	Weighted Average Maturity (Years)	Percent of Portfolio
U.S. Agency Securities	\$ 451,743	0.80	44.6%
Guaranteed Investment Contracts	37,751	11.16	3.7%
Money Market Funds	297,825	0.08	29.4%
Commercial Paper	121,965	0.13	12.0%
Negotiable CDs	21,500	-	2.1%
Agency Discount Notes	78,925	0.19	7.8%
Bankers Acceptance	3,800	0.01	0.4%
Total	\$ 1,013,509	0.83	100.0%

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

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 4 – Investments (continued)

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

	GENERATION					GREEN POWER						TRANSMISSION		
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Apex Power Project	Hoover Uprating Project	Tieton Hydro-power	Milford I Wind	Milford II Wind	Windy Point Project	Linden Wind Energy	Southern Transmission System Project	Mead-Phoenix Project	Mead-Adelanto Project
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 Geothermal Project	MWD Small Hydro	Pebble Springs	Ameresco Chiquita Landfill Gas	Campbell Wild Rose Geothermal	Copper Mountain Solar 3	Columbia Solar 2	Pinedale Project	Barnett Project	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	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	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

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 4 – Investments (continued)

Investments at June 30, 2014 are as follows (amounts in thousands):

	GENERATION					GREEN POWER						TRANSMISSION		
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Apex Power Project	Hoover Up-rating Project	Tieton Hydro-power	Milford I Wind	Milford II Wind	Windy Point Project	Linden Wind Energy	Southern Transmission System Project	Mead-Phoenix Project	Mead-Adelanto Project
U.S. Agencies	\$ 190,588	\$ 7,902	\$ 43,995	\$ 19,297	\$ 5,477	\$ 2,242	\$ 5,383	\$ 24,019	\$ 3,273	\$ 10,312	\$ 2,274	\$ 9,509	\$ -	\$ -
Agency Discount Notes	9,000	-	7,700	2,000	-	1,300	-	2,600	-	2,500	1,100	8,100	-	-
Negotiable CDs	-	4,500	7,900	-	-	-	-	-	-	-	-	13,000	1,800	3,100
Commercial Paper	2,900	3,498	-	2,000	18,000	-	-	4,600	3,700	10,000	1,300	27,694	500	14,800
GICs	21,248	7,798	3,863	-	-	-	-	-	-	-	-	7,789	-	-
Money Market Funds	18,189	19,843	25,845	9,273	33,736	968	2,808	15,198	11,304	24,882	7,306	32,731	4,422	10,408
Total	\$ 241,925	\$ 43,541	\$ 89,303	\$ 32,570	\$ 57,213	\$ 4,510	\$ 8,191	\$ 46,417	\$ 18,277	\$ 47,694	\$ 11,980	\$ 98,823	\$ 6,722	\$ 28,308
Restricted investments	\$ 194,156	\$ 21,213	\$ 55,558	\$ 23,297	\$ 23,477	\$ 2,982	\$ 5,383	\$ 31,219	\$ 6,973	\$ 22,812	\$ 4,674	\$ 66,092	\$ 2,300	\$ 17,900
Unrestricted investments	30,477	-	-	-	-	560	-	-	-	-	-	-	-	-
Cash and cash equivalents	17,292	22,328	33,745	9,273	33,736	968	2,808	15,198	11,304	24,882	7,306	32,731	4,422	10,408
Total	\$ 241,925	\$ 43,541	\$ 89,303	\$ 32,570	\$ 57,213	\$ 4,510	\$ 8,191	\$ 46,417	\$ 18,277	\$ 47,694	\$ 11,980	\$ 98,823	\$ 6,722	\$ 28,308
	POWER PURCHASE AGREEMENTS					NATURAL GAS				MISCELLANEOUS				
	Ormat Geothermal Project	MWD Small Hydro	Pebble Springs	Ameresco Chiquita Landfill Gas	Campbell Wild Rose Geothermal	Copper Mountain Solar 3	Pinedale Project	Barnett Project	Prepaid Natural Gas	Project Development Fund	Projects' Stabilization Fund	SCPPA Fund	Total	
U.S. Agencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,550	\$ -	\$ -	\$ 106,267	\$ -	\$ 452,088	
Agency Discount Notes	-	-	1,000	-	-	-	-	-	-	-	7,000	-	42,300	
Negotiable CDs	-	-	-	-	-	-	-	1,400	-	-	11,500	-	43,200	
Commercial Paper	-	-	-	-	-	-	-	5,000	-	-	6,200	-	100,192	
GICs	-	-	-	-	-	-	-	-	11,579	-	-	-	52,277	
Money Market Funds	2,819	1,221	3,123	2,041	67	1,615	19,290	16,109	6,862	65	20,826	314	291,265	
Total	\$ 2,819	\$ 1,221	\$ 4,123	\$ 2,041	\$ 67	\$ 1,615	\$ 19,290	\$ 44,059	\$ 18,441	\$ 65	\$ 151,793	\$ 314	\$ 981,322	
Restricted investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,950	\$ 11,579	\$ -	\$ 130,967	\$ -	\$ 648,532	
Unrestricted investments	-	-	-	-	-	-	-	-	-	-	-	-	31,037	
Cash and cash equivalents	2,819	1,221	4,123	2,041	67	1,615	19,290	16,109	6,862	65	20,826	314	301,753	
Total	\$ 2,819	\$ 1,221	\$ 4,123	\$ 2,041	\$ 67	\$ 1,615	\$ 19,290	\$ 44,059	\$ 18,441	\$ 65	\$ 151,793	\$ 314	\$ 981,322	

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY NOTES TO COMBINED FINANCIAL STATEMENTS

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, 2015, 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, 2015 and 2014, 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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

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, 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.

Of the Authority's total investments as of June 30, 2014, \$129 million (13%) was invested in securities issued by the Federal Home Loan Bank; \$235 million (24%) was invested in securities issued by the Federal National Mortgage Association; \$58 million (6%) was invested with Federal Home Loan Mortgage; \$100 million (10%) was invested in Commercial Paper; and \$21 million (2%) 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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY NOTES TO COMBINED FINANCIAL STATEMENTS

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, SCPA 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, 2014, 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 \$15.4 million. During fiscal year ended June 30, 2015, the liability increased by \$7.7 million for an ending liability balance of \$23.1 million. 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 fiscal year ended June 30, 2014 for the ineffective derivative instruments was \$39.8 million, but during fiscal year ended June 30, 2015, the liability decreased by \$28.4 million for an ending liability balance of \$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, 2015, 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	\$ (198)	7/1/2036	A-/A2/A
MAG 2010-2 Swap (RBC)	100,000	5/12/2010	SIFMA	81% of 3-month LIBOR	24	7/1/2036	AA-/Aa3/AA
MAG 2009-1 Swap (BNYMellon)	110,020	5/1/2012	3.125%	SIFMA	(13,248)	7/1/2036	AA-/Aa2/AA
MAG 2009-2 Swap (JPMorgan)	109,905	8/21/2012	3.139%	SIFMA	(13,529)	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%	2,229	9/15/2030	A+/Aa3/AA-
PNG 2007 Swap	36,000	5/1/2009	5.0475%	67% of 3-Month LIBOR plus 1.47%	(9,882)	11/1/2035	A-/A3/A

* S&P/Moody's/Fitch ratings

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 5 – Derivative Instruments (continued)

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

- **MA 2004 Swap (terminated)** – In September 2012, the Mead-Adelanto 2008 Series A and B Bonds were refunded and the MA 2004 Amended Swap terminated. In connection with the issuance of the 2004 Mead-Adelanto Revenue Bonds Series A auction-rate security in May 2004, the Authority entered into an interest rate swap on March 3, 2004. The floating-to-fixed rate swap created synthetic fixed-rate debt for the Authority. The Authority received approximately \$5.9 million in an upfront payment in connection with the execution of the swap, which has been deferred and amortized as an interest yield adjustment over the life of the swap. The MP 2004 bonds were refunded on October 2, 2008 and the related interest rate swap transferred to the MA 2008 Refunding Bonds.
- **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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 5 – Derivative Instruments (continued)

- **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 – Fair values take into consideration the prevailing interest rate environment, the specific terms and conditions of a given transaction, and any upfront payments that were received. All fair values were estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement on the swaps. 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.

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 Securities Industry and Financial Markets Association (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, 2015, 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 and MAG 2009-2 swaps. 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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 5 – Derivative Instruments (continued)

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. 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, 2015:

	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%	0.075%	0.075%	5.048%
Less, variable payments from counterparty	0.075%	0.075%	0.220%	0.222%	1.656%
Net interest-rate swap payments	3.050%	3.064%	-0.145%	-0.147%	3.392%
Add, variable-rate bond coupon payments	0.050%	0.060%	N/A	N/A	1.656%
Synthetic interest rate on bonds	3.100%	3.124%	-0.145%	-0.147%	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. In addition, the Swap/Swaption provides the counterparty with an option to cancel the swap agreement if the consecutive 180-day averaged rate of the SIFMA index exceeds 7.0%. 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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 5 – Derivative Instruments (continued)

Rollover risk – Rollover risk is the risk that the swap contract is not co-terminus with the related bonds. The Authority is exposed to rollover risk on the STS Swap/Swaption because the counterparty has the option to terminate the agreement prior to the maturity of the associated debt. In the event that this swap terminates, the Authority would be exposed to variable interest rates on the underlying bonds.

Swap payments and associated debt – Using rates as of June 30, 2015, 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.

Fiscal Year Ending June 30,	(amounts in thousands)			
	Variable-Rate Bonds		Interest-Rate Swaps, Net	Total
	Principal	Interest		
2016	\$ 725	\$ 138	\$ 7,456	\$ 7,594
2017	750	137	7,434	7,571
2018	785	137	7,410	7,547
2019	815	136	7,385	7,521
2020	850	136	7,359	7,495
2021–2025	25,175	656	35,437	36,093
2026–2030	164,495	509	27,556	28,065
2031–2035	146,790	609	17,622	18,231
2036–2040	149,890	35	1,962	1,997
	<u>\$ 490,275</u>	<u>\$ 2,493</u>	<u>\$ 119,621</u>	<u>\$ 122,114</u>

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 5 – Derivative Instruments (continued)

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

Description	June 30, 2014	Change in Fair Value	June 30, 2015
Assets			
Mead Adelanto – Derivative instruments	\$ 752	\$ 1,477	\$ 2,229
	<u>\$ 752</u>	<u>\$ 1,477</u>	<u>\$ 2,229</u>
Deferred outflows of resources			
Magnolia – Deferred outflows	\$ 6,856	\$ 6,416	\$ 13,272
Prepaid Natural Gas – Deferred outflows	8,537	1,345	9,882
	<u>\$ 15,393</u>	<u>\$ 7,761</u>	<u>\$ 23,154</u>
Liabilities			
Magnolia – Derivative instruments	\$ 19,419	\$ 7,556	\$ 26,975
STS – Derivative instruments	28,028	(28,028)	-
Prepaid Natural Gas – Derivative instruments	8,537	1,345	9,882
	<u>\$ 55,984</u>	<u>\$ (19,127)</u>	<u>\$ 36,857</u>

Note 6 – Long-Term Debt

Long-term debt outstanding at June 30, 2015 consisted of “new money” bonds, refunding bonds, and subordinate refunding bonds due in varying annual amounts through July 1, 2042. 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.

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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 6 – Long-Term Debt (continued)

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 2013 Series A and B Subordinate Refunding Bonds, the 2012 Series A Subordinate Refunding Bonds, the 2011 Series A Subordinate Refunding Bonds, and portions of the 1988A Refunding Bonds, the 1992, the 2008A, and the 2009A Subordinate Refunding Bonds issued for the Southern Transmission System; 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 2010 Series A and B Canyon Power Revenue Bonds; portions of the 2010-1 Milford I 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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 6 – Long-Term Debt (continued)

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

	GENERATION					GREEN POWER						
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Apex Power Project	Hoover Uprating Project	Tieton Hydro-power	Milford I Wind	Milford II Wind	Windy Point Project	Linden Wind Energy	
Total long-term debt at June 30, 2014	\$ 36,130	\$ 60,161	\$ 331,564	\$ 309,045	\$ 333,684	\$ 6,127	\$ 50,836	\$ 214,773	\$ 157,200	\$ 488,305	\$ 132,382	
Total debt due within one year at June 30, 2014	11,330	13,200	10,565	-	-	1,835	815	8,450	5,270	18,535	3,530	
Total debt at June 30, 2014	47,460	73,361	342,129	309,045	333,684	7,962	51,651	223,223	162,470	506,840	135,912	
Principal payments	(11,330)	-	(10,565)	-	-	(1,835)	(815)	(8,450)	(5,270)	(18,535)	(3,530)	
Revenue bonds issued	-	-	-	-	-	-	-	-	-	-	-	
Bonds refunded/defeased	-	(71,880)	-	-	-	-	-	-	-	-	-	
Refunding bonds issued	-	42,935	-	-	-	-	-	-	-	-	-	
Change in unamortized premiums & discounts	-	(1,481)	(1,156)	(1,058)	(747)	(16)	(65)	(1,249)	(2,060)	(5,801)	(959)	
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	
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 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	
	TRANSMISSION				NATURAL GAS							
	Southern Transmission System Project	Mead- Phoenix Project	Mead- Adelanto Project	Pinedale Project	Barnett Project	Prepaid Natural Gas	Total					
Total long-term debt at June 30, 2014	\$ 681,723	\$ 35,928	\$ 120,185	\$ 24,763	\$ 58,162	\$ 312,724	\$ 3,353,692					
Total debt due within one year at June 30, 2014	50,885	5,215	17,385	2,219	5,211	3,875	158,320					
Total debt at June 30, 2014	732,608	41,143	137,570	26,982	63,373	316,599	3,512,012					
Principal payments	(50,885)	(5,215)	(17,385)	(2,219)	(5,211)	(3,875)	(145,120)					
Revenue bonds issued	-	-	-	-	-	-	-					
Bonds refunded/defeased	(227,005)	-	-	-	-	-	(298,885)					
Refunding bonds issued	230,100	-	-	-	-	-	273,035					
Change in unamortized premiums & discounts	35,921	(718)	(2,925)	-	-	(262)	17,424					
Total debt at June 30, 2015	720,739	35,210	117,260	24,763	58,162	312,462	3,358,466					
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 long-term debt at June 30, 2015	\$ 667,654	\$ 29,730	\$ 99,570	\$ 22,489	\$ 52,836	\$ 308,387	\$ 3,176,756					

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 6 – Long-Term Debt (continued)

Palo Verde Project – Debt consists of subordinate refunding series bonds with variable interest rates and final maturities during 2018.

San Juan Project – Debt consists of refunding series bonds with fixed interest rates of 0.79% and final maturities during 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, 2015, debt consists of revenue bonds with fixed interest rates ranging from 4.00% to 5.94% and final maturity occurring in 2040.

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 0.446% and 5.00% and final maturity occurring in 2038.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 6 – Long-Term Debt (continued)

Apex Power Project Revenue Bonds – On March 26, 2014, SCPPA issued \$151,880,000 2014 Series A (Tax-Exempt) and \$166,980,000 2014 Series B (Taxable) Apex Power Project Revenue Bonds, together the “2014 Bonds”. These fixed rate bonds were issued to provide funds to pay the acquisition costs of the Apex Power Project; to pay the costs of certain replacement parts for and capital improvements to the Project; to fund a debt service reserve account; and to pay the costs of issuance relating to the 2014 Bonds.

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

Tieton Hydropower Project – As of June 30, 2015, debt consists of revenue bonds with fixed interest rates between 3.686% and 5.798% and a final maturity occurring in 2040.

Milford I Wind Project – As of June 30, 2015, 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, 2015, debt consists of revenue bonds with fixed interest rates ranging from 2.00% to 5.25% and final maturity occurring in 2031.

Linden Wind Energy Project – As of June 30, 2015, 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 0.20% to 6.125% and final maturities occurring in 2027.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 6 – 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, 2015, 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 1.115% and 5.15% with final maturities occurring in 2020.

Mead Phoenix/Mead Adelanto Refunding Bonds – On September 12, 2012, SCPPA issued Mead-Adelanto and Mead-Phoenix 2012 Series A and B Revenue Bonds (the “2012 Bonds”) in the aggregate principal amount of \$127.8 million, consisting of \$79.4 million Mead-Adelanto 2012 Series A, \$16.6 million Mead-Adelanto 2012 Series B (Taxable), \$24.5 million Mead-Phoenix 2012 Series A, and \$5.3 million Mead-Phoenix 2012 Series B (Taxable). These fixed rate bonds were issued to provide moneys, together with other available funds, to refund the outstanding Mead-Adelanto and Mead Phoenix Revenue Bonds, 2008 Series A and B (the “2008 Bonds”); to terminate the related interest rate swap agreement; and to pay the related cost of issuance of the 2012 Bonds. The transaction generated present value savings of over \$1.97 million or 1.5% of refunded par for SCPPA and its members. This transaction resulted in a net loss for accounting purposes of \$31.4 million. The true interest cost of the 2012 Bonds was 1.39%.

Natural Gas Projects – Debt consists of revenue bonds with fixed interest rates ranging from 4.73% 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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 6 – 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, 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)
Unamortized (Premium) Discount, Net	June 30, 2014 (Premium) Discount
San Juan Project	\$ (1,481)
Magnolia Power Project	(5,034)
Canyon Power Project	(7,575)
Apex Power Project	(14,824)
Hoover Uprating Project	(32)
Tieton Hydropower Project	(1,166)
Milford I Wind Project	(9,578)
Milford II Wind Project	(14,305)
Windy Point Project	(41,530)
Linden Wind Energy Project	(6,882)
Southern Transmission System Project	(24,092)
Mead-Phoenix Project	(2,753)
Mead-Adelanto Project	(11,399)
Prepaid Natural Gas Project No. 1	(3,109)
	\$ (143,760)

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 6 – 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, 2015 and 2014, \$466.6 million and \$378.4 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 0.09%. The variable rates used for the MAG 2009-1 and MAG 2009-2 were 0.05% and 0.06%, respectively. All of the preceding variable rates were the rates at June 30, 2015. The variable rates are set by the bond-remarketing agent on a weekly basis based on economic conditions and bond ratings.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 6 – 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 Project	Apex Power Project	Hoover Uprating	Tieton Hydro-power	Milford I Wind	Milford II Wind	Windy Point	Linden Wind Energy	
2016 Principal	\$ 11,690	\$ 21,590	\$ 10,985	\$ -	\$ 9,335	\$ 1,930	\$ 840	\$ 8,820	\$ 5,530	\$ 19,390	\$ 3,670	
2016 Interest	757	350	11,176	16,732	12,588	270	2,503	9,874	7,201	21,277	6,411	
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	16,597	12,537	165	2,468	9,476	6,934	20,449	6,261	
2018 Principal	12,410	-	7,230	7,005	9,435	2,135	910	9,615	6,065	21,045	3,970	
2018 Interest	155	-	10,242	16,287	12,453	55	2,429	9,022	6,646	19,513	6,085	
2019 Principal	-	-	7,560	7,355	9,545	-	950	10,085	6,370	22,020	4,170	
2019 Interest	-	-	9,903	15,965	12,316	-	2,385	8,545	6,346	18,515	5,902	
2020 Principal	-	-	7,925	7,645	9,710	-	1,000	10,570	6,665	23,040	4,335	
2020 Interest	-	-	9,539	15,645	12,128	-	2,336	8,040	6,030	17,462	5,711	
2021 - 2025 Principal	-	-	47,745	44,155	52,630	-	5,845	61,140	38,710	132,810	24,930	
2021 - 2025 Interest	-	-	41,940	72,056	56,252	-	10,795	31,718	24,606	69,161	25,257	
2026 - 2030 Principal	-	-	66,905	56,440	62,795	-	9,585	77,815	49,930	169,235	31,725	
2026 - 2030 Interest	-	-	32,143	59,228	45,655	-	8,511	14,597	13,076	31,752	18,253	
2031 - 2035 Principal	-	-	81,815	69,440	78,205	-	10,230	17,975	23,830	39,090	39,935	
2031 - 2035 Interest	-	-	20,300	41,138	29,601	-	6,188	449	1,267	977	8,714	
2036 - 2040 Principal	-	-	84,895	83,915	77,830	-	13,055	-	-	-	8,945	
2036 - 2040 Interest	-	-	3,475	18,426	8,021	-	3,292	-	-	-	265	
2041 - 2042 Principal	-	-	-	18,780	-	-	6,385	-	-	-	-	
2041 - 2042 Interest	-	-	-	558	-	-	160	-	-	-	-	
Principal	<u>\$ 36,130</u>	<u>\$ 42,935</u>	<u>\$ 326,530</u>	<u>\$ 301,470</u>	<u>\$ 318,860</u>	<u>\$ 6,095</u>	<u>\$ 49,670</u>	<u>\$ 205,195</u>	<u>\$ 142,895</u>	<u>\$ 446,775</u>	<u>\$ 125,500</u>	
Interest	<u>\$ 1,373</u>	<u>\$ 519</u>	<u>\$ 149,390</u>	<u>\$ 272,632</u>	<u>\$ 201,551</u>	<u>\$ 490</u>	<u>\$ 41,067</u>	<u>\$ 91,721</u>	<u>\$ 72,106</u>	<u>\$ 199,106</u>	<u>\$ 82,859</u>	

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 6 – Long-Term Debt (continued)

	TRANSMISSION			NATURAL GAS			Total
	Southern Transmission System	Mead-Phoenix	Mead-Adelanto	Pinedale	Barnett	Prepaid Natural Gas	
2016 Principal	\$ 53,085	\$ 5,480	\$ 17,690	\$ 2,274	\$ 5,326	\$ 4,075	\$ 181,710
2016 Interest	26,606	1,249	4,625	1,331	3,128	15,659	141,737
2017 Principal	53,650	5,515	17,985	2,249	5,266	4,275	191,730
2017 Interest	27,140	1,029	3,882	1,215	2,855	15,450	137,760
2018 Principal	54,315	5,660	18,450	1,980	4,640	4,605	169,470
2018 Interest	24,876	795	3,105	1,104	2,596	15,228	130,591
2019 Principal	56,100	5,875	19,185	1,770	4,150	5,385	160,520
2019 Interest	22,176	551	2,164	1,003	2,357	14,978	123,106
2020 Principal	49,005	6,030	19,995	1,627	3,818	6,445	157,810
2020 Interest	19,632	327	1,184	907	2,134	14,675	115,750
2021 - 2025 Principal	305,090	4,615	15,481	6,765	15,895	50,470	806,281
2021 - 2025 Interest	54,272	103	342	3,312	7,801	66,563	464,178
2026 - 2030 Principal	89,481	-	-	5,301	12,474	89,970	721,656
2026 - 2030 Interest	6,590	-	-	1,595	3,767	48,534	283,701
2031 - 2035 Principal	-	-	-	2,797	6,593	126,445	496,355
2031 - 2035 Interest	-	-	-	247	582	20,028	129,491
2036 - 2040 Principal	-	-	-	-	-	17,945	286,585
2036 - 2040 Interest	-	-	-	-	-	453	33,932
2041 - 2042 Principal	-	-	-	-	-	-	25,165
2041 - 2042 Interest	-	-	-	-	-	-	718
Principal	<u>\$ 660,726</u>	<u>\$ 33,175</u>	<u>\$ 108,786</u>	<u>\$ 24,763</u>	<u>\$ 58,162</u>	<u>\$ 309,615</u>	<u>\$ 3,197,282</u>
Interest	<u>\$ 181,292</u>	<u>\$ 4,054</u>	<u>\$ 15,302</u>	<u>\$ 10,714</u>	<u>\$ 25,220</u>	<u>\$ 211,568</u>	<u>\$ 1,560,964</u>

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 7 – 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, 2015, the remaining balance of the GIC is \$14.5 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 \$1.2 million as of June 30, 2015. (See Note 5).

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

Description	June 30, 2014	Additions	Payments/ Amortization	Amortization of Surplus Fund	June 30, 2015
PV prior year overbillings	\$ 20,066	\$ -	\$ (6,735)	\$ 393	\$ 13,724
MPP major maintenance	8,622	4,661	(131)	-	13,152
Mead Adelanto 2007 Swap suspension	2,477	-	(629)	-	1,848
Net pension liability	-	874	-	-	874
	<u>\$ 31,165</u>	<u>\$ 5,535</u>	<u>\$ (7,495)</u>	<u>\$ 393</u>	<u>\$ 29,598</u>

Note 8 – 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 SCPA, and are for their share of operating costs and capital expenditures pursuant to their respective Agency Agreements.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 8 – Advances from Participants (continued)

Advances from participants' rollforward (amounts in thousands):

Description	June 30, 2014	Activity	June 30, 2015
San Juan advances from participants	\$ 9,082	\$ 250	\$ 9,332
MAG advances from participants	22,429	(4,633)	17,796
Canyon Power advances from participants	2,225	-	2,225
Apex advances from participants	2,500	(2,500)	-
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	29,306	(9,444)	19,862
NG Barnett advances from participants	10,447	(677)	9,770
Ormat advances from participants	857	-	857
MWD advances from participants	500	-	500
Ameresco advances from participants	400	-	400
PDF advances from participants	65	6,420	6,485
SCPPA Building advances from participants	282	(149)	133
Don A Campbell Wild Rose advances from participants	-	480	480
Columbia Solar 2 advances from participants	-	538	538
	\$ 81,799	\$ (9,715)	\$ 72,084

Note 9 – 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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 9 – Net Position (continued)

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

	Fiscal Year 2014		Fiscal Year 2015		June 30, 2015
	June 30, 2014	Activity	June 30, 2014	Activity	
GAAP items not included in billings to participants					
Depreciation of plant	\$ (1,522,366)	\$ (97,964)	\$ (1,620,330)	\$ (106,590)	\$ (1,726,920)
Nuclear fuel amortization	(5,860)	-	(5,860)	-	(5,860)
Decommissioning expense	(218,831)	(5,679)	(224,510)	(10,857)	(235,367)
Amortization of bond discount, debt issue costs, and loss on refundings	(796,648)	(10,009)	(806,657)	(8,928)	(815,585)
Interest expense	(55,781)	833	(54,948)	53	(54,895)
Loss on defeasance of bonds	(85,827)	-	(85,827)	-	(85,827)
Derivatives and related charges	(39,907)	395	(39,512)	28,364	(11,148)
Pension expense	-	-	-	(730)	(730)
Bond requirements included in billings to participants					
Operations and maintenance, net of investment income	135,471	(53,424)	82,047	(62,911)	19,136
Costs of acquisition of capacity	6,479	(1,496)	4,983	(1,570)	3,413
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)	-	(90,020)
Principal repayments	1,787,136	165,388	1,952,524	177,424	2,129,948
Withdrawal of funds	-	(24,821)	(24,821)	-	(24,821)
Other	269,522	10,645	280,167	20,421	300,588
	(234,582)	(16,132)	(250,714)	34,676	(216,038)
Projects' Stabilization Fund net position	127,583	24,444	152,027	4,560	156,587
	<u>\$ (106,999)</u>	<u>\$ 8,312</u>	<u>\$ (98,687)</u>	<u>\$ 39,236</u>	<u>\$ (59,451)</u>

Note 10 – 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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 10 – 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, 2015, are summarized as follows:

	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
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, 2015, the contributions recognized as part of pension expense for the Plans were \$257,104.

Pension liabilities, pension expenses and deferred outflows / inflows of resources related to pensions – As of June 30, 2015, SCPPA reported a net pension liability of \$873,857 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, 2014, 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, 2013 rolled forward to June 30, 2014 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 0.01404% as of June 30, 2014 and 2013.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 10 – Pension Plans (continued)

For the year ended June 30, 2015, SCPPA recognized pension expense of \$238,141. At June 30, 2015, SCPPA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

For the Period Ended June 30,	2016	\$	(17,412)
	2017		(17,412)
	2018		(24,290)
	2019		(51,803)
			<u>(51,803)</u>
		\$	<u>(110,917)</u>

\$257,104 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:

Actuarial assumptions – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry -Age Normal
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)
	Derived using
	CalPERS'
Mortality	Membership Data

(1) Depending on age, service and type of employment

(2) Net pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 10 – Pension Plans (continued)

Discount rate – The discount rate used to measure the total pension liability was 7.50% 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 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent 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 7.50 percent 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 percent. 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.

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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 10 – Pension Plans (continued)

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	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	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

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	6.50%
Net Pension Liability	\$ 1,389,989
Current Discount Rate	7.50%
Net Pension Liability	\$ 873,857
1% Increase	8.50%
Net Pension Liability	\$ 445,517

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 10 – Pension Plans (continued)

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, 2015, SCPPA did not have an outstanding amount of contributions payable to the pension plan for the year ended June 30, 2015.

Note 11 – 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 \$1.7 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 – The California Legislature is considering several bills that would affect the electric utility industry. In general, these bills build upon prior efforts and would provide for long-term greenhouse gas emission reduction standards and greater investment in energy-efficient and environmentally friendly generation alternatives through more stringent renewable resource portfolio standards. The following is a brief summary of certain of these bills and related background:

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 an 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 that would set a new interim statewide greenhouse gas emissions reduction target to 40% below 1990 levels by 2030 en route towards 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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 11 – 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 introduces a hard emissions cap that covers emissions from electricity generators, electricity importers, and large industrial sources emitting more than 25,000 metric tons of carbon dioxide-equivalent greenhouse gases 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 set as December 2020.

The cap-and-trade program includes the distribution of carbon allowances equal to the annual emissions cap. Initially, as part of the transition process, most of the carbon allowances will be 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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 11 – 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 Columbia, 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.

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 December 2011, the CEC decided to undertake a review of these regulations to ensure there is adequate review of investments in facilities that do not meet the emission performance standard. The CEC issued its Proposed Final Conclusions in the EPS proceeding on April 5, 2013. The proposed changes and any future changes to the EPS regulations may impact the Project Participants.

In addition, Assembly Bill 1925 signed into law on September 26, 2006, requires the CEC to develop a cost effective strategy for the geologic sequestration and management of industrial carbon dioxide.

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 CPUC expressed its view that the EPS not be lowered.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 11 – 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 have 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. Each of the Project Participants has complied with this reporting requirement.

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 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, including authority to impose penalties.

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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 11 – Commitments and Contingencies (continued)

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. 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.

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 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. 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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY NOTES TO COMBINED FINANCIAL STATEMENTS

Note 11 – Commitments and Contingencies (continued)

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 and the authority to issue permits to construct or modify transmission facilities located in a national interest electric transmission corridor. 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. 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.

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 energy efficiency requirements and expedited permitting for natural gas drilling and hydropower projects), climate change, physical and cyber security, 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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 11 – Commitments and Contingencies (continued)

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. 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. 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. Legislation has been introduced in the United States Congress that would repeal the EPA’s endangerment finding or otherwise prevent the EPA from regulating greenhouse gases as air pollutants.

On September 22, 2009, the EPA issued the final rule for mandatory monitoring and annual reporting of greenhouse gas emissions from various categories of facilities, including fossil fuel suppliers, industrial gas suppliers and direct greenhouse emitters such as electric generating facilities and industrial processes. This rule does not require controls or limits on emissions, but required data collection to begin on January 1, 2010. The Project Participants are complying with the data collection and reporting requirement to which they are subject. Such data collection and reporting lays the foundation for controlling and reducing greenhouse gas emission in the future, whether by way of the EPA regulation under existing Clean Air Act authority or under a new climate change federal law.

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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY NOTES TO COMBINED FINANCIAL STATEMENTS

Note 11 – Commitments and Contingencies (continued)

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.

The Authority submitted comments to the EPA on November 25, 2014 and joined in support of comments also filed jointly by the “California Utilities” prior to the December 1, 2014 comment deadline. The Authority’s comments outlined potential issues and offered recommendations on how to improve the proposed rule so as not to compromise electric reliability for customers.

The EPA informally released the final set of “Clean Power Plan” rules on August 3, 2015. The Authority is currently reviewing the thousands of pages of associated materials for the rulemaking, along with outside expert regulatory counsel hired specifically for assistance with this rulemaking, to assess the final rule’s impacts.

A number of lawsuits have been filed challenging the proposed and final rules and seeking to prevent the EPA from moving forward to implement the proposed Clean Power Plan. Additional legal and legislative challenges are also expected.

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. EPA is under court order to issue a final rule by October 1, 2015.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 11 – Commitments and Contingencies (continued)

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 Project Participants purchase power from coal-fired power stations that may be affected by these new rules, and may be exposed to increased costs. 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. Filings in that case are due September 10, 2015.

Other proposals – The EPA has proposed regulations relating to the Coal Combustion Residuals such as ash; Cooling Water Intake Structures at certain existing power plants in order to reduce the number of fish and other aquatic organisms that are trapped against intake screens or drawn into the generating unit; and setting technology-based effluent limitations guidelines and standards for metals and other pollutants in wastewater discharged from steam electric power plants. These regulations, when finalized could increase the cost of power the Project Participants purchase from coal-fired units.

The EPA was required to take final action on a rule regulating coal combustion residuals by December 19, 2014 under a consent decree reached with a dozen environmental organizations. The EPA announced the final CCR rule on that day; it allows for beneficial use of coal ash under Subtitle D as expected. The EPA formally noticed the final rule in April 2015, which becomes effective on October 19, 2015; 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.

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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY NOTES TO COMBINED FINANCIAL STATEMENTS

Note 11 – Commitments and Contingencies (continued)

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. 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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 11 – Commitments and Contingencies (continued)

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 117 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. The plan in the future is the purchase of new large-capacity casks that were designed to hold 36 assemblies per cask and help to extend the storage capacity of the current Facility possibly until 2047. Storing spent fuel at Palo Verde is now considered indefinite with undetermined costs until spent fuel is removed from the plant site.

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.

As of June 30, 2015, 129 dry casks, each containing 24 spent fuel assemblies, have been stored. In addition, beginning in 2016, 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.

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 100 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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY NOTES TO COMBINED FINANCIAL STATEMENTS

Note 11 – Commitments and Contingencies (continued)

Other commitments – The NRC guidelines require improved security in immediate areas surrounding the reactor buildings. PVNGS has enlarged the protected area with the inclusion of an outage support facility, a new warehouse, a minor vehicle maintenance facility, and a fuel depot to reduce vehicular traffic in and out of the protected area. While some of these facilities have already been constructed and are currently in service, the estimated cost for the remaining facilities is approximately \$1.1 million to the Authority.

Other 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 \$13.6 million for the Authority. Also anticipated in the long-range plan are \$224 million (\$16 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).

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 \$122 million (approximately \$7.2 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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 11 – Commitments and Contingencies (continued)

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. Plaintiffs appealed that ruling to the Utah Court of Appeals, which heard oral argument on May 20, 2015, but has not yet issued a ruling. A new trial date has not yet been set even though the trial occurred nearly two years ago. 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 12 – Subsequent Events

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.

REQUIRED SUPPLEMENTARY INFORMATION

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2015
LAST TEN YEARS*

	2015
Proportion of the net pension liability	0.01404%
Proportionate share of the net pension liability	\$ 873,857
Covered - employee payroll	\$ 1,091,557
Proportionate Share of the net pension liability as percentage of covered-employee payroll	80.06%
Plan's fiduciary net position	\$ 24,940,528
Plan fiduciary net position as a percentage of the total pension liability	81.00%

Notes to Schedule

Benefit changes – In 2015, benefit terms were modified to base public safety employee pensions on a final three-year average salary instead of a final five-year average salary.

Changes in assumptions – In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

*Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
SCHEDULE OF CONTRIBUTIONS
AS OF JUNE 30, 2015
LAST TEN YEARS*

	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 699,279
Contributions in relation to the actuarially determined contribution	<u>(699,279)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 1,091,557
Contributions as a percentage of covered-employee payroll	64.06%

Notes to Schedule

Valuation date: 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 one year is 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, 2015
(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, 2014	\$ -	\$ 170,198	\$ 162,646	\$ 1,305	\$ 13,117	\$ 41,999	\$ 17,566	\$ -	\$ 406,831
Additions									
Investment earnings	-	2,204	27,244	13	4	997	173	-	30,635
Discount on investment purchases	-	-	-	-	3	1	1	-	5
Distribution of investment earnings	-	-	-	(13)	(7)	(100)	(173)	293	-
Revenue from power sales	-	-	-	-	-	-	-	81,113	81,113
Distribution of revenue	-	-	-	-	11,725	55,977	13,704	(81,406)	-
Other receipts	-	-	-	-	-	5,880	-	-	5,880
Transfer from escrow	27,736	-	(45,119)	-	17,383	-	-	-	-
Total additions	27,736	2,204	(17,875)	-	29,108	62,755	13,705	-	117,633
Deductions									
Construction expenditures	-	-	-	-	-	14	14,656	-	14,670
Operating expenditures	-	3	-	-	-	44,522	(14)	-	44,511
Fuel costs	-	-	-	-	-	16,478	-	-	16,478
Payment of principal	-	-	-	-	11,330	-	-	-	11,330
Interest paid - non-escrow	-	-	-	-	203	-	-	-	203
Payment of principal and interest – escrow	27,736	-	-	-	17,383	-	-	-	45,119
Total deductions	27,736	3	-	-	28,916	61,014	14,642	-	132,311
Balance at June 30, 2015	\$ -	\$ 172,399	\$ 144,771	\$ 1,305	\$ 13,309	\$ 43,740	\$ 16,629	\$ -	\$ 392,153

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 \$24 and \$34 held in the revolving fund at June 30, 2015 and 2014, 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, 2015
(AMOUNTS IN THOUSANDS)

	Debt Service Fund	Debt Service Reserve Account	Revenue Fund	Operating Fund	Reserve & Contingency Fund	Cost of Issuance	Escrow Account	Mine Reclamation Fund	Total
Balance at June 30, 2014	\$ 7,297	\$ 7,799	\$ -	\$ 13,713	\$ 12,295	\$ -	\$ -	\$ 2,442	\$ 43,546
Additions									
Investment earnings	6	165	1	8	52	-	-	20	252
Discount on investments	3	-	-	8	2	-	-	1	14
Distribution of investment earnings	(9)	(1)	80	(16)	(54)	-	-	-	-
Revenue from power sales	-	-	87,760	-	-	-	-	-	87,760
Distribution of revenues	28,502	-	(87,841)	58,139	1,200	-	-	-	-
Bond proceeds 2014A	-	-	-	-	-	313	42,622	-	42,935
Transfer funds for debt service payment	(23,247)	(7,963)	-	-	-	-	31,210	-	-
Other	14,997	25	-	(420)	-	(25)	(14,997)	420	-
Total additions	20,252	(7,774)	-	57,719	1,200	288	58,835	441	130,961
Deductions									
Operating expenses	-	-	-	65,535	-	288	-	-	65,823
Construction expenses	-	-	-	-	114	-	-	-	114
Payment of principal - escrow	13,200	-	-	-	-	-	58,680	-	71,880
Interest paid – non-escrow	1,797	-	-	-	-	-	-	-	1,797
Interest paid – escrow	1,797	-	-	-	-	-	155	-	1,952
Interest on investment purchases	(9)	-	-	3	1	-	-	-	(5)
Total deductions	16,785	-	-	65,538	115	288	58,835	-	141,561
Balance at June 30, 2015	\$ 10,764	\$ 25	\$ -	\$ 5,894	\$ 13,380	\$ -	\$ -	\$ 2,883	\$ 32,946

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable, unrealized gain (loss) on investments or \$18 and \$19 held in the revolving fund at June 30, 2015 and 2014, 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, 2015
(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, 2014	\$ 14,758	\$ 28,824	\$ 28	\$ 4,926	\$ 25,341	\$ 6,098	\$ -	\$ 9,602	\$ -	\$ -	\$ -	\$ 89,577
Additions												
Investment earnings	4	466	-	50	194	8	1	14	-	9	-	746
Discount on investment purchases	4	1	-	-	2	-	-	-	-	-	-	7
Distribution of investment earnings	(8)	(467)	-	(49)	(196)	(7)	727	-	-	-	-	-
Transfer of funds for debt service payment	-	-	-	-	-	-	-	-	-	-	-	-
Receipt from participants	-	-	-	-	-	-	49,127	-	-	-	-	49,127
Distribution of revenues	22,809	-	(28)	-	(1,798)	20,984	(49,855)	4,653	-	3,235	-	-
Other	-	-	-	-	-	7,215	-	(14,179)	-	4,067	2,897	-
Total additions	22,809	-	(28)	1	(1,798)	28,200	-	(9,512)	-	7,311	2,897	49,880
Deductions												
Construction expenses	-	-	-	-	1,331	-	-	-	-	-	-	1,331
Operating expenses	-	-	-	-	131	26,396	-	-	-	-	-	26,527
Payment of principal	10,565	-	-	-	-	-	-	-	-	-	-	10,565
Interest paid	11,368	-	-	-	-	-	-	-	-	-	-	11,368
Premium and interest on investment purchases	-	-	-	-	-	-	-	-	-	1	-	1
Payment of principal and interest - escrow	-	-	-	-	-	-	-	-	-	-	-	-
Total deductions	21,933	-	-	-	1,462	26,396	-	-	-	1	-	49,792
Balance at June 30, 2015	\$ 15,634	\$ 28,824	\$ -	\$ 4,927	\$ 22,081	\$ 7,902	\$ -	\$ 90	\$ -	\$ 7,310	\$ 2,897	\$ 89,665

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 \$27 and \$28 held in the revolving fund at June 30, 2015 and 2014, 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, 2015
(AMOUNTS IN THOUSANDS)

	Revenue Fund	Operating Fund	Debt Service Fund	Debt Service Reserve Fund	Project Fund	U.S. Treasury Direct Subsidy	Total
Balance at June 30, 2014	\$ -	\$ 1,677	\$ 7,157	\$ 19,721	\$ 4,360	\$ -	\$ 32,915
Additions							
Investment earnings	-	2	1	275	4	-	282
Discount on investment purchases	-	-	4	-	2	-	6
Distribution of investment earnings	282	(2)	(5)	(275)	-	-	-
Receipt from participants	15,323	-	-	-	-	-	15,323
Distribution of revenues	(15,605)	1,340	17,940	-	-	(3,675)	-
Other	-	-	-	-	-	5,511	5,511
Total additions	-	1,340	17,940	-	6	1,836	21,122
Deductions							
Construction expenses	-	-	-	-	128	-	128
Operating expenses	-	2,386	-	-	-	-	2,386
Interest paid	-	-	16,731	-	-	-	16,731
Total deductions	-	2,386	16,731	-	128	-	19,245
Balance at June 30, 2015	\$ -	\$ 631	\$ 8,366	\$ 19,721	\$ 4,238	\$ 1,836	\$ 34,792

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 \$18 and \$19 held in the revolving fund at June 30, 2015 and 2014, 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, 2015
(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, 2014	\$ -	\$ -	\$ 17,430	\$ 3,327	\$ 5,488	\$ 1,001	\$ -	\$ 29,916	\$ 58	\$ 57,220
Additions										
Investment earnings	-	-	6	4	97	11	-	39	-	157
Discount on investment purchases	4	-	(2)	(2)	-	-	-	16	-	16
Distribution of investment earnings	114	-	(4)	(2)	(97)	(11)	-	-	-	-
Receipt from participants	53,914	-	-	-	-	-	-	-	-	53,914
Distribution of revenues	(54,032)	7,181	21,911	21,944	-	2,996	-	-	-	-
Other Transfers	-	-	536	-	-	-	58	(536)	(58)	-
Other	-	-	2,925	-	-	-	-	-	-	2,925
Total additions	-	7,181	25,372	21,944	-	2,996	58	(481)	(58)	57,012
Deductions										
Acquisition costs	-	-	-	-	-	-	-	-	-	-
Operating expenses	-	7,181	25,362	-	-	-	-	-	-	32,543
Debt issuance costs	-	-	-	9,632	-	-	-	-	-	9,632
Total deductions	-	7,181	25,362	9,632	-	-	-	-	-	42,175
Balance at June 30, 2015	\$ -	\$ -	\$ 17,440	\$ 15,639	\$ 5,488	\$ 3,997	\$ 58	\$ 29,435	\$ -	\$ 72,057

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 \$21 held in the revolving fund at June 30, 2015. No balance was held in the revolving fund at June 30, 2014.

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, 2015
(AMOUNTS IN THOUSANDS)

	Debt Service Fund	General Reserve Fund	Operating Fund	Revenue Fund	Total
Balance at June 30, 2014	\$ 1,480	\$ 1,700	\$ 1,332	\$ -	\$ 4,512
Additions					
Investment earnings	-	24	-	-	24
Distribution of investment earnings	-	(24)	9	15	-
Revenue from power sales	-	-	-	2,539	2,539
Distribution of revenue	2,250	-	304	(2,554)	-
Total additions	2,250	-	313	-	2,563
Deductions					
Operating expenses	-	-	308	-	308
Payment of principal	1,835	-	-	-	1,835
Interest paid	368	-	-	-	368
Total deductions	2,203	-	308	-	2,511
Balance at June 30, 2015	\$ 1,527	\$ 1,700	\$ 1,337	\$ -	\$ 4,564

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 \$15 held in the revolving fund at June 30, 2015 and 2014.

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, 2015
(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, 2014	\$ -	\$ 675	\$ 2,088	\$ 5,008	\$ 500	\$ 24	\$ 8,295
Additions							
Investment earnings	-	1	1	65	2	-	69
Distribution of investment earnings	69	(1)	(1)	(65)	(2)	-	-
Receipt from participants	4,885	-	-	-	-	-	4,885
Distribution of revenues	(4,954)	1,596	3,358	-	-	-	-
Other transfers	-	81	-	-	(81)	-	-
Other receipts	-	-	-	-	-	-	-
Total additions	-	1,677	3,358	-	(81)	-	4,954
Deductions							
Acquisition costs	-	-	-	-	-	-	-
Operating expenses	-	1,782	-	-	-	-	1,782
Payment of principal	-	-	815	-	-	-	815
Interest paid	-	-	2,532	-	-	-	2,532
Total deductions	-	1,782	3,347	-	-	-	5,129
Balance at June 30, 2015	\$ -	\$ 570	\$ 2,099	\$ 5,008	\$ 419	\$ 24	\$ 8,120

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, 2015 and 2014.

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, 2015
(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, 2014	\$ -	\$ 8,714	\$ 13,662	\$ 18,874	\$ 2,520	\$ 3,000	\$ 46,770
Additions							
Investment earnings	-	5	3	239	35	32	314
Discount on investments	-	5	9	-	-	-	14
Distribution of investment earnings	328	(10)	(12)	(239)	(35)	(32)	-
Receipt from participants	26,928	-	-	-	-	-	26,928
Distribution of revenues	(27,256)	8,386	18,870	-	-	-	-
Other	-	-	-	-	-	-	-
Total additions	-	8,386	18,870	-	-	-	27,256
Deductions							
Operating expenses	-	12,662	-	-	-	-	12,662
Payment of principal	-	-	8,450	-	-	-	8,450
Interest paid	-	-	10,236	-	-	-	10,236
Total deductions	-	12,662	18,686	-	-	-	31,348
Balance at June 30, 2015	\$ -	\$ 4,438	\$ 13,846	\$ 18,874	\$ 2,520	\$ 3,000	\$ 42,678

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, 2015 and 2014.

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, 2015
(AMOUNTS IN THOUSANDS)

	<u>Revenue Fund</u>	<u>Operating Fund</u>	<u>Debt Service Fund</u>	<u>Debt Service Reserve Fund</u>	<u>Total</u>
Balance at June 30, 2014	\$ -	\$ 5,922	\$ 9,067	\$ 3,216	\$ 18,205
Additions					
Investment earnings	-	6	2	43	51
Discount on investments	-	-	5	-	5
Distribution of investment earnings	56	(6)	(7)	(43)	-
Receipt from participants	17,690	-	-	-	17,690
Distribution of revenues	(17,746)	4,885	12,861	-	-
Total additions	-	4,885	12,861	-	17,746
Deductions					
Operating expenses	-	5,589	-	-	5,589
Payment of principal	-	-	5,270	-	5,270
Interest paid	-	-	7,463	-	7,463
Total deductions	-	5,589	12,733	-	18,322
Balance at June 30, 2015	\$ -	\$ 5,218	\$ 9,195	\$ 3,216	\$ 17,629

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, 2015 and 2014.

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, 2015
(AMOUNTS IN THOUSANDS)

	<u>Revenue Fund</u>	<u>Operating Fund</u>	<u>Debt Service Fund</u>	<u>Debt Service Reserve Fund</u>	<u>Total</u>
Balance at June 30, 2014	\$ -	\$ 7,565	\$ 29,789	\$ 10,262	\$ 47,616
Additions					
Investment earnings	-	11	4	176	191
Discount on investments	-	2	21	-	23
Distribution of investment earnings	213	(13)	(25)	(176)	(1)
Receipt from participants	76,460	35,628	41,045	-	153,133
Distribution of revenue	(76,673)	-	-	-	(76,673)
Total additions	-	35,628	41,045	-	76,673
Deductions					
Operating expenses	-	34,222	-	-	34,222
Payment of principal	-	-	18,535	-	18,535
Interest paid	-	-	22,081	-	22,081
Total deductions	-	34,222	40,616	-	74,838
Balance at June 30, 2015	\$ -	\$ 8,971	\$ 30,218	\$ 10,262	\$ 49,451

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, 2015 and 2014.

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, 2015
(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, 2014	\$ -	\$ 2,589	\$ 6,444	\$ 2,324	\$ 69	\$ 585	\$ -	\$ 12,011
Additions								
Investment earnings	-	2	1	23	-	2	-	28
Discount on investments	-	1	4	-	-	-	-	5
Distribution of investment earnings	31	(3)	(5)	(23)	-	-	-	-
Revenue from power sales	16,697	-	-	-	-	-	-	16,697
Distribution of revenue	(16,728)	6,573	10,155	-	-	-	-	-
Other transfers	-	400	399	-	-	-	(799)	-
Other receipts	-	-	-	-	-	-	1,198	1,198
Total additions	-	6,973	10,554	-	-	2	399	17,928
Deductions								
Operating expenses	-	7,830	-	-	-	-	-	7,830
Payment of principal	-	-	3,530	-	-	-	-	3,530
Interest paid	-	-	6,555	-	-	-	-	6,555
Total deductions	-	7,830	10,085	-	-	-	-	17,915
Balance at June 30, 2015	\$ -	\$ 1,732	\$ 6,913	\$ 2,324	\$ 69	\$ 587	\$ 399	\$ 12,024

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 and \$12 held in the revolving fund at June 30, 2015 and 2014, 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, 2015
(AMOUNTS IN THOUSANDS)

	General Reserve Fund	Issue Fund	Upgrade Construction Fund	Operating Fund	Revenue Fund	Escrow Fund	Total
Balance at June 30, 2014	\$ 3,099	\$ 86,278	\$ 8,204	\$ 121	\$ -	\$ -	\$ 97,702
Additions							
Investment earnings	2	694	2	3	1	-	702
Discount on investment purchases	2	45	13	1	-	-	61
Distribution of investment earnings	(4)	(739)	-	(4)	747	-	-
Revenue from transmission sales	-	-	-	-	106,683	-	106,683
Distribution of revenue	(200)	78,964	-	28,748	(107,512)	-	-
Bond Proceeds 2015A&B	-	28,925	-	-	-	101,999	130,924
Bond Proceeds 2015C	-	597	-	-	-	141,639	142,236
Transfer (from) / to escrow fund for principal and interest payment	-	(1)	(4,491)	-	-	4,492	-
Other	-	3,647	(3,728)	-	81	-	-
Total additions	(200)	112,132	(8,204)	28,748	-	248,130	380,606
Deductions							
Construction expenses	-	-	-	-	-	-	-
Operating expenses	-	-	-	23,911	-	-	23,911
Payment of principal	-	50,885	-	-	-	-	50,885
Interest paid	-	31,347	-	-	-	-	31,347
Debt issuance costs	-	1,237	-	-	-	-	1,237
Premium and interest on investment purchases	-	1	-	-	-	-	1
2000A Principal Payment Redemption - Escrow	-	29,660	-	-	-	102,000	131,660
2008B Bond Redemption - Escrow	-	-	-	-	-	146,130	146,130
Total deductions	-	113,130	-	23,911	-	248,130	385,171
Balance at June 30, 2015	\$ 2,899	\$ 85,280	\$ -	\$ 4,958	\$ -	\$ -	\$ 93,137

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 \$21 and \$25 held in the revolving fund at June 30, 2015 and 2014, respectively.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
MEAD-PHOENIX PROJECT
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS
REQUIRED BY THE BOND INDENTURE FOR THE YEAR ENDED JUNE 30, 2015
(AMOUNTS IN THOUSANDS)

	Revenue Fund	Debt Service Account	Debt Service Reserve Account	Operating Fund	Reserve & Contingency Fund	Cost of Issuance Fund	Total
Balance at June 30, 2014	\$ -	\$ 6,027	\$ -	\$ 307	\$ -	\$ 371	\$ 6,705
Additions							
Investment earnings	-	1	-	1	-	-	2
Discount on investment earnings	-	2	-	-	-	-	2
Distribution of investment earnings	4	(3)	-	(1)	-	-	-
Transmission revenue	10,408	-	-	-	-	-	10,408
Distribution of revenues	(10,412)	6,865	-	3,407	140	-	-
Other	-	-	-	2	-	-	2
Total additions	-	6,865	-	3,409	140	-	10,414
Deductions							
Operating expenses	-	-	-	2,709	-	-	2,709
Construction expenses	-	-	-	-	128	-	128
Principal payment	-	5,215	-	-	-	-	5,215
Interest and SWAP paid	-	1,507	-	-	-	-	1,507
Total deductions	-	6,722	-	2,709	128	-	9,559
Balance at June 30, 2015	\$ -	\$ 6,170	\$ -	\$ 1,007	\$ 12	\$ 371	\$ 7,560

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 and \$15 held in the revolving fund at June 30, 2015 and 2014, 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, 2015
(AMOUNTS IN THOUSANDS)

	Revenue Fund	Debt Service Account	Debt Service Reserve Fund	Operating Fund	Reserve & Contingency	Escrow Fund	Surplus Fund	Total
Balance at June 30, 2014	\$ -	\$ 20,340	\$ -	\$ 342	\$ 42	\$ -	\$ 7,556	\$ 28,280
Additions								
Investment earnings	-	3	-	1	-	-	-	4
Discount on investment earnings	-	13	-	1	-	-	-	14
Distribution of investment earnings	28	(16)	-	(1)	-	-	-	11
Transmission revenue	24,953	-	-	-	-	-	-	24,953
Distribution of revenues	(24,981)	22,763	-	2,218	-	-	-	-
Other	-	-	-	2	-	-	-	2
Total additions	-	22,763	-	2,221	-	-	-	24,984
Deductions								
Principal payment	-	17,385	-	-	-	-	-	17,385
Interest & SWAP paid	-	5,491	-	-	-	-	-	5,491
Operating expenses	-	-	-	1,813	-	-	-	1,813
Total deductions	-	22,876	-	1,813	-	-	-	24,689
Balance at June 30, 2015	\$ -	\$ 20,227	\$ -	\$ 750	\$ 42	\$ -	\$ 7,556	\$ 28,575

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 and \$15 held in the revolving fund at June 30, 2015 and 2014, respectively.

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, 2015
(AMOUNTS IN THOUSANDS)

	<u>Revenue Fund</u>	<u>Operating Fund</u>	<u>Debt Service Fund</u>	<u>General Reserve Fund</u>	<u>Project Fund</u>	<u>Capital Fund</u>	<u>Total</u>
Balance at June 30, 2014	\$ -	\$ 7,803	\$ 2,968	\$ 38	\$ 2,701	\$ 5,743	\$ 19,253
Additions							
Investment earnings	-	5	1	-	2	4	12
Discount on investment purchases	-	-	-	-	-	3	3
Distribution of investment earnings	1	-	(1)	-	-	-	-
Receipt from participants	4,283	4,216	-	-	-	-	8,499
Sales of natural gas	889	8,967	-	-	-	-	9,856
Distribution of revenues	(5,173)	7,388	3,661	-	(7)	(5,869)	-
Other transfer	-	-	-	-	(1)	1	-
Total additions	-	20,576	3,661	-	(6)	(5,861)	18,370
Deductions							
Construction expenses	-	-	-	-	-	129	129
Operating expenses	-	24,563	-	-	-	-	24,563
Payment of principal	-	-	2,219	-	-	-	2,219
Interest paid	-	-	1,439	-	-	-	1,439
Total deductions	-	24,563	3,658	-	-	129	28,350
Balance at June 30, 2015	<u>\$ -</u>	<u>\$ 3,816</u>	<u>\$ 2,971</u>	<u>\$ 38</u>	<u>\$ 2,695</u>	<u>\$ (247)</u>	<u>\$ 9,273</u>

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable, unrealized gain (loss) on investments, or \$30 and \$37 held in the revolving fund at June 30, 2015 and 2014, respectively.

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, 2015
(AMOUNTS IN THOUSANDS)

	<u>Revenue Fund</u>	<u>Operating Fund</u>	<u>Debt Service Fund</u>	<u>General Reserve Fund</u>	<u>Project Fund</u>	<u>Capital Fund</u>	<u>Total</u>
Balance at June 30, 2014	\$ -	\$ 3,194	\$ 6,964	\$ 22	\$ 39,679	\$ (5,679)	\$ 44,180
Additions							
Investment earnings	-	3	3	-	219	1	226
Discount on investment purchases	-	-	1	-	2	-	3
Distribution of investment earnings	4	-	(4)	-	-	-	-
Receipt from participants	9,781	174	-	-	-	-	9,955
Sales of natural gas	3,690	820	-	-	-	-	4,510
Distribution of revenues	(13,530)	3,979	8,589	-	(116)	1,078	-
Other receipts	55	(55)	-	-	55	12	67
Total additions	-	4,921	8,589	-	160	1,091	14,761
Deductions							
Construction expenses	-	-	-	-	-	703	703
Operating expenses	-	6,093	-	-	-	-	6,093
Payment of principal	-	-	5,211	-	-	-	5,211
Interest paid	-	-	3,384	-	-	-	3,384
Total deductions	-	6,093	8,595	-	-	703	15,391
Balance at June 30, 2015	\$ -	\$ 2,022	\$ 6,958	\$ 22	\$ 39,839	\$ (5,291)	\$ 43,550

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 and \$19 held in the revolving fund at June 30, 2015 and 2014, respectively.

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, 2015
(AMOUNTS IN THOUSANDS)

	<u>Revenue Fund</u>	<u>Operating Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Balance at June 30, 2014	\$ -	\$ 15,162	\$ 3,261	\$ 18,423
Additions				
Investment earnings	-	487	202	689
Distribution of investment earnings	483	(2,619)	-	(2,136)
Receipt from gas sales	7,429	-	-	7,429
Distribution of revenues	(17,625)	-	19,761	2,136
Commodity swap settlement	9,713	-	-	9,713
Other receipts	-	-	587	587
Total additions	<u>-</u>	<u>(2,132)</u>	<u>20,550</u>	<u>18,418</u>
Deductions				
A & G expenses	-	476	-	476
Payment of principal	-	-	3,875	3,875
Payment of interest	-	-	16,444	16,444
Total deductions	<u>-</u>	<u>476</u>	<u>20,319</u>	<u>20,795</u>
Balance at June 30, 2015	<u>\$ -</u>	<u>\$ 12,554</u>	<u>\$ 3,492</u>	<u>\$ 16,046</u>

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable, unrealized gain (loss) on investments, or \$18 and \$19 held in the revolving fund at June 30, 2015 and 2014, respectively.