



Report of Independent Auditors and
Combined Financial Statements for

**Southern California
Public Power Authority**

June 30, 2014 and 2013

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, 2014 and 2013, and the related combined and individual project's 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 project financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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.

REPORT OF INDEPENDENT AUDITORS (continued)

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

Opinion

In our opinion, the combined and individual project 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 Project, Multiple Project Fund, Project Development Fund, Projects' Stabilization Fund and SCPPA Building Fund as of June 30, 2014 and 2013, and the combined and individual results of the projects' operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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 basic financial statements as a whole. The supplemental schedules of receipts and disbursements in funds for the year ended June 30, 2014, as presented on pages 110 - 127, 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 LLP

Portland, Oregon
October 30, 2014

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 SCPA), provides an overview of the Authority's financial activities for the fiscal years ended June 30, 2014 and 2013. 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,		
	2014	2013 (restated)	2012 (restated)
Assets			
Net utility plant	\$ 1,574,194	\$ 1,362,772	\$ 1,431,352
Investments	679,569	730,573	678,358
Cash and cash equivalents	301,753	230,929	348,515
Prepaid and other	1,099,682	1,152,331	1,230,973
Total assets	<u>3,655,198</u>	<u>3,476,605</u>	<u>3,689,198</u>
Deferred outflows of resources	<u>95,061</u>	<u>122,746</u>	<u>126,951</u>
Total assets and deferred outflows of resources	<u>\$ 3,750,259</u>	<u>\$ 3,599,351</u>	<u>\$ 3,816,149</u>
Liabilities			
Noncurrent liabilities	\$ 3,456,473	\$ 3,307,841	\$ 3,578,046
Current liabilities	392,473	398,509	415,090
Total liabilities	<u>3,848,946</u>	<u>3,706,350</u>	<u>3,993,136</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Net position			
Net investment in capital assets	(608,196)	(621,687)	(641,171)
Restricted	583,618	565,717	555,522
Unrestricted	<u>(74,109)</u>	<u>(51,029)</u>	<u>(91,338)</u>
Total net position	<u>(98,687)</u>	<u>(106,999)</u>	<u>(176,987)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 3,750,259</u>	<u>\$ 3,599,351</u>	<u>\$ 3,816,149</u>
Revenues, expenses and changes in net position for the year ended June 30			
Operating revenues	\$ 702,327	\$ 639,925	\$ 682,990
Operating expenses	<u>(564,690)</u>	<u>(503,837)</u>	<u>(511,062)</u>
Operating income	137,637	136,088	171,928
Investment and other income	30,066	14,727	23,745
Derivative gain (loss)	395	60,189	(42,743)
Debt expense	<u>(156,729)</u>	<u>(157,645)</u>	<u>(164,017)</u>
Change in net position	11,369	53,359	(11,087)
Net position, beginning of year	(106,999)	(176,987)	(127,079)
Cumulative effect of restatement	<u>-</u>	<u>-</u>	<u>(50,792)</u>
Net position, beginning of year as restated	(106,999)	(176,987)	(177,871)
Net contributions/(withdrawals) by participants	<u>(3,057)</u>	<u>16,629</u>	<u>11,971</u>
Net position, end of year	<u>\$ (98,687)</u>	<u>\$ (106,999)</u>	<u>\$ (176,987)</u>

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

Combined Financial Statements (continued)

Net Position –

During fiscal year 2014 the Authority's net position increased by \$8 million mainly due to the increase in assets and deferred outflows of resources of \$151 million offset by the increase in liabilities of \$143 million.

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

- Utility Plant – increased by \$211 million.
This increase is primarily due to the \$294 million acquisition of the Apex Power Project (APP), and \$19 million of ongoing capital improvements in the Palo Verde Project (PV), Canyon Power (CPP), Magnolia (MAG) and San Juan (SJ) Projects. The increase was offset by \$102 million of scheduled depreciation in all projects.
- Investments – decreased by \$51 million.
This decrease is largely due to the \$36 million GIC withdrawal for the final debt service requirements of the 1989 Multiple Project Bonds; \$13.5 million release of debt service reserves for the debt service requirements of the 2002A SJ Bonds; \$4.5 million withdrawal from the Project Fund for the debt service requirements of the 2006A Magnolia Project Bonds; and \$24 million net transfers of funds from long term investments to cash and cash equivalents. The decreases were offset by \$23 million of remaining bond proceeds from the issuance of the APP Revenue Bonds, 2014 Series A&B (APP 2014 A&B Bonds); and \$4 million reserves for major maintenance in the Magnolia Project.
- Cash and cash equivalents – increased by \$71 million.
This increase is mainly due to the \$24 million net transfers of funds from long term investments to cash and cash equivalents; \$34 million accumulated overbillings and advances in various Projects; and \$13 million of remaining bond proceeds from the issuance of the APP 2014 A&B Bonds.
- Prepaid and other assets – decreased by \$53 million.
This decrease is primarily due to \$64 million amortization of the prepaid assets in the Prepaid Gas, Milford 1, Milford II, and Windy Point/Windy Flats Projects; offset by an increase in inventory of \$3 million relating to the newly acquired APP; a \$2 million increase in advances collected from the APP, MAG and the SJ Projects for various expenses and an increase in accounts receivable of \$3 million for an advance payment for a prior year IPA audit adjustment in the STS Project; and a \$3 million settlement from the Department of Energy (DOE) for spent fuel fees in the PV Project.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

Combined Financial Statements (continued)

- Deferred outflows of resources – decreased by \$28 million.
The decrease is largely due to the \$30 million amortization of unamortized loss on refunding which was reclassified to deferred outflows of resources in accordance with GASB 65; offset by the \$2 million increase in the reported value of derivative instruments in the MPP and Prepaid Gas Project in accordance with GASB 53.

Liabilities

The increase in the Authority's liabilities of \$143 million is primarily due to the following:

- \$319 million issuance of APP 2014 A&B Bonds at a premium of \$15 million; \$23 million increase in accruals and accumulated overbillings and advances in various Projects; and \$2 million increase in the reported change in fair value of the derivative instruments in the MPP, STS, and Prepaid Gas Projects. The increase was offset by the \$216 million principal maturities and related amortization for all debt-funded projects.

During fiscal year 2013, the Authority's assets and deferred outflow of resources, as restated, decreased by \$217 million because of ongoing transactions such as scheduled depreciation and amortization in all projects; capital improvements in the PV, CPP and SJ Projects; and capital drilling costs in the Natural Gas Reserve Projects. This decrease was offset by a decrease in liabilities of \$287 million mainly due to principal maturities and related amortization for all debt funded projects, resulting in an increase in the Authority's net position of \$70 million.

Operating income –

The net increase in operating income of \$1 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, respectively; and the receipt of \$3 million in upfront savings for the restructuring of the Prepaid Project Bonds. This increase was offset by a \$28 million decrease in participant billing in the San Juan Project because of the completion of the scheduled major maintenance outages in fall 2012.

During FY 2013, the net decrease of \$43 million in participants billings was mainly due to lower debt service costs in the STS, MPP, MA, MP, and PV Projects; and the \$7 million net decrease in operating expenses was mainly due to the scheduled major maintenance outage in the San Juan Project which resulted in a net decrease in operating income of \$36 million.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

Combined Financial Statements (continued)

Investment and Other Income –

Investment and other income increased \$15 million mainly due to a \$5 million fire insurance settlement in the SJ Project; \$3 million spent fuel settlement in the PV Project; \$3 million of upfront savings received from the restructuring of the 2007 Gas Project Bonds; and the net increase of \$4 million resulting from the increase in market values of the investment securities held in all projects together with the loss of earnings in the MP, MA, and Multiple Projects because of the withdrawal of all funds from the 1989 Multiple GIC in relation to the final maturity of the Multiple Project Bonds.

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. \$0.395 million and \$60 million were charged to expense and income related to the Authority's derivative instruments that were deemed investment instruments as of June 30, 2014 and 2013, respectively. The decrease in derivative gain of \$60 million is mainly due to termination of the STS 2001, MA 2008 and the MP 2008 Swaps. (See Note 5).

Debt Expense –

Debt expense decreased by \$1M largely due to the final maturity of the 1989 Multiple Project Revenue Bond, offset by the issuance of the APP 2014 A&B Bonds.

During fiscal year 2013, interest expense decreased because of the termination of the STS 2006 Constant maturity swap, the refunding of the STS 2002 A& B Bonds and a portion of the MPP 2003A Bonds, and the recognition of the remaining balance of the upfront payment received in connection with the execution of the MA and MP 2004 Swaps which were terminated in the fiscal year. These transactions were offset by the effect of the GASB 65 restatement, which required costs of issuance to be expensed upon issuance and resulted in a \$6 million net decrease in debt expense.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

Combined Financial Statements (continued)

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

- The collective credit strengths of each project participant;
- The absence of concentration risk as evidenced by the lack of substantial reliance by one participant on the resources financed;
- 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 No. 1, however, are obligated only to purchase and pay for gas delivered by SCPPA at market-based prices in accordance with the prepaid gas sale agreements in take-and-pay contracts. The Authority has also entered into various power purchase agreements that are substantially take-and-pay contracts but there may be other costs not associated with the delivery of energy that the participants may be obligated to pay.

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

AB 1890 required all California electric utilities to commit a portion of their revenue to other Public Benefit Programs, including energy efficiency, renewable energy, research, development and demonstration (RD&D), and low-income customer assistance. Since 1998, a combined \$1.7 billion dollars have been spent by our Members on their respective Public Benefits Programs to support local communities.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

Combined Financial Statements (continued)

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 of our 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 our 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 our members' renewable objectives.

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,	
	2014	2013 As Restated
ASSETS		
Noncurrent assets		
Net utility plant	\$ 1,574,194	\$ 1,362,772
Investments – restricted	648,532	682,044
Investments – unrestricted	31,037	48,529
Advance to IPA - restricted	11,550	11,550
Advances for capacity and energy, net – restricted	3,688	5,259
Fair value of derivative instruments	752	625
Prepaid and other assets	968,744	1,032,953
Total noncurrent assets	<u>3,238,497</u>	<u>3,143,732</u>
Current assets		
Cash and cash equivalents – restricted	205,018	151,476
Cash and cash equivalents – unrestricted	96,735	79,453
Interest receivable	3,042	3,822
Accounts receivable	17,399	9,692
Materials and supplies	24,904	21,272
Prepaid and other assets	69,603	67,158
Total current assets	<u>416,701</u>	<u>332,873</u>
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized loss on refunding	79,668	109,205
Accumulated decrease in fair value of hedging derivatives	15,393	13,541
Total deferred outflows of resources	<u>95,061</u>	<u>122,746</u>
Total assets and deferred outflows of resources	<u>\$ 3,750,259</u>	<u>\$ 3,599,351</u>
LIABILITIES		
Noncurrent liabilities		
Long-term debt	\$ 3,353,692	\$ 3,200,415
Fair value of derivative instruments	55,984	54,399
Notes payable and other liabilities	15,890	22,214
Advances from participants	30,907	30,813
Total noncurrent liabilities	<u>3,456,473</u>	<u>3,307,841</u>
Current liabilities		
Debt due within one year	158,320	189,730
Notes payable and other liabilities due within one year	15,275	11,572
Advances from participants due within one year	50,892	46,894
Accrued interest	65,396	64,173
Accounts payable and accruals	96,337	79,658
Accrued property tax	6,253	6,482
Total current liabilities	<u>392,473</u>	<u>398,509</u>
Total liabilities	<u>3,848,946</u>	<u>3,706,350</u>
NET POSITION		
Net investment in capital assets	(608,196)	(621,687)
Restricted	583,618	565,717
Unrestricted	(74,109)	(51,029)
Total net position	<u>(98,687)</u>	<u>(106,999)</u>
Total liabilities and net position	<u>\$ 3,750,259</u>	<u>\$ 3,599,351</u>

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

	Years Ended June 30,	
	2014	2013 As Restated
Operating revenues		
Sales of electric energy	\$ 504,862	\$ 467,798
Sales of transmission services	151,086	119,322
Sales of natural gas	46,379	52,805
Total operating revenues	<u>702,327</u>	<u>639,925</u>
Operating expenses		
Operations and maintenance	445,016	385,999
Depreciation, depletion and amortization	97,964	94,334
Amortization of nuclear fuel	16,031	16,749
Decommissioning	5,679	6,755
Total operating expenses	<u>564,690</u>	<u>503,837</u>
Operating income	<u>137,637</u>	<u>136,088</u>
Non operating revenues (expenses)		
Investment and other income	30,066	14,727
Derivative gain	395	60,189
Debt expense	(156,729)	(157,645)
Net non operating revenues (expenses)	<u>(126,268)</u>	<u>(82,729)</u>
Change in net position	11,369	53,359
Net position – beginning of year, before restatement	(106,999)	(129,308)
Cumulative effect of restatement	<u>-</u>	<u>(47,679)</u>
Net position – beginning of year as restated	<u>(106,999)</u>	<u>(176,987)</u>
Net contributions (distributions) by participants	<u>(3,057)</u>	<u>16,629</u>
Net position – end of year	<u>\$ (98,687)</u>	<u>\$ (106,999)</u>

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

	Years Ended June 30,	
	2014	2013
Cash flows from operating activities		
Receipts from participants	\$ 621,802	\$ 569,883
Receipts from sale of oil and gas	9,152	9,809
Payments to operating managers	(296,029)	(295,548)
Other disbursements and receipts	21,897	20,946
Net cash flows from operating activities	<u>356,822</u>	<u>305,090</u>
Cash flows from noncapital financing activities		
Advances by participants, net	25,708	1,460
Cash flows from capital financing activities		
Additions to plant and prepaid projects, net	(335,618)	(51,528)
Debt interest payments	(145,419)	(167,428)
Proceeds from sale of bonds	333,872	243,030
Payment for defeasance of revenue bonds	-	(226,032)
Transfer of funds from (to) escrow	-	(56,970)
Transfer of funds from (to) Mine Reclamation Trust Fund	(489)	(1,930)
Transfer of funds from (to) other projects	(24,822)	-
Principal payments on debt	(189,730)	(115,620)
Payment for bond issue costs	(2,508)	(1,292)
Net cash used for capital and related financing activities	<u>(364,714)</u>	<u>(377,770)</u>
Cash flows from investing activities		
Interest received on investments	8,132	11,732
Purchases of investments	(436,386)	(580,344)
Proceeds from sale/maturity of investments	481,262	522,246
Net cash provided by (used for) investing activities	<u>53,008</u>	<u>(46,366)</u>
Net increase (decrease) in cash and cash equivalents	70,824	(117,586)
Cash and cash equivalents, beginning of year	230,929	348,515
Cash and cash equivalents, end of year	<u>\$ 301,753</u>	<u>\$ 230,929</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 137,637	\$ 136,351
Adjustments to reconcile operating income to net cash provided		
Depreciation, depletion and amortization	149,779	145,950
Decommissioning	5,679	6,755
Advances for capacity and energy	3,031	3,202
Amortization of nuclear fuel	16,031	16,749
Changes in assets and liabilities		
Accounts receivable	(4,830)	6,118
Accounts payable and accruals	29,294	(25,187)
Other	20,201	15,152
Net cash provided by operating activities	<u>\$ 356,822</u>	<u>\$ 305,090</u>
Cash and cash equivalents as stated in the Combined Statements of Net Position		
Cash and cash equivalents – restricted	\$ 205,018	\$ 151,476
Cash and cash equivalents – unrestricted	96,735	79,453
	<u>\$ 301,753</u>	<u>\$ 230,929</u>

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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	297,615	97,401	275,226	281,432	314,259
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	33,665	28,521	43,325	12,238	37,016
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	-	1,000	19,755	-	-
Total assets and deferred outflows of resources	\$ 331,280	\$ 126,922	\$ 338,306	\$ 293,670	\$ 351,275
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	49,543	60,161	350,983	309,045	336,184
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	31,902	34,898	51,396	10,787	20,400
Total liabilities	81,445	95,059	402,379	319,832	356,584
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	249,835	31,863	(64,073)	(26,162)	(5,309)
Total liabilities and net position	\$ 331,280	\$ 126,922	\$ 338,306	\$ 293,670	\$ 351,275

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2013 (As Restated)
(AMOUNTS IN THOUSANDS)

	GENERATION			
	Palo Verde	San Juan	Magnolia Power	Canyon Power
ASSETS				
Noncurrent assets				
Net utility plant	\$ 84,910	\$ 84,961	\$ 230,395	\$ 260,687
Investments – restricted	178,911	31,189	52,625	30,870
Investments – unrestricted	36,878	-	-	-
Advance to IPA – restricted	-	-	-	-
Advances for capacity and energy, net – restricted	-	-	-	-
Fair value of derivative instruments	-	-	-	-
Prepaid and other assets	-	1,153	-	-
Total noncurrent assets	300,699	117,303	283,020	291,557
Current assets				
Cash and cash equivalents – restricted	19,371	5,878	28,701	8,757
Cash and cash equivalents – unrestricted	4,964	11,455	6,346	626
Interest receivable	543	45	117	49
Accounts receivable	1,748	220	599	1,069
Due from other project – restricted	-	-	-	-
Materials and supplies	9,645	4,502	6,070	1,055
Prepaid and other assets	648	505	192	-
Total current assets	36,919	22,605	42,025	11,556
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on refunding	-	1,370	14,112	-
Accumulated decrease in fair value of hedging derivatives	-	-	5,405	-
Total deferred outflows of resources	-	1,370	19,517	-
Total assets and deferred outflows of resources	\$ 337,618	\$ 141,278	\$ 344,562	\$ 303,113
LIABILITIES				
Noncurrent liabilities				
Long-term debt	\$ 47,460	\$ 74,083	\$ 343,455	\$ 310,102
Fair value of derivative instruments	-	-	15,972	-
Notes payable and other liabilities	19,737	-	-	-
Advances from participants	-	-	-	-
Total noncurrent liabilities	67,197	74,083	359,427	310,102
Current liabilities				
Debt due within one year	10,980	27,250	15,605	-
Notes payable and other liabilities due within one year	6,337	-	4,607	-
Advances from participants due within one year	-	4,071	21,479	2,225
Accrued interest	4	2,546	3,853	8,366
Accounts payable and accruals	10,993	5,896	2,105	378
Accrued property tax	1,350	349	-	-
Due to other projects	-	-	-	-
Total current liabilities	29,664	40,112	47,649	10,969
Total liabilities	96,861	114,195	407,076	321,071
NET POSITION				
Net investment in capital assets	26,471	(17,921)	(110,351)	(38,035)
Restricted	172,336	34,564	51,908	17,706
Unrestricted	41,950	10,440	(4,071)	2,371
Total net position	240,757	27,083	(62,514)	(17,958)
Total liabilities and net position	\$ 337,618	\$ 141,278	\$ 344,562	\$ 303,113

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

	GREEN POWER					
	Hoover Uprating	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, 2013 (As Restated)
(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	\$ -	\$ 42,589	\$ -	\$ -	\$ -	\$ 130,283
Investments – restricted	2,344	5,293	32,071	7,865	29,347	6,392
Investments – unrestricted	1,160	-	1,498	5,497	-	2,497
Advance to IPA - restricted	-	-	-	-	-	-
Advances for capacity and energy, net – restricted	5,259	-	-	-	-	-
Fair value of derivative instruments	-	-	-	-	-	-
Prepaid and other assets	-	-	175,337	149,285	448,657	-
Total noncurrent assets	8,763	47,882	208,906	162,647	478,004	139,172
Current assets						
Cash and cash equivalents – restricted	742	2,111	5,316	4,369	10,381	3,363
Cash and cash equivalents – unrestricted	139	618	6,723	2,377	6,988	1,907
Interest receivable	-	16	58	14	50	2
Accounts receivable	39	64	-	-	-	-
Due from other project – restricted	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Prepaid and other assets	1,495	1	11,401	8,696	32,242	-
Total current assets	2,415	2,810	23,498	15,456	49,661	5,272
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	\$ 11,178	\$ 50,692	\$ 232,404	\$ 178,103	\$ 527,665	\$ 144,444
LIABILITIES						
Noncurrent liabilities						
Long-term debt	\$ 7,983	\$ 51,716	\$ 224,612	\$ 164,762	\$ 513,295	\$ 136,972
Fair value of derivative instruments	-	-	-	-	-	-
Notes payable and other liabilities	-	-	-	-	-	-
Advances from participants	-	-	-	-	-	-
Total noncurrent liabilities	7,983	51,716	224,612	164,762	513,295	136,972
Current liabilities						
Debt due within one year	1,755	790	8,135	5,065	17,850	3,425
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	123	1,284	5,370	3,898	11,597	3,364
Accounts payable and accruals	45	417	7,930	7,596	5,746	2,956
Accrued property tax	-	-	-	-	773	247
Due to other projects	-	-	-	-	-	-
Total current liabilities	1,923	2,693	21,685	16,809	36,966	11,996
Total liabilities	9,906	54,409	246,297	181,571	550,261	148,968
NET POSITION						
Net investment in capital assets	-	(9,916)	-	-	-	(10,114)
Restricted	-	6,134	-	-	-	6,393
Unrestricted	1,272	65	(13,893)	(3,468)	(22,596)	(803)
Total net position	1,272	(3,717)	(13,893)	(3,468)	(22,596)	(4,524)
Total liabilities and net position	\$ 11,178	\$ 50,692	\$ 232,404	\$ 178,103	\$ 527,665	\$ 144,444

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, 2013 (As Restated)
(AMOUNTS IN THOUSANDS)

	TRANSMISSION		
	Southern Transmission System	Mead- Phoenix	Mead- Adelanto
ASSETS			
Noncurrent assets			
Net utility plant	\$ 284,521	\$ 32,746	\$ 95,748
Investments – restricted	66,384	5,869	22,686
Investments – unrestricted	-	-	-
Advance to IPA – restricted	11,550	-	-
Advances for capacity and energy, net – restricted	-	-	-
Fair value of derivative instruments	-	-	625
Prepaid and other assets	-	-	-
Total noncurrent assets	<u>362,455</u>	<u>38,615</u>	<u>119,059</u>
Current assets			
Cash and cash equivalents – restricted	32,744	1,469	4,425
Cash and cash equivalents – unrestricted	3,643	190	41
Interest receivable	75	203	834
Accounts receivable	-	188	95
Due from other project – restricted	-	6,734	19,637
Materials and supplies	-	-	-
Prepaid and other assets	-	-	-
Total current assets	<u>36,462</u>	<u>8,784</u>	<u>25,032</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	69,188	5,915	18,620
Accumulated decrease in fair value of hedging derivatives	-	-	-
Total deferred outflows of resources	<u>69,188</u>	<u>5,915</u>	<u>18,620</u>
Total assets and deferred outflows of resources	<u>\$ 468,105</u>	<u>\$ 53,314</u>	<u>\$ 162,711</u>
LIABILITIES			
Noncurrent liabilities			
Long-term debt	\$ 737,010	\$ 41,695	\$ 140,042
Fair value of derivative instruments	30,290	-	-
Notes payable and other liabilities	-	-	2,477
Advances from participants	-	-	-
Total noncurrent liabilities	<u>767,300</u>	<u>41,695</u>	<u>142,519</u>
Current liabilities			
Debt due within one year	49,130	6,505	17,820
Notes payable and other liabilities due within one year	-	-	628
Advances from participants due within one year	-	-	-
Accrued interest	13,472	1,002	3,473
Accounts payable and accruals	7,000	206	1,031
Accrued property tax	-	-	-
Due to other projects	-	-	-
Total current liabilities	<u>69,602</u>	<u>7,713</u>	<u>22,952</u>
Total liabilities	<u>836,902</u>	<u>49,408</u>	<u>165,471</u>
NET POSITION			
Net investment in capital assets	(424,297)	(9,539)	(46,598)
Restricted	89,013	13,114	43,376
Unrestricted	(33,513)	331	462
Total net position	<u>(368,797)</u>	<u>3,906</u>	<u>(2,760)</u>
Total liabilities and net position	<u>\$ 468,105</u>	<u>\$ 53,314</u>	<u>\$ 162,711</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, 2013 (As Restated)
(AMOUNTS IN THOUSANDS)

	NATURAL GAS		
	Pinedale	Barnett	Prepaid Natural Gas
ASSETS			
Noncurrent assets			
Net utility plant	\$ 53,724	\$ 57,944	\$ -
Investments – restricted	7,600	34,395	11,510
Investments – unrestricted	999	-	-
Advance to IPA – restricted	-	-	-
Advances for capacity and energy, net – restricted	-	-	-
Fair value of derivative instruments	-	-	-
Prepaid and other assets	126	-	258,374
Total noncurrent assets	<u>62,449</u>	<u>92,339</u>	<u>269,884</u>
Current assets			
Cash and cash equivalents – restricted	7,014	1,111	5,711
Cash and cash equivalents – unrestricted	8,469	7,352	239
Interest receivable	-	55	45
Accounts receivable	2,297	1,715	1,470
Due from other project – restricted	-	-	-
Materials and supplies	-	-	-
Prepaid and other assets	653	-	11,316
Total current assets	<u>18,433</u>	<u>10,233</u>	<u>18,781</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	-	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	8,136
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>8,136</u>
Total assets and deferred outflows of resources	<u>\$ 80,882</u>	<u>\$ 102,572</u>	<u>\$ 296,801</u>
LIABILITIES			
Noncurrent liabilities			
Long-term debt	\$ 26,982	\$ 63,373	\$ 316,873
Fair value of derivative instruments	-	-	8,137
Notes payable and other liabilities	-	-	-
Advances from participants	21,038	9,775	-
Total noncurrent liabilities	<u>48,020</u>	<u>73,148</u>	<u>325,010</u>
Current liabilities			
Debt due within one year	2,253	5,302	4,065
Notes payable and other liabilities due within one year	-	-	-
Advances from participants due within one year	12,022	1,279	-
Accrued interest	794	1,867	2,693
Accounts payable and accruals	8,387	1,603	1,686
Accrued property tax	3,763	-	-
Due to other projects	-	-	-
Total current liabilities	<u>27,219</u>	<u>10,051</u>	<u>8,444</u>
Total liabilities	<u>75,239</u>	<u>83,199</u>	<u>333,454</u>
NET POSITION			
Net investment in capital assets	3,451	10,898	-
Restricted	2,576	1,014	-
Unrestricted	(384)	7,461	(36,653)
Total net position	<u>5,643</u>	<u>19,373</u>	<u>(36,653)</u>
Total liabilities and net position	<u>\$ 80,882</u>	<u>\$ 102,572</u>	<u>\$ 296,801</u>

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

	POWER PURCHASE AGREEMENTS					
	Ormat			Ameresco	Don A. Campbell	
	Geothermal	MWD Small Hydro	Pebble Springs	Chiquita Landfill	Wild Rose	Copper Mountain
	Energy			Gas	Geothermal	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	\$ 2,822	\$ 1,397	\$ 4,123	\$ 2,041	\$ 982	\$ 1,615
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	\$ 2,822	\$ 1,397	\$ 4,123	\$ 2,041	\$ 982	\$ 1,615

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2013 (As Restated)
(AMOUNTS IN THOUSANDS)

	POWER PURCHASE AGREEMENTS			
	Ormat Geothermal Energy	MWD Small Hydro	Pebble Springs	Ameresco Chiquita Landfill Gas
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Current assets				
Cash and cash equivalents - restricted	-	-	-	-
Cash and cash equivalents - unrestricted	5,386	1,993	7,713	2,284
Interest receivable	-	-	1	-
Accounts receivable	-	-	-	188
Due from other project - restricted	-	-	-	-
Materials and supplies	-	-	-	-
Prepaid and other assets	9	15	-	6
Total current assets	<u>5,395</u>	<u>2,008</u>	<u>7,714</u>	<u>2,478</u>
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on refunding	-	-	-	-
Accumulated decrease in fair value of hedging derivatives	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 5,395</u>	<u>\$ 2,008</u>	<u>\$ 7,714</u>	<u>\$ 2,478</u>
LIABILITIES				
Noncurrent liabilities				
Long-term debt	\$ -	\$ -	\$ -	\$ -
Fair value of derivative instruments	-	-	-	-
Notes payable and other liabilities	-	-	-	-
Advances from participants	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Current liabilities				
Debt due within one year	-	-	-	-
Notes payable and other liabilities due within one year	-	-	-	-
Advances from participants due within one year	1,045	500	-	400
Accrued interest	-	-	-	-
Accounts payable and accruals	4,350	1,508	7,714	2,078
Accrued property tax	-	-	-	-
Due to other projects	-	-	-	-
Total current liabilities	<u>5,395</u>	<u>2,008</u>	<u>7,714</u>	<u>2,478</u>
Total liabilities	<u>5,395</u>	<u>2,008</u>	<u>7,714</u>	<u>2,478</u>
NET POSITION				
Net investment in capital assets	-	-	-	-
Restricted	-	-	-	-
Unrestricted	-	-	-	-
Total net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net position	<u>\$ 5,395</u>	<u>\$ 2,008</u>	<u>\$ 7,714</u>	<u>\$ 2,478</u>

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

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2013 (As Restated)
(AMOUNTS IN THOUSANDS)

MISCELLANEOUS							
	Multiple Project Fund	Project Development Fund	Projects' Stabilization Fund	SCPPA Building Fund	Total	Eliminations	Total Combined
ASSETS							
Noncurrent assets							
Net utility plant	\$ -	\$ -	\$ -	\$ 4,264	\$ 1,362,772	\$ -	\$ 1,362,772
Investments - restricted	39,197	-	117,496	-	682,044	-	682,044
Investments - unrestricted	-	-	-	-	48,529	-	48,529
Advance to IPA - restricted	-	-	-	-	11,550	-	11,550
Advances for capacity and energy, net - restricted	-	-	-	-	5,259	-	5,259
Fair value of derivative instruments	-	-	-	-	625	-	625
Prepaid and other assets	-	-	-	-	1,032,953	-	1,032,953
Total noncurrent assets	39,197	-	117,496	4,264	3,143,732	-	3,143,732
Current assets							
Cash and cash equivalents - restricted	-	154	9,813	46	151,476	-	151,476
Cash and cash equivalents - unrestricted	-	-	-	-	79,453	-	79,453
Interest receivable	1,441	-	274	-	3,822	-	3,822
Accounts receivable	-	-	-	-	9,692	-	9,692
Due from other project - restricted	-	-	-	-	26,371	(26,371)	-
Materials and supplies	-	-	-	-	21,272	-	21,272
Prepaid and other assets	-	-	-	-	67,158	-	67,158
Total current assets	1,441	154	10,087	46	359,244	(26,371)	332,873
DEFERRED OUTFLOWS OF RESOURCES							
Unamortized loss on refunding	-	-	-	-	109,205	-	109,205
Accumulated decrease in fair value of hedging derivatives	-	-	-	-	13,541	-	13,541
Total deferred outflows of resources	-	-	-	-	122,746	-	122,746
Total assets and deferred outflows of resources	\$ 40,638	\$ 154	\$ 127,583	\$ 4,310	\$ 3,625,722	\$ (26,371)	\$ 3,599,351
LIABILITIES							
Noncurrent liabilities							
Long-term debt	\$ -	\$ -	\$ -	\$ -	\$ 3,200,415	\$ -	\$ 3,200,415
Fair value of derivative instruments	-	-	-	-	54,399	-	54,399
Notes payable and other liabilities	-	-	-	-	22,214	-	22,214
Advances from participants	-	-	-	-	30,813	-	30,813
Total noncurrent liabilities	-	-	-	-	3,307,841	-	3,307,841
Current liabilities							
Debt due within one year	13,800	-	-	-	189,730	-	189,730
Notes payable and other liabilities due within one year	-	-	-	-	11,572	-	11,572
Advances from participants due within one year	-	154	-	13	46,894	-	46,894
Accrued interest	467	-	-	-	64,173	-	64,173
Accounts payable and accruals	-	-	-	33	79,658	-	79,658
Accrued property tax	-	-	-	-	6,482	-	6,482
Due to other projects	26,371	-	-	-	26,371	(26,371)	-
Total current liabilities	40,638	154	-	46	424,880	(26,371)	398,509
Total liabilities	40,638	154	-	46	3,732,721	(26,371)	3,706,350
NET POSITION							
Net investment in capital assets	-	-	-	4,264	(621,687)	-	(621,687)
Restricted	-	-	127,583	-	565,717	-	565,717
Unrestricted	-	-	-	-	(51,029)	-	(51,029)
Total net position	-	-	127,583	4,264	(106,999)	-	(106,999)
Total liabilities and net position	\$ 40,638	\$ 154	\$ 127,583	\$ 4,310	\$ 3,625,722	\$ (26,371)	\$ 3,599,351

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, 2013 (As Restated)
(AMOUNTS IN THOUSANDS)

	GENERATION			
	Palo Verde	San Juan	Magnolia Power	Canyon Power
Operating revenues				
Sales of electric energy	\$ 79,386	\$ 105,300	\$ 67,354	\$ 20,809
Sales of transmission services	-	-	-	-
Sales of natural gas	-	-	-	-
Total operating revenues	<u>79,386</u>	<u>105,300</u>	<u>67,354</u>	<u>20,809</u>
Operating expenses				
Operations and maintenance	40,506	68,920	48,482	8,147
Depreciation, depletion and amortization	20,570	6,955	10,949	9,331
Amortization of nuclear fuel	16,749	-	-	-
Decommissioning	2,429	4,326	-	-
Total operating expenses	<u>80,254</u>	<u>80,201</u>	<u>59,431</u>	<u>17,478</u>
Operating income (loss)	<u>(868)</u>	<u>25,099</u>	<u>7,923</u>	<u>3,331</u>
Non operating revenues (expenses)				
Investment and other income	(3,062)	1,153	(242)	3,378
Derivative gain (loss)	-	-	14,715	-
Debt expense	<u>(2,182)</u>	<u>(4,903)</u>	<u>(12,189)</u>	<u>(15,674)</u>
Net non operating revenues (expenses)	<u>(5,244)</u>	<u>(3,750)</u>	<u>2,284</u>	<u>(12,296)</u>
Change in net position	(6,112)	21,349	10,207	(8,965)
Net position – beginning of year	247,077	6,226	(44,554)	(6,803)
Cumulative effect of restatement	<u>(208)</u>	<u>(492)</u>	<u>(28,167)</u>	<u>(2,190)</u>
Net position – beginning of year as restated	<u>246,869</u>	<u>5,734</u>	<u>(72,721)</u>	<u>(8,993)</u>
Net position – end of year	<u>\$ 240,757</u>	<u>\$ 27,083</u>	<u>\$ (62,514)</u>	<u>\$ (17,958)</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)

	GREEN POWER					
	Hoover Upgrading	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	<u>1,122</u>	<u>(2,481)</u>	<u>(9,096)</u>	<u>(5,357)</u>	<u>(16,130)</u>	<u>(5,565)</u>
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, 2013 (As Restated)
(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	\$ 2,575	\$ 4,663	\$ 33,546	\$ 18,403	\$ 80,724	\$ 17,761
Sales of transmission services	-	-	-	-	-	-
Sales of natural gas	-	-	-	-	-	-
Total operating revenues	<u>2,575</u>	<u>4,663</u>	<u>33,546</u>	<u>18,403</u>	<u>80,724</u>	<u>17,761</u>
Operating expenses						
Operations and maintenance	3,525	1,496	26,396	14,245	72,269	8,470
Depreciation, depletion and amortization	-	1,465	-	-	-	5,814
Amortization of nuclear fuel	-	-	-	-	-	-
Decommissioning	-	-	-	-	-	-
Total operating expenses	<u>3,525</u>	<u>2,961</u>	<u>26,396</u>	<u>14,245</u>	<u>72,269</u>	<u>14,284</u>
Operating income (loss)	<u>(950)</u>	<u>1,702</u>	<u>7,150</u>	<u>4,158</u>	<u>8,455</u>	<u>3,477</u>
Non operating revenues (expenses)						
Investment and other income	(32)	(27)	(325)	2	736	784
Derivative gain (loss)	-	-	-	-	-	-
Debt expense	1,281	(2,504)	(9,238)	(5,377)	(16,264)	(5,594)
Net non operating revenues (expenses)	<u>1,249</u>	<u>(2,531)</u>	<u>(9,563)</u>	<u>(5,375)</u>	<u>(15,528)</u>	<u>(4,810)</u>
Change in net position	299	(829)	(2,413)	(1,217)	(7,073)	(1,333)
Net position – beginning of year	1,031	(2,265)	(9,899)	(1,040)	(12,674)	(2,180)
Cumulative effect of restatement	(58)	(623)	(1,581)	(1,211)	(2,849)	(1,011)
Net position – beginning of year as restated	<u>973</u>	<u>(2,888)</u>	<u>(11,480)</u>	<u>(2,251)</u>	<u>(15,523)</u>	<u>(3,191)</u>
Net position – end 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>

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, 2013 (As Restated)
(AMOUNTS IN THOUSANDS)

	TRANSMISSION		
	Southern Transmission System	Mead- Phoenix	Mead- Adelanto
Operating revenues			
Sales of electric energy	\$ -	\$ -	\$ -
Sales of transmission services	107,797	3,150	8,375
Sales of natural gas	-	-	-
Total operating revenues	<u>107,797</u>	<u>3,150</u>	<u>8,375</u>
Operating expenses			
Operations and maintenance	25,333	1,134	2,107
Depreciation, depletion and amortization	22,750	1,523	4,522
Amortization of nuclear fuel	-	-	-
Decommissioning	-	-	-
Total operating expenses	<u>48,083</u>	<u>2,657</u>	<u>6,629</u>
Operating income (loss)	<u>59,714</u>	<u>493</u>	<u>1,746</u>
Non operating revenues (expenses)			
Investment and other income	5,717	535	2,106
Derivative gain (loss)	24,088	5,498	15,888
Debt expense	(46,458)	(3,482)	(10,924)
Net non operating revenues (expenses)	<u>(16,653)</u>	<u>2,551</u>	<u>7,070</u>
Change in net position	43,061	3,044	8,816
Net position – beginning of year	(407,074)	1,255	(10,775)
Cumulative effect of restatement	(4,784)	(393)	(801)
Net position – beginning of year as restated	<u>(411,858)</u>	<u>862</u>	<u>(11,576)</u>
Net position – end of year	<u>\$ (368,797)</u>	<u>\$ 3,906</u>	<u>\$ (2,760)</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)

	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	(1,490)	(3,503)	(16,406)
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	-	-	-
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, 2013 (As Restated)
(AMOUNTS IN THOUSANDS)

	NATURAL GAS		
	Pinedale	Barnett	Prepaid Natural Gas
Operating revenues			
Sales of electric energy	\$ -	\$ -	\$ -
Sales of transmission services	-	-	-
Sales of natural gas	10,986	21,610	20,209
Total operating revenues	<u>10,986</u>	<u>21,610</u>	<u>20,209</u>
Operating expenses			
Operations and maintenance	4,462	10,481	12,475
Depreciation, depletion and amortization	5,877	4,465	-
Amortization of nuclear fuel	-	-	-
Decommissioning	-	-	-
Total operating expenses	<u>10,339</u>	<u>14,946</u>	<u>12,475</u>
Operating income (loss)	<u>647</u>	<u>6,664</u>	<u>7,734</u>
Non operating revenues (expenses)			
Investment and other income	8	(295)	751
Derivative gain (loss)	-	-	-
Debt expense	(1,587)	(3,734)	(16,608)
Net non operating revenues (expenses)	<u>(1,579)</u>	<u>(4,029)</u>	<u>(15,857)</u>
Change in net position	(932)	2,635	(8,123)
Net position – beginning of year	7,163	17,338	(26,407)
Cumulative effect of restatement	(588)	(600)	(2,123)
Net position – beginning of year as restated	<u>6,575</u>	<u>16,738</u>	<u>(28,530)</u>
Net position – end of year	<u>\$ 5,643</u>	<u>\$ 19,373</u>	<u>\$ (36,653)</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)

	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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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, 2013 (As Restated)
(AMOUNTS IN THOUSANDS)

	POWER PURCHASE AGREEMENTS			
	Ormat Geothermal	MWD Small Hydro	Pebble Springs	Ameresco Chiquita Landfill Gas
Operating revenues				
Sales of electric energy	\$ 7,299	\$ 2,235	\$ 24,502	\$ 3,241
Sales of transmission services	-	-	-	-
Sales of natural gas	-	-	-	-
Total operating revenues	<u>7,299</u>	<u>2,235</u>	<u>24,502</u>	<u>3,241</u>
Operating expenses				
Operations and maintenance	7,304	2,237	24,506	3,241
Depreciation, depletion and amortization	-	-	-	-
Amortization of nuclear fuel	-	-	-	-
Decommissioning	-	-	-	-
Total operating expenses	<u>7,304</u>	<u>2,237</u>	<u>24,506</u>	<u>3,241</u>
Operating income (loss)	<u>(5)</u>	<u>(2)</u>	<u>(4)</u>	<u>-</u>
Non operating revenues (expenses)				
Investment and other income	5	2	3	-
Derivative gain (loss)	-	-	-	-
Debt expense	-	-	-	-
Net non operating revenues (expenses)	<u>5</u>	<u>2</u>	<u>3</u>	<u>-</u>
Change in net position	-	-	(1)	-
Net position – beginning of year	-	-	1	-
Cumulative effect of restatement	-	-	-	-
Net position – beginning of year as restated	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>
Net position – end of year	<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, 2014
(AMOUNTS IN THOUSANDS)

	MISCELLANEOUS				Total Combined
	Multiple Project Fund	Project Development Fund	Projects' Stabilization Fund	SCPPA Building 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)
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 REVENUES, EXPENSES, AND CHANGES IN
NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013 (As Restated)
(AMOUNTS IN THOUSANDS)

	MISCELLANEOUS				Total Combined
	Multiple Project Fund	Project Development Fund	Projects' Stabilization Fund	SCPPA Building Fund	
Operating revenues					
Sales of electric energy	\$ -	\$ -	\$ -	\$ -	\$ 467,798
Sales of transmission services	-	-	-	-	119,322
Sales of natural gas	-	-	-	-	52,805
Total operating revenues	-	-	-	-	639,925
Operating expenses					
Operations and maintenance	-	-	-	263	385,999
Depreciation, depletion and amortization	-	-	-	113	94,334
Amortization of nuclear fuel	-	-	-	-	16,749
Decommissioning	-	-	-	-	6,755
Total operating expenses	-	-	-	376	503,837
Operating income (loss)	-	-	-	(376)	136,088
Non operating revenues (expenses)					
Investment and other income	4,724	-	(1,457)	263	14,727
Derivative gain (loss)	-	-	-	-	60,189
Debt expense	(2,208)	-	-	-	(157,645)
Net non operating revenues (expenses)	2,516	-	(1,457)	263	(82,729)
Change in net position	2,516	-	(1,457)	(113)	53,359
Net position – beginning of year	(2,516)	-	112,419	4,369	(129,308)
Cumulative effect of restatement	-	-	-	-	(47,679)
Net position – beginning of year as restated	(2,516)	-	112,419	4,369	(176,987)
Net contributions by participants	-	-	16,621	8	16,629
Net position – end of year	\$ -	\$ -	\$ 127,583	\$ 4,264	\$ (106,999)

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	43,294	28,173	29,069	13,617	21,757
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	(39,701)	(34,513)	(28,625)	(21,925)	35,459
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	(10,636)	11,335	(1,746)	8,198	(23,480)
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	\$ 17,292	\$ 22,328	\$ 33,745	\$ 9,273	\$ 33,736
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	\$ 43,294	\$ 28,173	\$ 29,069	\$ 13,617	\$ 21,757
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
	\$ 17,292	\$ 22,328	\$ 33,745	\$ 9,273	\$ 33,736

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013
(AMOUNTS IN THOUSANDS)

	GENERATION			
	Palo Verde	San Juan	Magnolia Power	Canyon Power
Cash flows from operating activities				
Receipts from participants	\$ 64,723	\$ 96,475	\$ 47,246	\$ 14,427
Receipts from sale of oil and gas	-	-	-	-
Payments to operating managers	(44,755)	(70,033)	(26,042)	(2,693)
Other disbursements and receipts	7,634	-	-	-
Net cash flows from operating activities	<u>27,602</u>	<u>26,442</u>	<u>21,204</u>	<u>11,734</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	(21,835)	(16,931)	(1,687)	(1,216)
Debt interest and swap payments	(728)	(5,808)	(12,583)	(12,936)
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	-	(1,930)	-	-
Transfer of funds from (to) other projects	-	-	-	-
Principal payments on debt	(10,660)	(13,010)	(9,780)	-
Payment for bond issue costs	-	-	(1)	-
Net cash used for capital and related financing activities	<u>(33,223)</u>	<u>(37,679)</u>	<u>(24,051)</u>	<u>(14,152)</u>
Cash flows from investing activities				
Interest received on investments	270	1,214	795	285
Purchases of investments	(31,895)	(20,215)	(75,006)	(39,122)
Proceeds from sale/maturity of investments	32,580	28,780	69,246	33,599
Net cash provided by (used for) investing activities	<u>955</u>	<u>9,779</u>	<u>(4,965)</u>	<u>(5,238)</u>
Net increase (decrease) in cash and cash equivalents	<u>(4,666)</u>	<u>(1,458)</u>	<u>(7,812)</u>	<u>(7,656)</u>
Cash and cash equivalents, beginning of year	<u>29,001</u>	<u>18,791</u>	<u>42,859</u>	<u>17,039</u>
Cash and cash equivalents, end of year	<u>\$ 24,335</u>	<u>\$ 17,333</u>	<u>\$ 35,047</u>	<u>\$ 9,383</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ (868)	\$ 25,099	\$ 7,923	\$ 3,331
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation, depletion and amortization	20,570	6,955	10,949	9,331
Decommissioning	2,429	4,326	-	-
Advances for capacity and energy	-	-	-	-
Amortization of nuclear fuel	16,749	-	-	-
Changes in assets and liabilities				
Accounts receivable	427	(107)	60	(934)
Accounts payable and accruals	(10,490)	(8,807)	(5,619)	33
Other	(1,215)	(1,024)	7,891	(27)
Net cash provided by operating activities	<u>\$ 27,602</u>	<u>\$ 26,442</u>	<u>\$ 21,204</u>	<u>\$ 11,734</u>
Cash and cash equivalents as stated in the Combined Statements of Net Position				
Cash and cash equivalents - restricted	\$ 19,371	\$ 5,878	\$ 28,701	\$ 8,757
Cash and cash equivalents - unrestricted	4,964	11,455	6,346	626
	<u>\$ 24,335</u>	<u>\$ 17,333</u>	<u>\$ 35,047</u>	<u>\$ 9,383</u>

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014
(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	\$ 2,583	\$ 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, 2013
(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	\$ 2,532	\$ 4,617	\$ 34,361	\$ 21,150	\$ 84,524	\$ 18,331
Receipts from sale of oil and gas	-	-	-	-	-	-
Payments to operating managers	(334)	(1,418)	(15,203)	(9,412)	(39,985)	(8,567)
Other disbursements and receipts	-	111	-	-	-	-
Net cash flows from operating activities	<u>2,198</u>	<u>3,310</u>	<u>19,158</u>	<u>11,738</u>	<u>44,539</u>	<u>9,764</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	(537)	(2,575)	(10,876)	(7,839)	(23,489)	(5,935)
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	(1,670)	(775)	(7,860)	(4,235)	(17,240)	(3,360)
Payment for bond issue costs	-	-	-	-	-	-
Net cash used for capital and related financing activities	<u>(2,207)</u>	<u>(3,350)</u>	<u>(18,736)</u>	<u>(12,074)</u>	<u>(40,729)</u>	<u>(9,295)</u>
Cash flows from investing activities						
Interest received on investments	27	70	371	53	174	39
Purchases of investments	(2,995)	(5,495)	(45,399)	(15,231)	(33,823)	(10,800)
Proceeds from sale/maturity of investments	3,560	5,007	36,419	5,140	18,762	4,165
Net cash provided by (used for) investing activities	<u>592</u>	<u>(418)</u>	<u>(8,609)</u>	<u>(10,038)</u>	<u>(14,887)</u>	<u>(6,596)</u>
Net increase (decrease) in cash and cash equivalents	583	(458)	(8,187)	(10,374)	(11,077)	(6,127)
Cash and cash equivalents, beginning of year	<u>298</u>	<u>3,187</u>	<u>20,226</u>	<u>17,120</u>	<u>28,446</u>	<u>11,397</u>
Cash and cash equivalents, end of year	<u>\$ 881</u>	<u>\$ 2,729</u>	<u>\$ 12,039</u>	<u>\$ 6,746</u>	<u>\$ 17,369</u>	<u>\$ 5,270</u>
Reconciliation of operating income (loss) to net cash provided by operating activities						
Operating income (loss)	\$ (950)	\$ 1,702	\$ 7,150	\$ 4,158	\$ 8,455	\$ 3,477
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	3,202	-	-	-	-	-
Amortization of nuclear fuel	-	-	-	-	-	-
Changes in assets and liabilities						
Accounts receivable	(38)	-	-	781	1,328	-
Accounts payable and accruals	(16)	(62)	670	(1,844)	2,340	473
Other	-	205	-	-	781	-
Net cash provided by operating activities	<u>\$ 2,198</u>	<u>\$ 3,310</u>	<u>\$ 19,158</u>	<u>\$ 11,738</u>	<u>\$ 44,539</u>	<u>\$ 9,764</u>
Cash and cash equivalents as stated in the Combined Statements of Net Position						
Cash and cash equivalents – restricted	\$ 742	\$ 2,111	\$ 5,316	\$ 4,369	\$ 10,381	\$ 3,363
Cash and cash equivalents – unrestricted	139	618	6,723	2,377	6,988	1,907
	<u>\$ 881</u>	<u>\$ 2,729</u>	<u>\$ 12,039</u>	<u>\$ 6,746</u>	<u>\$ 17,369</u>	<u>\$ 5,270</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	<u>36,387</u>	<u>1,659</u>	<u>4,466</u>
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, 2013
(AMOUNTS IN THOUSANDS)

	TRANSMISSION		
	Southern Transmission System	Mead- Phoenix	Mead- Adelanto
Cash flows from operating activities			
Receipts from participants	\$ 104,559	\$ 3,000	\$ 8,140
Receipts from sale of oil and gas	-	-	-
Payments to operating managers	(20,589)	(1,358)	(2,114)
Other disbursements and receipts	-	-	-
Net cash flows from operating activities	<u>83,970</u>	<u>1,642</u>	<u>6,026</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	(2,026)	(10)	-
Debt interest and swap payments	(30,647)	(6,966)	(23,368)
Proceeds from sale of bonds	96,414	33,965	112,651
Payment for defeasance of revenue bonds	(96,511)	(29,947)	(99,574)
Transfer of funds from (to) escrow	(56,970)	-	-
Transfer of funds from (to) Mine Reclamation Trust Fund	-	-	-
Transfer of funds from (to) other projects	-	510	285
Principal payments on debt	-	(5,530)	(15,230)
Payment for bond issue costs	(301)	(321)	(669)
Net cash used for capital and related financing activities	<u>(90,041)</u>	<u>(8,299)</u>	<u>(25,905)</u>
Cash flows from investing activities			
Interest received on investments	854	427	1,722
Purchases of investments	(78,552)	(985)	(3,830)
Proceeds from sale/maturity of investments	67,770	4,399	14,636
Net cash provided by (used for) investing activities	<u>(9,928)</u>	<u>3,841</u>	<u>12,528</u>
Net increase (decrease) in cash and cash equivalents	<u>(15,999)</u>	<u>(2,816)</u>	<u>(7,351)</u>
Cash and cash equivalents, beginning of year	<u>52,386</u>	<u>4,475</u>	<u>11,817</u>
Cash and cash equivalents, end of year	<u>\$ 36,387</u>	<u>\$ 1,659</u>	<u>\$ 4,466</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 59,714	\$ 493	\$ 1,746
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation, depletion and amortization	22,750	1,523	4,522
Decommissioning	-	-	-
Advances for capacity and energy	-	-	-
Amortization of nuclear fuel	-	-	-
Changes in assets and liabilities			
Accounts receivable	4,924	(138)	(96)
Accounts payable and accruals	(3,418)	(227)	(146)
Other	-	(9)	-
Net cash provided by operating activities	<u>\$ 83,970</u>	<u>\$ 1,642</u>	<u>\$ 6,026</u>
Cash and cash equivalents as stated in the Combined Statements of Net Position			
Cash and cash equivalents – restricted	\$ 32,744	\$ 1,469	\$ 4,425
Cash and cash equivalents – unrestricted	<u>3,643</u>	<u>190</u>	<u>41</u>
	<u>\$ 36,387</u>	<u>\$ 1,659</u>	<u>\$ 4,466</u>

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	4,343	9,653	20,412
Cash flows from noncapital financing activities			
Advances (withdrawals) by participants, net	3,236	399	-
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	(4,377)	(9,457)	(20,121)
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	605	7,051	621
Net increase (decrease) in cash and cash equivalents	3,807	7,646	912
Cash and cash equivalents, beginning of year	15,483	8,463	5,950
Cash and cash equivalents, end of year	\$ 19,290	\$ 16,109	\$ 6,862
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	\$ 4,343	\$ 9,653	\$ 20,412
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
	\$ 19,290	\$ 16,109	\$ 6,862

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013
(AMOUNTS IN THOUSANDS)

	NATURAL GAS		
	Pinedale	Barnett	Prepaid Natural Gas
Cash flows from operating activities			
Receipts from participants	\$ 4,868	\$ 10,364	\$ 5,091
Receipts from sale of oil and gas	3,491	6,318	-
Payments to operating managers	(4,053)	(6,007)	(824)
Other disbursements and receipts	-	1	13,200
Net cash flows from operating activities	<u>4,306</u>	<u>10,676</u>	<u>17,467</u>
Cash flows from noncapital financing activities			
Advances (withdrawals) by participants, net	(15,673)	382	-
Cash flows from capital financing activities			
Additions to plant and prepaid projects, net	(1,731)	(5,907)	-
Debt interest and swap payments	(1,639)	(3,857)	(16,278)
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	(2,549)	(6,016)	(4,805)
Payment for bond issue costs	-	-	-
Net cash used for capital and related financing activities	<u>(5,919)</u>	<u>(15,780)</u>	<u>(21,083)</u>
Cash flows from investing activities			
Interest received on investments	10	244	759
Purchases of investments	(1,298)	(59,609)	(20,195)
Proceeds from sale/maturity of investments	699	46,749	22,522
Net cash provided by (used for) investing activities	<u>(589)</u>	<u>(12,616)</u>	<u>3,086</u>
Net increase (decrease) in cash and cash equivalents	(17,875)	(17,338)	(530)
Cash and cash equivalents, beginning of year	33,358	25,801	6,480
Cash and cash equivalents, end of year	<u>\$ 15,483</u>	<u>\$ 8,463</u>	<u>\$ 5,950</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 647	\$ 6,664	\$ 7,734
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation, depletion and amortization	5,877	4,465	-
Decommissioning	-	-	-
Advances for capacity and energy	-	-	-
Amortization of nuclear fuel	-	-	-
Changes in assets and liabilities			
Accounts receivable	(199)	(289)	399
Accounts payable and accruals	479	661	(2,748)
Other	(2,498)	(825)	12,082
Net cash provided by operating activities	<u>\$ 4,306</u>	<u>\$ 10,676</u>	<u>\$ 17,467</u>
Cash and cash equivalents as stated in the Combined Statements of Net Position			
Cash and cash equivalents – restricted	\$ 7,014	\$ 1,111	\$ 5,711
Cash and cash equivalents – unrestricted	8,469	7,352	239
	<u>\$ 15,483</u>	<u>\$ 8,463</u>	<u>\$ 5,950</u>

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	(2,572)	(774)	(3,595)	(243)	67	1,615
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	5	2	5	-	-	-
Purchases of investments	-	-	-	-	-	-
Proceeds from sale/maturity of investments	-	-	-	-	-	-
Net cash provided by (used for) investing activities	5	2	5	-	-	-
Net increase (decrease) in cash and cash equivalents	(2,567)	(772)	(3,590)	(243)	67	1,615
Cash and cash equivalents, beginning of year	5,386	1,993	7,713	2,284	-	-
Cash and cash equivalents, end of year	\$ 2,819	\$ 1,221	\$ 4,123	\$ 2,041	\$ 67	\$ 1,615
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	\$ (2,572)	\$ (774)	\$ (3,595)	\$ (243)	\$ 67	\$ 1,615
Cash and cash equivalents as stated in the Combined Statements of Net Position						
Cash and cash equivalents – restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents – unrestricted	2,819	1,221	4,123	2,041	67	1,615
	\$ 2,819	\$ 1,221	\$ 4,123	\$ 2,041	\$ 67	\$ 1,615

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013
(AMOUNTS IN THOUSANDS)

	POWER PURCHASE AGREEMENTS			
	Ormat Geothermal Energy	MWD Small Hydro	Pebble Springs	Ameresco Chiquita Landfill Gas
Cash flows from operating activities				
Receipts from participants	\$ 10,334	\$ 3,528	\$ 27,254	\$ 4,359
Receipts from sale of oil and gas	-	-	-	-
Payments to operating managers	(9,006)	(2,483)	(24,863)	(5,809)
Other disbursements and receipts	-	-	-	-
Net cash flows from operating activities	<u>1,328</u>	<u>1,045</u>	<u>2,391</u>	<u>(1,450)</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>
Cash flows from investing activities				
Interest received on investments	6	2	3	-
Purchases of investments	-	-	-	-
Proceeds from sale/maturity of investments	-	-	-	-
Net cash provided by (used for) investing activities	<u>6</u>	<u>2</u>	<u>3</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	1,334	1,047	2,394	(1,450)
Cash and cash equivalents, beginning of year	4,052	946	5,319	3,734
Cash and cash equivalents, end of year	<u>\$ 5,386</u>	<u>\$ 1,993</u>	<u>\$ 7,713</u>	<u>\$ 2,284</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ (5)	\$ (2)	\$ (4)	\$ -
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	-	-	-	-
Accounts payable and accruals	1,340	1,057	2,395	(1,258)
Other	(7)	(10)	-	(192)
Net cash provided by operating activities	<u>\$ 1,328</u>	<u>\$ 1,045</u>	<u>\$ 2,391</u>	<u>\$ (1,450)</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>5,386</u>	<u>1,993</u>	<u>7,713</u>	<u>2,284</u>
	<u>\$ 5,386</u>	<u>\$ 1,993</u>	<u>\$ 7,713</u>	<u>\$ 2,284</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 Building 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
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013
(AMOUNTS IN THOUSANDS)

	MISCELLANEOUS				Total Combined
	Multiple Project Fund	Project Development Fund	Projects' Stabilization Fund	SCPPA Building Fund	
Cash flows from operating activities					
Receipts from participants	\$ -	\$ -	\$ -	\$ -	\$ 569,883
Receipts from sale of oil and gas	-	-	-	-	9,809
Payments to operating managers	-	-	-	-	(295,548)
Other disbursements and receipts	-	-	-	-	20,946
Net cash flows from operating activities	-	-	-	-	305,090
Cash flows from noncapital financing activities					
Advances (withdrawals) by participants, net	-	130	16,621	-	1,460
Cash flows from capital financing activities					
Additions to plant and prepaid projects, net	-	-	-	(185)	(51,528)
Debt interest and swap payments	(1,367)	-	-	-	(167,428)
Proceeds from sale of bonds	-	-	-	-	243,030
Payment for defeasance of revenue bonds	-	-	-	-	(226,032)
Transfer of funds from (to) escrow	-	-	-	-	(56,970)
Transfer of funds from (to) Mine Reclamation Trust Fund	-	-	-	-	(1,930)
Transfer of funds from (to) other projects	(795)	-	-	-	-
Principal payments on debt	(12,900)	-	-	-	(115,620)
Payment for bond issue costs	-	-	-	-	(1,292)
Net cash used for capital and related financing activities	(15,062)	-	-	(185)	(377,770)
Cash flows from investing activities					
Interest received on investments	3,283	-	1,124	-	11,732
Purchases of investments	(16,974)	-	(118,920)	-	(580,344)
Proceeds from sale/maturity of investments	28,753	-	99,460	-	522,246
Net cash provided by (used for) investing activities	15,062	-	(18,336)	-	(46,366)
Net increase (decrease) in cash and cash equivalents	-	130	(1,715)	(185)	(117,586)
Cash and cash equivalents, beginning of year	-	24	11,528	231	348,515
Cash and cash equivalents, end of year	\$ -	\$ 154	\$ 9,813	\$ 46	\$ 230,929
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ -	\$ -	\$ -	\$ (376)	\$ 136,088
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation, depletion and amortization	-	-	-	113	145,950
Decommissioning	-	-	-	-	6,755
Advances for capacity and energy	-	-	-	-	3,202
Amortization of nuclear fuel	-	-	-	-	16,749
Changes in assets and liabilities					
Accounts receivable	-	-	-	-	6,118
Accounts payable and accruals	-	-	-	-	(25,187)
Other	-	-	-	263	15,415
Net cash provided by operating activities	\$ -	\$ -	\$ -	\$ -	\$ 305,090
Cash and cash equivalents as stated in the Combined Statements of Net Position					
Cash and cash equivalents – restricted	\$ -	\$ 154	\$ 9,813	\$ 46	\$ 151,476
Cash and cash equivalents – unrestricted	-	-	-	-	79,453
	\$ -	\$ 154	\$ 9,813	\$ 46	\$ 230,929

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 goes 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.
- **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.
- **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.

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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1 – Organization and Purpose (continued)

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

Natural Gas 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.

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 No. 1 – 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 No. 1 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, 2014, 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 Project	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 Upgrading 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

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 at a fixed price of \$99/MW. 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, SCPA entered into a power purchase agreement with Copper Mountain Solar 3, LLC to purchase certain renewable energy and associated environmental attributes. Although the facility is still under construction, delivery of test energy began in May 2014. Production is expected to start with about 5 MW of test energy and to ramp up gradually to 250 MW capacity between May 2014 and March 2015.

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	Don A. Campbell Wild Rose Geothermal Project	Copper Mountain Solar 3 Project
Capacity	17.00 MW	98.70 MW	17.04 MW	10.00 MW	16.00 MW	250.00 MW
City of Los Angeles	-	69.6%	-	-	84.6%	84.0%
City of Anaheim	60.0%	-	56.4%	-	-	-
City of Azusa	-	-	21.8%	-	-	-
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%	-	-
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Contract expires	2031	2025	2023	2030	2033	2040

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. Certain 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 SCPA 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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1 – Organization and Purpose (continued)

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. The funds related to the acquisition and renovation of the SCPPA Office Building located in the city of Glendora were transferred to the SCPPA Office Building Fund in 2012.

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 Building 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)

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).

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (continued)

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

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

- **Net investment in capital assets** – This component of net position consists of capital assets, (b) 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 proved developed producing wells, estimated at 28.2 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 2012 for both projects. The depletion rate for the Natural Gas Pinedale Project was \$3.35/MMBtu and \$3.28/MMBtu; and the estimated total net revenue volume was 15,251,000 MMBtu and 16,043,427 MMBtu, for fiscal years 2014 and 2013, respectively. The depletion rate for the Natural Gas Barnett Project was \$3.47/MMBtu and \$3.15/MMBtu; and the estimated total net revenue volume was 16,689,563 MMBtu and 17,583,585 MMBtu, for fiscal years ended June 30, 2014 and 2013, 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 2026. The total cost to decommission the Authority's interest in PVNGS is estimated to be \$137.5 million in 2011 dollars (\$262.3 million in 2022 dollars, assuming a 6% estimated annual inflation rate). This estimate is based on an updated site specific study prepared by an independent consultant in 2010. 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 \$2.4 million in both fiscal years 2014 and 2013. The decommissioning liability is included as a component of accumulated depreciation and was \$242.7 million and \$240.3 million at June 30, 2014 and 2013, 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, 2014, decommissioning funds totaled approximately \$168.0 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 \$55.9 million and \$54.4 million at June 30, 2014 and 2013, respectively.

As of June 30, 2014, 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 \$4.5 million at June 30, 2014.

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, 2014, reclamation funds totaled \$2.4 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.

Unamortized premiums, discounts, debt expenses, and losses on refunding – In March 2012, the GASB issued Statement No. 65, *Items previously Reported as Assets and Liabilities* (GASB 65) effective for financial statements for periods beginning after December 15, 2012. GASB 65 reclassifies losses on refunding debt as deferred outflows of resources instead of a contra-liability as it was reported previously. Losses or gains on refunding related to bonds redeemed by refunding bonds are still amortized over the shorter of the 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*.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (continued)

Unamortized premiums, discounts, and debt expenses were recorded as assets and amortized over the life of the related debt issue. GASB 65 now requires that all debt issuance costs, except for any portion related to prepaid insurance costs, be recognized as an expense in the period incurred. Prior year balances have been restated to conform with 2014 presentation. (See Note 12)

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

Deferred outflow and inflow of resources – Effective July 1, 2013, the Authority adopted GASB 65 and reclassified loss or gain on refunding bonds, which were previously classified as a component of long-term debt, as Deferred outflows or Deferred inflows of resources, respectively. Prior year balances have been reclassified to conform to the 2014 presentation. (See Note 12)

In addition, the accumulated changes 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.

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 SCPPA Mead-Phoenix and Mead-Adelanto project participants, respectively. 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, 2014, were \$31,000 for Mead-Phoenix and \$27,000 for Mead-Adelanto.

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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (continued)

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 \$21.2 million and \$27.6 million as of June 30, 2014 and 2013, respectively.

Transportation costs – As a result of the sales and purchases agreements for natural gas entered into by SCPPA, the participants receive less volume than processed incurring embedded transportation costs. These costs are recorded as participants' revenue and expense to the Natural Gas Pinedale Project. At June 30, 2014 and 2013, transportation costs were approximately \$258 thousand and \$445 thousand, respectively, for the Natural Gas Pinedale Project.

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

Non-exchange contributions are valued at fair market value and recorded as participant revenue and fuel expense to the Magnolia Power Project. SCPPA values the participants' fuel contribution using monthly average pricing from the Project's OEMI fuel purchases. During the fiscal years ended June 30, 2014 and 2013 the participants' contribution in kind was approximately 11.0 million MMBtu and 5.8 million MMBtu and was valued at approximately \$53.7 million and \$20.9 million, respectively.

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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 3 – Utility Plant

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 Upgrading 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	-	-	-	-	-	-	-	-
	<u>733,431</u>	<u>265,136</u>	<u>316,845</u>	<u>284,767</u>	<u>293,797</u>	<u>21</u>	<u>47,810</u>	<u>146,513</u>
Less accumulated depreciation	<u>730,940</u>	<u>193,570</u>	<u>98,148</u>	<u>26,632</u>	<u>3,015</u>	<u>21</u>	<u>6,686</u>	<u>22,043</u>
	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	SCPPA Building 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	
	<u>814,898</u>	<u>57,555</u>	<u>173,574</u>	<u>77,216</u>	<u>84,117</u>	<u>4,386</u>	<u>3,300,066</u>	
Less accumulated depreciation	<u>553,131</u>	<u>26,477</u>	<u>82,348</u>	<u>28,538</u>	<u>30,242</u>	<u>234</u>	<u>1,802,025</u>	
	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)

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

At June 30, 2013 Utility Plant, net consisted of the following (amounts in thousands):

	June 30, 2013						
	GENERATION				GREEN POWER		
	Palo Verde Project	San Juan Project	Magnolia Power Project	Canyon Power Project	Hoover Upgrading Project	Tieton Hydro-Power	Linden Wind Energy
Utility plant							
Production	\$ 707,277	\$ 250,924	\$ 284,434	\$ 245,397	\$ -	\$ 34,509	\$ 123,082
Transmission	16,158	-	15,247	31,853	-	13,290	23,431
General	3,547	7,039	15,422	488	21	11	-
Natural gas reserves	-	-	-	-	-	-	-
	726,982	257,963	315,103	277,738	21	47,810	146,513
Less accumulated depreciation	711,118	180,414	86,710	17,051	21	5,221	16,230
	15,864	77,549	228,393	260,687	-	42,589	130,283
Construction work in progress	24,263	7,412	2,002	-	-	-	-
Nuclear fuel, at amortized cost	44,783	-	-	-	-	-	-
Net utility plant	<u>\$ 84,910</u>	<u>\$ 84,961</u>	<u>\$ 230,395</u>	<u>\$ 260,687</u>	<u>\$ -</u>	<u>\$ 42,589</u>	<u>\$ 130,283</u>
	TRANSMISSION			NATURAL GAS		OTHERS	
	Southern Transmission System Project	Mead-Phoenix Project	Mead-Adelanto Project	Pinedale Project	Barnett Project	SCPPA Building Fund	Total
Utility plant							
Production	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,645,623
Transmission	769,578	54,825	173,101	-	-	-	1,097,483
General	45,319	2,730	473	3,985	-	4,386	83,421
Natural gas reserves	-	-	-	72,162	78,673	-	150,835
	814,897	57,555	173,574	76,147	78,673	4,386	2,977,362
Less accumulated depreciation	530,376	24,953	77,826	23,492	26,173	122	1,699,707
	284,521	32,602	95,748	52,655	52,500	4,264	1,277,655
Construction work in progress	-	144	-	1,069	5,444	-	40,334
Nuclear fuel, at amortized cost	-	-	-	-	-	-	44,783
Net utility plant	<u>\$ 284,521</u>	<u>\$ 32,746</u>	<u>\$ 95,748</u>	<u>\$ 53,724</u>	<u>\$ 57,944</u>	<u>\$ 4,264</u>	<u>\$ 1,362,772</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, 2013	Additions	Disposals	Transfers	Balance June 30, 2014
Nondepreciable utility plant					
Land	\$ 44,416	\$ 4,856	\$ -	\$ -	\$ 49,272
Construction work in progress	33,821	16,586	(34)	(17,108)	33,265
Construction work in progress – gas	6,513	434	-	(6,513)	434
Nuclear fuel*	44,783	11,820	(14,149)	-	42,454
Total nondepreciable utility plant	<u>129,533</u>	<u>33,696</u>	<u>(14,183)</u>	<u>(23,621)</u>	<u>125,425</u>
Depreciable utility plant					
Production					
Nuclear generation (Palo Verde Project)	706,362	(509)	(3,711)	10,172	712,314
Coal-fired plant (San Juan Unit 3 Project)	250,923	5,140	2,270	1,669	260,002
Gas-fired plant	529,829	295,870	-	-	825,699
Green power	156,419	-	-	-	156,419
Transmission	1,056,717	654	(172)	-	1,057,199
General	79,131	188	(309)	73	79,083
Natural gas reserves	153,565	-	-	6,513	160,078
Total depreciable utility plant	<u>2,932,946</u>	<u>301,343</u>	<u>(1,922)</u>	<u>18,427</u>	<u>3,250,794</u>
Less accumulated depreciation	<u>(1,699,707)</u>	<u>(103,338)</u>	<u>1,020</u>	<u>-</u>	<u>(1,802,025)</u>
Total utility plant, net	<u>\$ 1,362,772</u>	<u>\$ 231,701</u>	<u>\$ (15,085)</u>	<u>\$ (5,194)</u>	<u>\$ 1,574,194</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 Multiple Project Fund Bonds, the San Juan Project Bonds, the Magnolia Power Project Bonds, the Natural Gas Projects Bonds, Prepaid Natural Gas Project No. 1 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, 2014, 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	\$ 452,088	0.94	46.1%
Guaranteed Investment Contracts	52,277	9.61	5.3%
Money Market Funds	291,265	0.08	29.7%
Commercial Paper	100,192	0.08	10.2%
Negotiable CDs	43,200	0.06	4.4%
U.S. Discount Notes	42,300	0.03	4.3%
Total	<u>\$ 981,322</u>	<u>0.98</u>	<u>100.0%</u>

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, 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 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	\$ 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
GIC's	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 Geo-thermal 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 Building 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	
GIC's	-	-	-	-	-	-	-	-	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)

Investments at June 30, 2013 are as follows (amounts in thousands):

	GENERATION				GREEN POWER						TRANSMISSION		
	Palo Verde Project	San Juan Project	Magnona Power Project	Canyon Power Project	Hoover Upgrading 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	\$ 186,519	\$ 9,861	\$ 37,362	\$ 18,970	\$ 2,206	\$ 5,293	\$ 23,871	\$ 3,265	\$ 10,257	\$ 2,242	\$ 19,492	\$ -	\$ -
Agency Discount Notes	-	-	-	1,100	-	-	3,900	2,500	3,400	-	5,900	-	-
Negotiable CDs	5,000	-	9,100	2,800	-	-	4,300	2,500	6,290	1,050	17,001	360	-
Commercial Paper	-	-	8,600	8,000	1,298	-	3,598	7,197	12,900	5,597	29,801	-	-
GIC's	27,649	21,323	3,863	-	-	-	-	-	-	-	7,789	5,509	22,686
Money Market Funds	20,956	17,338	28,747	9,383	881	2,729	9,939	4,646	13,869	5,270	22,788	1,659	4,466
Total	\$ 240,124	\$ 48,522	\$ 87,672	\$ 40,253	\$ 4,385	\$ 8,022	\$ 45,608	\$ 20,108	\$ 46,716	\$ 14,159	\$ 102,771	\$ 7,528	\$ 27,152
Restricted investments	\$ 178,911	\$ 31,189	\$ 52,625	\$ 30,870	\$ 2,344	\$ 5,293	\$ 32,071	\$ 7,865	\$ 29,347	\$ 6,392	\$ 66,384	\$ 5,869	\$ 22,686
Unrestricted investments	36,878	-	-	-	1,160	-	1,498	5,497	-	2,497	-	-	-
Cash and cash equivalents	24,335	17,333	35,047	9,383	881	2,729	12,039	6,746	17,369	5,270	36,387	1,659	4,466
Total	\$ 240,124	\$ 48,522	\$ 87,672	\$ 40,253	\$ 4,385	\$ 8,022	\$ 45,608	\$ 20,108	\$ 46,716	\$ 14,159	\$ 102,771	\$ 7,528	\$ 27,152
	POWER PURCHASE AGREEMENTS				NATURAL GAS				MISCELLANEOUS				
	Ormat Geothermal Project	MWD Small Hydro	Pebble Springs	Ameresco Chiquita Landfill Gas	Pinedale Project	Barnett Project	Prepaid Natural Gas	Multiple Project Fund	Project Development Fund	Stabilization Fund	SCPPA Building Fund	Total	
U.S. Agencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,695	\$ -	\$ -	\$ -	\$ 117,496	\$ -	\$ 466,529	
Agency Discount Notes	-	-	-	-	-	-	-	-	-	-	-	16,800	
Negotiable CDs	-	-	3,000	-	7,000	2,000	3,700	-	-	-	-	64,101	
Commercial Paper	-	-	-	-	1,599	2,700	-	-	-	-	-	81,290	
GIC's	-	-	-	-	-	-	11,510	39,197	-	-	-	139,526	
Money Market Funds	5,386	1,993	4,713	2,284	15,483	8,463	2,250	-	154	9,813	46	193,256	
Total	\$ 5,386	\$ 1,993	\$ 7,713	\$ 2,284	\$ 24,082	\$ 42,858	\$ 17,460	\$ 39,197	\$ 154	\$ 127,309	\$ 46	\$ 961,502	
Restricted investments	\$ -	\$ -	\$ -	\$ -	\$ 7,600	\$ 34,395	\$ 11,510	\$ 39,197	\$ -	\$ 117,496	\$ -	\$ 682,044	
Unrestricted investments	-	-	-	-	999	-	-	-	-	-	-	48,529	
Cash and cash equivalents	5,386	1,993	7,713	2,284	15,483	8,463	5,950	-	154	9,813	46	230,929	
Total	\$ 5,386	\$ 1,993	\$ 7,713	\$ 2,284	\$ 24,082	\$ 42,858	\$ 17,460	\$ 39,197	\$ 154	\$ 127,309	\$ 46	\$ 961,502	

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, 2014, 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 money market funds 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, 2014 and 2013, 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 A2 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, 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.

Of the Authority's total investments as of June 30, 2013, \$80 million (8%) was invested in securities issued by the Federal Home Loan Bank; \$59 million (6%) was invested with Farm Credit Bank; \$264 million (27%) was invested in securities issued by the Federal National Mortgage Association; \$75 million (8%) was invested with Federal Home Loan Mortgage; \$64 million (7%) was invested in Certificates of Deposit; \$81 million (9%) was invested in Commercial Paper; and \$67 million (7%) was invested in GICs with PNC Financial Securities Group.

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, SCPPA recognizes the changes in fair values of effective hedging derivative instruments as either deferred inflows or outflows of resources on the Authority's Statement of Net Position and includes changes in the fair value of an ineffective derivative instrument in earnings.

For fiscal year ended June 30, 2013, 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 \$13.5 million. During fiscal year ended June 30, 2014, the liability increased by \$1.8 million for an ending liability balance of \$15.4 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, 2013 for the ineffective derivative instruments was \$40.2 million, but during fiscal year ended June 30, 2014, the liability increased by \$0.395 million for an ending liability balance of \$39.8 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, 2014, 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	\$ (2,882)	7/1/2036	A/A2/A
MAG 2010-2 Swap (RBC)	100,000	5/12/2010	SIFMA	81% of 3-month LIBOR	(2,625)	7/1/2036	AA-/Aa3/AA
MAG 2009-1 Swap (BNYMellon)	110,321	5/1/2012	3.125%	SIFMA	(6,856)	7/1/2036	AA-/Aa2/AA-
MAG 2009-2 Swap (JPMorgan)	110,205	8/21/2012	3.139%	SIFMA	(7,056)	7/1/2036	A+/Aa3/A+
STS Swaption/Swap	125,000	11/1/2011	4.250%	60% of LIBOR	(28,028)	7/1/2022	AA-/Aa3/AA-
MA 2007 Swap	100,000	6/1/2018	1-month LIBOR	100% of 10-yr LIBOR CMS rate less .414%	752	9/15/2030	A+/Aa3/A+
PNG 2007 Swap	36,000	5/1/2009	5.0475%	67% of 3-Month LIBOR plus 1.47%	(8,537)	11/1/2035	A-/Baa1/A
	<u>\$ 681,526</u>				<u>\$ (55,232)</u>		

* 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 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 \$100,000,000 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 Securities Industry and Financial Markets Association Swap Index (SIFMA) on a notional amount of \$110.9 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 May 2012, the swap was novated to a new counterparty and the swap documents 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 \$111.5 million. In order to provide more favorable terms to the participants, SCPPA made a payment of \$15.7 million to the counterparty which has been deferred and is being amortized as an interest yield adjustment over the life of the swap. The amendment allowed the parties to re-coupon the swaps, change the collateral posting requirements, and to move to uninsured swaps. In August 2012, the swap documents were amended to raise the collateral threshold.
- **STS 2006 Swap (terminated)** – In October 2012, the STS 2006 Amended Swap was terminated and SCPPA received a termination payment in the amount of \$4.03 million. In November 2004, the Authority entered into a floating-to-floating fixed-spread basis swap. The STS 2006 Swap was amended and suspended for five years in July 2006 and in March 2011 the suspension was extended for an additional three years.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 5 – Derivative Instruments (continued)

- **STS Swaption/Swap (restated/novated)** – In February 2001, the Authority entered into a transaction whereby it sold an option (the Swaption) on a floating-to-fixed interest rate swap. The Swaption was exercised on April 1, 2002. The floating rate on the swap paid by the counterparty is 60% of the one-month LIBOR; the annual fixed rate on the swap paid by the Authority is 4.25%. In exchange for the right to exercise the Swaption, the counterparty paid the Authority a one-time up front option premium amount of \$7.9 million which has been deferred and is being amortized as an interest yield adjustment over the life of the option. The counterparty has the option to cancel the agreement at the counterparty's discretion. In November 2011, the swap was novated to a new counterparty. The swap documents were kept substantially the same and the swap insurance was cancelled. The swap expires on July 1, 2022.

- **STS 2001 Swap (terminated)** – In June 2013, the STS 2001 Series A Bonds were refunded and the STS 2001 Swap was terminated. In June 2001, the Authority entered into an interest rate swap agreement with counterparty for the purpose of hedging against interest rate variations arising from the issuance of the Southern Transmission Project 2001 Subordinate Refunding Series A Revenue Bonds. The notional amount of the Swap Agreement equaled the par value of the bonds.

- **MP 2004 Swap (terminated)** In September 2012, the Mead-Phoenix 2008 Series A and B Bonds were refunded and the MP 2004 Amended Swap terminated. In connection with the issuance of the Mead-Phoenix Project 2004 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 \$1.8 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 option. The MP 2004 bonds were refunded on October 2, 2008 and the related interest rate swap transferred to the MP 2008 Refunding Bonds.

- **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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 5 – Derivative Instruments (continued)

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.
- **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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY NOTES TO COMBINED FINANCIAL STATEMENTS

Note 5 – Derivative Instruments (continued)

Interest-rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of SCPPA’s financial instruments or cash flows. SCPPA is exposed to interest-rate risk on its pay-fixed, receive variable interest rate swaps. As the LIBOR or the 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, 2014, 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 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, MAG 2009-2, and the STS Swaption/Swap. Collateral on all swaps is to be in the form of U.S. government securities held by a third-party custodian.

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

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

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 5 – Derivative Instruments (continued)

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, 2014:

	Type of Derivative					
	STS					
	Swaption/ Swap	MAG 2009-1 Swap	MAG 2009-2 Swap	MAG 2010-1 Swap	MAG 2010-2 Swap	PNG 2007 Swap
Payments to counterparty	4.250%	3.125%	3.139%	0.060%	0.060%	5.048%
Less, variable payments from counterparty	0.091%	0.060%	0.060%	0.188%	0.189%	1.621%
Net interest-rate swap payments	4.159%	3.065%	3.079%	-0.128%	-0.129%	3.427%
Add, variable-rate bond coupon payments	N/A	0.040%	0.030%	N/A	N/A	1.621%
Synthetic interest rate on bonds	4.159%	3.105%	3.109%	-0.128%	-0.129%	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.

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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 5 – Derivative Instruments (continued)

Swap payments and associated debt – Using rates as of June 30, 2014, 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		
2015	\$ 23,095	\$ 93	\$ 7,735	\$ 7,828
2016	5,125	90	7,530	7,620
2017	750	90	7,507	7,597
2018	785	90	7,483	7,573
2019	815	90	7,457	7,547
2020–2024	14,595	440	36,567	37,007
2025–2029	111,975	357	29,681	30,038
2030–2034	175,655	233	19,516	19,749
2035–2039	184,975	343	5,039	5,382
	<u>\$ 517,770</u>	<u>\$ 1,826</u>	<u>\$ 128,515</u>	<u>\$ 130,341</u>

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

Description	June 30, 2013	Change in Fair Value	June 30, 2014
Assets			
Mead Adelanto – Derivative instruments	\$ 625	\$ 127	\$ 752
	<u>\$ 625</u>	<u>\$ 127</u>	<u>\$ 752</u>
Deferred outflows of resources			
Magnolia – Deferred outflows	\$ 5,405	\$ 1,451	\$ 6,856
Prepaid Natural Gas – Deferred outflows	8,137	400	8,537
	<u>\$ 13,542</u>	<u>\$ 1,851</u>	<u>\$ 15,393</u>
Liabilities			
Magnolia – Derivative instruments	\$ 15,972	\$ 3,447	\$ 19,419
STS – Derivative instruments	30,290	(2,262)	28,028
Prepaid Natural Gas – Derivative instruments	8,137	400	8,537
	<u>\$ 54,399</u>	<u>\$ 1,585</u>	<u>\$ 55,984</u>

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 6 – Long-Term Debt

Long-term debt outstanding at June 30, 2014 consisted of “new money” bonds, refunding bonds, and subordinate refunding bonds due in varying annual amounts through July 1, 2040. The new money bonds were issued to finance the purchase and construction or acquisition of the Authority’s interest in each of the Projects. The 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.

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 Upgrading Project	Tieton Hydro-power	Milford I Wind	Milford II Wind	Windy Point Project	Linden Wind Energy
Total long-term debt at June 30, 2013	\$ 47,460	\$ 74,083	\$ 343,455	\$ 310,102	\$ -	\$ 7,983	\$ 51,716	\$ 224,612	\$ 164,762	\$ 513,295	\$ 136,972
Total debt due within one year at June 30, 2013	10,980	27,250	15,605	-	-	1,755	790	8,135	5,065	17,850	3,425
Total debt at June 30, 2013	58,440	101,333	359,060	310,102	-	9,738	52,506	232,747	169,827	531,145	140,397
Principal payments	(10,980)	(27,250)	(15,605)	-	-	(1,755)	(790)	(8,135)	(5,065)	(17,850)	(3,425)
Revenue bonds issued	-	-	-	-	318,860	-	-	-	-	-	-
Bonds refunded/defeased	-	-	-	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-	-	-	-
Change in unamortized debt-related costs, net	-	(722)	(1,326)	(1,057)	14,824	(21)	(65)	(1,389)	(2,292)	(6,455)	(1,060)
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
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 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

	TRANSMISSION			NATURAL GAS			MISC.	
	Southern Transmission System Project	Mead-Phoenix Project	Mead-Adelanto Project	Pinedale Project	Barnett Project	Prepaid Natural Gas	Multiple Project Fund	Total
Total long-term debt at June 30, 2013	\$ 737,010	\$ 41,695	\$ 140,042	\$ 26,982	\$ 63,373	\$ 316,873	\$ -	\$ 3,200,415
Total debt due within one year at June 30, 2013	49,130	6,505	17,820	2,253	5,302	4,065	13,800	189,730
Total debt at June 30, 2013	786,140	48,200	157,862	29,235	68,675	320,938	13,800	3,390,145
Principal payments	(49,130)	(6,505)	(17,820)	(2,253)	(5,302)	(4,065)	(13,800)	(189,730)
Revenue bonds issued	-	-	-	-	-	-	-	318,860
Bonds refunded/defeased	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-
Change in unamortized debt-related costs, net	(4,402)	(552)	(2,472)	-	-	(274)	-	(7,263)
Total debt at June 30, 2014	732,608	41,143	137,570	26,982	63,373	316,599	-	3,512,012
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 long-term debt at June 30, 2014	\$ 681,723	\$ 35,928	\$ 120,185	\$ 24,763	\$ 58,162	\$ 312,724	\$ -	\$ 3,353,692

Palo Verde Project – Debt consists of subordinate refunding series bonds with variable interest rates and final maturities during 2017.

San Juan Project – Debt consists of refunding series bonds with fixed interest rates of 5.00% and final maturities during 2020.

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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 6 – Long-Term Debt (continued)

Magnolia Power Project Refunding Revenue Bonds – On December 7, 2011, SCPPA issued \$62,265,000 Magnolia Power Project A Refunding Revenue Bonds, 2011-1 Refunding Series. These fixed rate bonds were issued to provide funds, together with certain available amounts, to refund a portion of the Magnolia Power Project A, Revenue Bonds 2003-1, to fund a Debt Service Reserve Account, and to pay costs of issuance relating to the 2011 Bonds. The transaction generated present value savings of over \$5.0 million, or 8.25% of refunded par. This transaction resulted in a net loss for accounting purposes of \$3.5 million. The true interest cost of the bonds was 2.48%.

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, 2014, 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.

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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 6 – Long-Term Debt (continued)

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, 2014, debt consists of revenue bonds with fixed interest rates between 3.326% and 5.798% and a final maturity occurring in 2040.

Milford I Wind Project – As of June 30, 2014, debt consists of revenue bonds with fixed interest rates ranging from 2.50% to 5.00% and final maturity occurring in 2030.

Milford II Wind Project – As of June 30, 2014, debt consists of revenue bonds with fixed interest rates ranging from 2.00% to 5.25% and final maturity occurring in 2031.

Milford Wind Corridor Phase II Revenue Bonds – On August 25, 2011, SCPPA issued \$157,465,000 of Milford Wind Corridor Phase II Project Revenue Bonds, 2011-1. These fixed rate bonds were issued for the purpose of financing the prepayment of a specified supply of electricity from a 102 MW nameplate capacity wind powered electric generating facility comprised of 68 wind turbines and related facilities located near Milford, Utah; to pay related development costs of the Project; to fund a deposit to the 2011-1 Debt Service Reserve; and to pay costs of issuance of the 2011-1 Bonds. The true interest cost of the 2011-1 Bonds was 3.75%.

Linden Wind Energy Project – As of June 30, 2014, 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 0.350% 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 June 5, 2013, SCPPA issued \$65.1 million 2013 Series A and \$27.6 million 2013 Series B (Taxable) Southern Transmission Project, Subordinate Refunding Bonds, together with the 2013 Bonds. These fixed rate bonds were issued for the purpose of refunding the outstanding Transmission Project Subordinate Refunding Bonds, 2001 Series A; to terminate the related interest rate swap; and to pay the related costs of issuance. The 2013 Bonds are not subject to redemption prior to maturity. This transaction generated present value savings of over \$0.9 million or 1.1% of refunded par for SCPPA and its members. This transaction resulted in a net loss for accounting purposes of \$20.4 million. The true interest cost of the 2013 Bonds was 1.21%.

STS Project Refunding Bonds - On April 3, 2012, SCPPA issued \$39,935,000 Transmission Project Revenue Bonds, 2012 Subordinate Refunding Series A. These fixed rate bonds were issued for the purpose of refunding the outstanding 2002 Series A Subordinate Refunding Transmission Project Revenue Bonds, maturing on and after July 1, 2013. The transaction generated present value savings of over \$8 million or 18.25% of refunded par for SCPPA and its members. This transaction resulted in a net loss for accounting purposes of \$2.0 million. The true interest cost of the 2012A bonds was 1.30%.

Windy Point/Windy Flats Project - As of June 30, 2014, 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 0.787% 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 4.55% to 6.03% and final maturities occurring in 2032.

Prepaid Natural Gas Project No. 1 - 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)

On September 19, 2013, the credit restructure of the Prepaid Natural Gas Project was completed to reduce risk and exposure to various counterparties, obtain ratings upgrade on the related 2007 Gas Prepay Bonds (the “Bonds”) and to capture projected savings and gas flows through 2035. As a result of the restructuring, the Bonds received ratings of A3/A from Moody’s and Fitch, respectively; Standard & Poor’s affirmed its A rating; and the project participants received \$3.4 million in upfront savings.

In October 2009, the Series 2007A Fixed Rate Bonds, the Prepaid Natural Gas Agreements, and certain other agreements were restructured to reduce risk, realize savings, provide an acceleration 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 to 27 years. As a result of the restructure, \$165.5 million principal amount of the bonds were canceled, leaving \$333.4 million of total bonds outstanding subsequent to the November 1, 2009 principal maturity.

Multiple Project Fund –Final maturity occurred on July 1, 2013. (See Note 2)

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, 2014 (Premium) Discount
Palo Verde Project	\$ -
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)
	June 30, 2013 (Premium) Discount
Unamortized (Premium) Discount, Net	
Palo Verde Project	\$ -
San Juan Project	(2,203)
Magnolia Power Project	(6,360)
Canyon Power Project	(8,632)
Hoover Uprating Project	(53)
Tieton Hydropower Project	(1,231)
Milford I Wind Project	(10,967)
Milford II Wind Project	(16,597)
Windy Point Project	(47,985)
Linden Wind Energy Project	(7,942)
Southern Transmission System Project	(28,494)
Mead-Phoenix Project	(3,305)
Mead-Adelanto Project	(13,871)
Prepaid Natural Gas Project No. 1	(3,383)
Multiple Project Fund	-
	\$ (151,023)

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, 2014 and 2013, \$378.4 million and \$622.5 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 0.06%. The variable rate used for the STS 2000 Subordinate Refunding Series A was 0.06%. The variable rates used for the MAG 2009-1 and MAG 2009-2 were 0.04% and 0.03%, respectively. All of the preceding variable rates were the rates at June 30, 2014. 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
2015 Principal	\$ 11,330	\$ 13,200	\$ 10,565	\$ -	\$ -	\$ 1,835	\$ 815	\$ 8,450	\$ 5,270	\$ 18,535	\$ 3,530
2015 Interest	1,045	3,594	11,622	16,732	9,632	368	2,532	10,236	7,463	22,081	6,555
2016 Principal	11,690	13,855	10,985	-	9,335	1,930	840	8,820	5,530	19,390	3,670
2016 Interest	757	2,934	11,176	16,732	12,588	270	2,503	9,874	7,201	21,277	6,411
2017 Principal	12,030	14,550	11,470	6,735	9,375	2,030	870	9,175	5,795	20,145	3,820
2017 Interest	461	2,241	10,672	16,597	12,537	165	2,468	9,476	6,934	20,449	6,261
2018 Principal	12,410	15,285	7,230	7,005	9,435	2,135	910	9,615	6,065	21,045	3,970
2018 Interest	155	1,514	10,242	16,287	12,453	55	2,429	9,022	6,646	19,513	6,085
2019 Principal	-	3,560	7,560	7,355	9,545	-	950	10,085	6,370	22,020	4,170
2019 Interest	-	749	9,903	15,965	12,316	-	2,385	8,545	6,346	18,515	5,902
2020 - 2024 Principal	-	11,430	43,825	42,085	51,135	-	5,545	58,300	36,835	126,680	23,795
2020 - 2024 Interest	-	571	43,827	74,194	57,841	-	11,107	34,634	26,539	75,477	26,418
2025 - 2029 Principal	-	-	64,270	53,765	60,415	-	9,120	74,110	47,435	161,175	30,215
2025 - 2029 Interest	-	-	34,238	62,156	48,123	-	9,007	18,395	15,633	40,013	19,802
2030 - 2034 Principal	-	-	78,590	66,870	74,590	-	9,745	35,090	34,865	76,320	38,295
2030 - 2034 Interest	-	-	22,864	45,169	33,349	-	6,688	1,775	2,808	3,862	10,930
2035 - 2039 Principal	-	-	102,600	80,795	95,030	-	12,435	-	-	-	17,565
2035 - 2039 Interest	-	-	6,468	23,320	12,343	-	3,929	-	-	-	1,050
2040 - 2041 Principal	-	-	-	36,860	-	-	9,255	-	-	-	-
2040 - 2041 Interest	-	-	-	2,211	-	-	551	-	-	-	-
Principal	\$ 47,460	\$ 71,880	\$ 337,095	\$ 301,470	\$ 318,860	\$ 7,930	\$ 50,485	\$ 213,645	\$ 148,165	\$ 465,310	\$ 129,030
Interest	\$ 2,418	\$ 11,603	\$ 161,012	\$ 289,363	\$ 211,182	\$ 858	\$ 43,599	\$ 101,957	\$ 79,570	\$ 221,187	\$ 89,414

	TRANSMISSION			NATURAL GAS			
	Southern Transmission System	Mead-Phoenix	Mead-Adelanto	Pinedale	Barnett	Prepaid Natural Gas	Total
2015 Principal	\$ 50,885	\$ 5,215	\$ 17,385	\$ 2,219	\$ 5,211	\$ 3,875	\$ 158,320
2015 Interest	30,581	1,501	5,480	1,439	3,384	15,858	150,103
2016 Principal	52,650	5,480	17,690	2,274	5,326	4,075	173,540
2016 Interest	29,346	1,249	4,625	1,331	3,128	15,659	147,061
2017 Principal	52,430	5,515	17,985	2,249	5,266	4,275	183,715
2017 Interest	27,788	1,029	3,882	1,215	2,855	15,450	140,480
2018 Principal	53,095	5,660	18,450	1,980	4,640	4,605	183,535
2018 Interest	25,533	795	3,105	1,104	2,596	15,228	132,762
2019 Principal	54,865	5,875	19,185	1,770	4,150	5,385	162,845
2019 Interest	22,847	551	2,164	1,003	2,357	14,978	124,526
2020 - 2024 Principal	319,585	10,645	35,475	7,191	16,889	44,065	833,480
2020 - 2024 Interest	74,165	430	1,526	3,704	8,720	69,044	508,197
2025 - 2029 Principal	125,005	-	-	5,516	12,974	81,025	725,025
2025 - 2029 Interest	15,519	-	-	1,914	4,520	52,945	322,265
2030 - 2034 Principal	-	-	-	3,783	8,917	130,185	557,250
2030 - 2034 Interest	-	-	-	443	1,044	26,448	155,380
2035 - 2039 Principal	-	-	-	-	-	36,000	344,425
2035 - 2039 Interest	-	-	-	-	-	1,815	48,925
2040 - 2041 Principal	-	-	-	-	-	-	46,115
2040 - 2041 Interest	-	-	-	-	-	-	2,762
Principal	\$ 708,515	\$ 38,390	\$ 126,170	\$ 26,982	\$ 63,373	\$ 313,490	\$ 3,368,250
Interest	\$ 225,779	\$ 5,555	\$ 20,782	\$ 12,153	\$ 28,604	\$ 227,425	\$ 1,732,461

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, 2014, the remaining balance of the GIC is \$21.2 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 \$2.5 million as of June 30, 2014 (see Note 5).

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

Description	June 30, 2013	Additions	Payments/ Amortization	Amortization of Surplus Fund	June 30, 2014
PV prior year overbillings	\$ 26,074	\$ -	\$ (6,401)	\$ 393	\$ 20,066
MPP major maintenance	4,607	4,015	-	-	8,622
Mead Adelanto 2007 Swap suspension	3,105	-	(628)	-	2,477
	<u>\$ 33,786</u>	<u>\$ 4,015</u>	<u>\$ (7,029)</u>	<u>\$ 393</u>	<u>\$ 31,165</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, 2013	Activity	June 30, 2014
San Juan advances from participants	\$ 4,071	\$ 5,011	\$ 9,082
MAG advances from participants	21,479	950	22,429
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	33,060	(3,754)	29,306
NG Barnett advances from participants	11,054	(607)	10,447
Ormat advances from participants	1,045	(188)	857
MWD advances from participants	500	-	500
Ameresco advances from participants	400	-	400
PDF advances from participants	154	(89)	65
SCPPA Building advances from participants	13	269	282
	<u>\$ 77,707</u>	<u>\$ 4,092</u>	<u>\$ 81,799</u>

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):

	June 30, 2012 (as restated)	Fiscal Year 2013 Activity	June 30, 2013 (as restated)	Fiscal Year 2014 Activity	June 30, 2014
GAAP items not included in billings to participants					
Depreciation of plant	\$ (1,428,032)	\$ (94,334)	\$ (1,522,366)	\$ (97,964)	\$ (1,620,330)
Nuclear fuel amortization	(5,860)	-	(5,860)	-	(5,860)
Decommissioning expense	(212,076)	(6,755)	(218,831)	(5,679)	(224,510)
Amortization of bond discount, debt issue costs, and loss on refundings	(794,137)	(2,511)	(796,648)	(10,009)	(806,657)
Interest expense	(43,115)	(12,666)	(55,781)	833	(54,948)
Loss on defeasance of bonds	(85,827)	-	(85,827)	-	(85,827)
Derivatives and related charges	(100,422)	60,515	(39,907)	395	(39,512)
Bond requirements included in billings to participants					
Operations and maintenance, net of investment income	205,849	(70,378)	135,471	(53,424)	82,047
Costs of acquisition of capacity	7,908	(1,429)	6,479	(1,496)	4,983
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	1,618,100	169,036	1,787,136	165,388	1,952,524
Withdrawal of funds	-	-	-	(24,821)	(24,821)
Other	258,692	10,830	269,522	10,645	280,167
	(286,890)	52,308	(234,582)	(16,132)	(250,714)
Multiple Project Fund net position	(2,516)	2,516	-	-	-
Projects' Stabilization Fund net position	112,419	15,164	127,583	24,444	152,027
	<u>\$ (176,987)</u>	<u>\$ 69,988</u>	<u>\$ (106,999)</u>	<u>\$ 8,312</u>	<u>\$ (98,687)</u>

Note 10 – Retirement Plan

The Authority is a participating public employer in the California Public Employees Retirement System (CalPERS) Miscellaneous 2.5% at 55 and 2.0% at 62 Risk Pool Employees' Retirement Plans, which are agent multiple-employer public employee defined benefit pension plans. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and Authority resolution. CalPERS issues a separate comprehensive annual financial report, which is available from the CalPERS' Executive Office, 400 P Street, Sacramento, California 95814.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 10 – Retirement Plan (continued)

The Authority makes the plan contributions required of its employees on their behalf and for their account. The Authority is required to contribute at an actuarially determined rate of annual covered payroll. The contribution requirements of plan members and the Authority are established and may be amended by CalPERS.

In 2012, the Public Employees’ Pension Reform Act (PEPRA) became law that implemented new benefit formulas and final compensation period, as well as, new contribution requirements for new employees hired on or after January 1, 2013 who meet the definition of new member under PEPRA. Employees hired prior to January 1, 2013 and those new employees not meeting the PEPRA definition of new member are considered classic employees.

Summary of certain plan provisions and benefits in effect for fiscal year ended June 30, 2014:

Classic Members:

Required service for eligibility	5 full-time years
Benefit payments (% of final annual salary)	Monthly for life
Minimum retirement age	50
Monthly benefit	2.00% at age 50 to 2.50% at age 55 and up
Required employee contribution rate	8.00%
Required employer contribution rates	18.58%

New Members:

Required service for eligibility	5 full-time years
Benefit payments (% of final annual salary)	Monthly for life
Minimum retirement age	52
Monthly benefit	2.00% at age 60 to 2.50% at age 67 and up
Required employee contribution rate	6.50%
Required employer contribution rates	6.70%

Actuarial annual required contribution (based on estimated payroll)	\$199,721
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Actual employer portion contributions to the plan totaled \$971,112 for fiscal year 2014, including \$627,515 for catch-up contributions. Actual employer portion contributions to the plan totaled \$309,900 for fiscal year 2013. The Agency’s annual required contribution (based on actuarially established rates) was determined as part of a June 30, 2012, actuarial valuation using the entry age normal actuarial cost method. The primary actuarial assumptions included a 7.50% annual investment rate of return (net of administrative expenses); forecasted annual salary increases that vary by age, service and type of employment ranging from 3.30% to 14.20%; a 3.00% overall annual payroll growth; an individual salary growth of 3.00%; an annual production growth of 0.25%; and, an inflation component of 2.75%. A 15-year rate smoothed market approach is used to spread investment returns.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 10 - Retirement Plan (continued)

At fiscal year-end June 30, 2012 (the date of the actuarial valuation), the Agency had ten eligible active employees and three retirees drawing benefits under this program.

Trend Information for Agency CalPERS Retirement Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2010	\$ 168,308	100.0%	-
June 30, 2011	209,933	100.0%	-
June 30, 2012	256,248	100.0%	-
June 30, 2013	309,900	100.0%	-
June 30, 2014	343,597	100.0%	-

Funded Status of the CalPERS Miscellaneous 2.5% at 55 Risk Pool (in thousands):

Actuarial Valuation Date	Actuarial Accrued Liability (a)	Actuarial Value of Assets (b)	Actuarial Accrued Unfunded Liability (a) - (b)	Funded Ratio (b) / (a)	Annual Covered Payroll (c)	Unfunded Actuarial Accrued Liability as % of Payroll [(a) - (b)] / (c)
June 30, 2010	1,972,911	1,603,482	369,429	81.3%	352,637	104.8%
June 30, 2011	2,135,350	1,724,201	411,149	80.8%	350,122	117.4%
June 30, 2012	2,254,622	1,837,489	417,133	81.5%	229,228	123.0%

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. All changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methodology are amortized over a period of time. The average remaining amortization period at the June 30, 2012 valuation date was approximately 19 years. Operating gains and losses of the plan are amortized over a 30-year rolling period with the exception of gains and losses in fiscal years 2008-2009, 2009-2010, and 2010-2011 in which each year's gains and losses will be isolated and amortized over fixed and declining 30-year periods. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30-year amortization period. CalPERS actuarial valuations become available approximately two years after the Agency's fiscal year-end.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 10 – Retirement Plan (continued)

On April 17, 2013, the CalPERS Board of Administration approved a recommendation to change the CalPERS amortization and rate smoothing policies. Beginning with the June 30, 2013 valuation that will set the 2015-16 contribution rates, CalPERS will employ an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period.

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 approved several bills that affected the electric utility industry. In general, these bills provide for reduced greenhouse gas emission 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:

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.

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 will be 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 will be 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.

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 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.

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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 11 – Commitments and Contingencies (continued)

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 POU. The governing boards of POU 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 POU 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 POU.

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.

Solar power – Senate Bill 1 (also known as the California Solar Initiative), which was signed into law on August 21, 2006, requires POU, 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. POU 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 POU. Each of the Project Participants has established programs in accordance with the requirements of the California Solar Initiative.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 11 – Commitments and Contingencies (continued)

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.

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 – Numerous bills have been under consideration in Congress addressing United States energy policies and various environmental matters, including those related to energy supplies (such as a federal clean energy portfolio standard), global warming, cybersecurity, 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)

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.

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.

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.

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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY NOTES TO COMBINED FINANCIAL STATEMENTS

Note 11 – Commitments and Contingencies (continued)

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

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

In July 2002, a measure was signed into law designating the Yucca Mountain, in the state of Nevada, as the nation's high-level nuclear waste repository. This meant that the DOE could then file a construction and operation plan for 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 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 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 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.

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.

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 \$12.6 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 \$22.51 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 \$4.0 million per incident, per year.

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

Other Commitments – The 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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY NOTES TO COMBINED FINANCIAL STATEMENTS

Note 11 – Commitments and Contingencies (continued)

Other major capital projects that are currently in progress include the 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 \$230 million which translates to approximately \$13.6 million for the Authority. Also anticipated in the long-range plan are \$270 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. Additional NRC-mandated requirements are anticipated but the costs associated with these future projects are unknown at this time.

Other legal matters – Claims and a lawsuit for damages have been filed with the Authority, Intermountain Power Authority (the IPA), and LADWP seeking \$100 million in special damages and a like amount in general damages. An expert report has since been filed alleging that plaintiffs' damages are \$250 million. 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. SCPPA moved the Utah court to dismiss the action as to SCPPA. This motion resulted in the dismissal of certain of the causes of action in the complaint against SCPPA; however, other causes of action still remain. 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. A new trial date has not yet been set. 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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 11 – Commitments and Contingencies (continued)

During May 2010, the California Public Employees Retirement System (CalPERS) carried out a routine audit of SCPPA's personnel and accounting procedures for compliance with requirements for reporting employee compensation and enrollment of employees as CalPERS members. The SCPPA audit was carried forth under a standard CalPERS audit regimen to assess the "Risks" associated with twelve different areas. The conclusion that CalPERS reached for Risk Item 6 was the only risk item that SCPPA disputed.

Risk Item 6 examined the employment of a retired annuitant under the California Public Employees Retirement Law and determined that the annuitant had exceeded the limitation that prohibits a retired annuitant from working more than 960 hours per year for another CalPERS contracting agency. The Authority subsequently took steps to satisfy all the corrective measures that CalPERS required, including reimbursement of annuity payments made to the annuitant and his spouse during a specified period. However, on April 23, 2014, CalPERS notified the Authority that the reimbursement payment should have been made by the annuitants and not by the Authority. The Authority is currently seeking to resolve this matter through negotiations with CalPERS. It is not possible to predict when and how this matter might eventually come to a final resolution.

Public Service Company of New Mexico, the operating agent of the SJGS, initiated an action to challenge an administrative order issued by the EPA pursuant to the Federal Clean Air Act requiring installation of pollution controls meeting a "Best Available Retrofit Technology" ("BART") standard to address regional haze.

If the order stands, the cost of the retrofit project could reach \$1 billion with approximately \$100 million of that being the responsibility of the Authority members who are participants in the project. However, discussions about less costly alternatives among the owners and operators of SJGS, the State of New Mexico, and the EPA are ongoing, and the number, range, and likelihood of possible alternative outcomes make it impossible to determine whether an unfavorable outcome for the Authority or its members is probable or remote, and no accurate estimate can be given as to the range of potential costs at this time.

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.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS

Note 12 – Restatement

With the implementation of GASB 65, the Authority restated the 2013 financial statements to conform to the 2014 financial statements and expensed debt issuance costs which were previously being amortized over the life of the related bonds.

Unamortized bond issue costs of \$47,679,000 at the beginning of fiscal year 2013 are included as part of the cumulative effect of the restatement and reduce the beginning net position. The total impact on the statement of net position at June 30, 2013 includes a decrease in noncurrent assets of \$43,467,000 and a decrease in net investment in capital assets of \$4,212,000.

The total impact on the statement of revenues, expenses and changes in net position for the year ended June 30, 2013 includes an increase in the change in net position of \$4,212,000 due to the elimination of related amortization. This restatement results in a cumulative effect of \$47,679,000 that decreases beginning net position at July 1, 2012. Ending net position as of June 30, 2013 decreased from \$(63,532,000) to \$(106,999,000) as restated.

GASB 65 also restricts the use of the term “deferred” to only those items designated as deferred outflows or deferred inflows of resources by GASB Statement No. 63 and GASB 65. Loss on refunding was appropriately reclassified as a deferred outflow of resources. This reclassification has no impact on total net position.

Note 13 – Subsequent Events

Columbia Two Solar Project - On September 19, 2013 SCPPA entered into a power purchase agreement with RE Columbia Two, LLC to purchase all of the Facility Output of the Columbia Two Project (the “Facility”), 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 Facility. The Facility, 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. The planned Commercial Operation Date is December 20, 2014. The term of the contract is 20 years. The city of Riverside is the scheduling coordinator on behalf of the project participants.

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, 2014
(AMOUNTS IN THOUSANDS)

	Debt Service Fund	Decom- missioning Trust Fund	Escrow Account	General Reserve Account	Issue Account	Operating Account	Reserve & Contingency	Revenue Fund	Total
Balance at June 30, 2013	\$ -	\$ 168,005	\$ 186,630	\$ 1,305	\$ 12,946	\$ 42,998	\$ 19,286	\$ -	\$ 431,170
Additions									
Investment earnings	-	2,196	26,099	13	4	1,331	141	-	29,784
Discount on investment purchases	-	-	-	-	1	1	1	-	3
Distribution of investment earnings	-	-	-	(13)	(5)	(99)	(142)	259	-
Revenue from power sales	-	-	-	-	-	-	-	75,291	75,291
Distribution of revenue	-	-	-	-	11,426	51,939	12,185	(75,550)	-
Transfer from escrow	32,699	-	(50,083)	-	17,384	-	-	-	-
Total additions	32,699	2,196	(23,984)	-	28,810	53,172	12,185	-	105,078
Deductions									
Construction expenditures	-	-	-	-	-	-	13,905	-	13,905
Operating expenditures	-	3	-	-	-	39,630	-	-	39,633
Fuel costs	-	-	-	-	-	14,541	-	-	14,541
Payment of principal	-	-	-	-	10,980	-	-	-	10,980
Interest paid - non-escrow	-	-	-	-	275	-	-	-	275
Payment of principal and interest – escrow	32,699	-	-	-	17,384	-	-	-	50,083
Total deductions	32,699	3	-	-	28,639	54,171	13,905	-	129,417
Balance at June 30, 2014	\$ -	\$ 170,198	\$ 162,646	\$ 1,305	\$ 13,117	\$ 41,999	\$ 17,566	\$ -	\$ 406,831

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 \$34 held in the revolving fund at June 30, 2014 and 2013.

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, 2014
(AMOUNTS IN THOUSANDS)

	Debt Service Fund	Debt Service Reserve Account	Revenue Fund	Operating Fund	Reserve & Contingency Fund	Escrow Account	Total
Balance at June 30, 2013	\$ 2,547	\$ 21,323	\$ -	\$ 11,435	\$ 11,324	\$ 1,933	\$ 48,562
Additions							
Investment earnings	3	733	-	5	57	20	818
Discount on investments	6	-	-	3	8	-	17
Distribution of investment earnings	(8)	(733)	814	(8)	(65)	-	-
Revenue from power sales	-	-	86,764	-	-	-	86,764
Distribution of revenues	23,568	-	(87,578)	61,358	2,652	-	-
Other	13,524	(13,524)	-	(489)	-	489	-
Total additions	37,093	(13,524)	-	60,869	2,652	509	87,599
Deductions							
Operating expenses	-	-	-	58,591	-	-	58,591
Construction expenses	-	-	-	-	1,681	-	1,681
Payment of principal	27,250	-	-	-	-	-	27,250
Interest paid – non-escrow	5,093	-	-	-	-	-	5,093
Total deductions	32,343	-	-	58,591	1,681	-	92,615
Balance at June 30, 2014	\$ 7,297	\$ 7,799	\$ -	\$ 13,713	\$ 12,295	\$ 2,442	\$ 43,546

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 \$19 held in the revolving fund at June 30, 2014 and 2013.

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, 2014
(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	Total
Balance at June 30, 2013	\$ 9,906	\$ 34,223	\$ 4,202	\$ 4,926	\$ 19,265	\$ 6,318	\$ -	\$ 9,612	\$ 269,789	\$ 358,241
Additions										
Investment earnings	4	465	14	49	92	6	-	29	341	1,000
Discount on investment purchases	4	1	-	-	15	-	-	2	-	22
Distribution of investment earnings	(8)	(466)	-	(49)	(107)	(6)	636	-	-	-
Transfer of funds for debt service payment	270,130	-	-	-	-	-	-	-	(270,130)	-
Receipt from participants	-	-	-	-	-	-	54,969	-	-	54,969
Distribution of revenues	22,970	-	-	-	6,996	25,680	(55,605)	(41)	-	-
Other	9,587	(5,399)	(4,188)	-	-	-	-	-	-	-
Total additions	302,687	(5,399)	(4,174)	-	6,996	25,680	-	(10)	(269,789)	55,991
Deductions										
Construction expenses	-	-	-	-	920	-	-	-	-	920
Operating expenses	-	-	-	-	-	25,900	-	-	-	25,900
Payment of principal	15,605	-	-	-	-	-	-	-	-	15,605
Interest paid	12,100	-	-	-	-	-	-	-	-	12,100
Payment of principal and interest - escrow	270,130	-	-	-	-	-	-	-	-	270,130
Total deductions	297,835	-	-	-	920	25,900	-	-	-	324,655
Balance at June 30, 2014	\$ 14,758	\$ 28,824	\$ 28	\$ 4,926	\$ 25,341	\$ 6,098	\$ -	\$ 9,602	\$ -	\$ 89,577

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 \$28 held in the revolving fund at June 30, 2014 and 2013.

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, 2014
(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, 2013	\$ -	\$ 606	\$ 7,414	\$ 19,721	\$ 11,379	\$ 1,809	\$ 40,929
Additions							
Investment earnings	-	1	4	275	10	-	290
Discount on investment purchases	-	-	2	-	4	-	6
Distribution of investment earnings	282	(1)	(6)	(275)	-	-	-
Receipt from participants	16,033	-	-	-	-	-	16,033
Distribution of revenues	(16,315)	3,487	16,475	-	-	(3,647)	-
Other	-	-	-	-	-	1,838	1,838
Total additions	-	3,487	16,475	-	14	(1,809)	18,167
Deductions							
Construction expenses	-	-	-	-	7,032	-	7,032
Operating expenses	-	2,416	-	-	-	-	2,416
Interest paid	-	-	16,732	-	-	-	16,732
Total deductions	-	2,416	16,732	-	7,032	-	26,180
Balance at June 30, 2014	\$ -	\$ 1,677	\$ 7,157	\$ 19,721	\$ 4,361	\$ -	\$ 32,916

This schedule summarizes the receipts and disbursements in funds required under the Bond Indenture and has been prepared from the trust statements. The balances in the funds consist of cash and investments at original cost. These balances do not include accrued interest receivable or unrealized gain (loss) on investments, or \$19 held in the revolving fund at June 30, 2014 and 2013.

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, 2014
(AMOUNTS IN THOUSANDS)

	Revenue Fund	Operating Fund	Debt Service Fund	Debt Service Reserve Fund	Reserve & Contingency Fund	Project Fund	Cost of Issuance Fund	Total
Balance at June 30, 2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additions								
Investment earnings	-	1	-	-	-	1	-	2
Discount on investment purchases	-	-	-	-	-	3	-	3
Distribution of investment earnings	1	(1)	-	-	-	-	-	-
Receipt from participants	27,836	-	-	-	-	-	-	27,836
Distribution of revenues	(27,837)	23,509	3,327	-	1,001	-	-	-
Bond proceeds 2014 A&B	-	-	-	5,488	-	326,032	2,352	333,872
Other	-	173	-	-	-	-	-	173
Total additions	-	23,682	3,327	5,488	1,001	326,036	2,352	361,886
Deductions								
Acquisition costs	-	-	-	-	-	296,120	-	296,120
Operating expenses	-	6,252	-	-	-	-	-	6,252
Debt issuance costs	-	-	-	-	-	-	2,294	2,294
Total deductions	-	6,252	-	-	-	296,120	2,294	304,666
Balance at June 30, 2014	\$ -	\$ 17,430	\$ 3,327	\$ 5,488	\$ 1,001	\$ 29,916	\$ 58	\$ 57,220

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 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, 2014
(AMOUNTS IN THOUSANDS)

	Debt Service Fund	General Reserve Fund	Operating Fund	Revenue Fund	Total
Balance at June 30, 2013	\$ 1,440	\$ 1,700	\$ 1,281	\$ -	\$ 4,421
Additions					
Investment earnings	-	17	4	5	26
Distribution of investment earnings	-	(17)	(4)	21	-
Revenue from power sales	-	-	-	2,583	2,583
Distribution of revenue	2,250	-	359	(2,609)	-
Total additions	2,250	-	359	-	2,609
Deductions					
Operating expenses	-	-	308	-	308
Payment of principal	1,755	-	-	-	1,755
Interest paid	455	-	-	-	455
Total deductions	2,210	-	308	-	2,518
Balance at June 30, 2014	\$ 1,480	\$ 1,700	\$ 1,332	\$ -	\$ 4,512

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, 2014 and 2013.

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, 2014
(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, 2013	\$ -	\$ 609	\$ 2,074	\$ 5,008	\$ 500	\$ 24	\$ 8,215
Additions							
Investment earnings	-	-	1	66	2	-	69
Distribution of investment earnings	69	-	(1)	(66)	(2)	-	-
Receipt from participants	4,459	-	-	-	-	-	4,459
Distribution of revenues	(4,528)	1,169	3,360	-	-	-	1
Other receipts	-	155	-	-	-	-	155
Total additions	-	1,324	3,360	-	-	-	4,684
Deductions							
Acquisition costs	-	81	-	-	-	-	81
Operating expenses	-	1,177	-	-	-	-	1,177
Payment of principal	-	-	790	-	-	-	790
Interest paid	-	-	2,556	-	-	-	2,556
Total deductions	-	1,258	3,346	-	-	-	4,604
Balance at June 30, 2014	\$ -	\$ 675	\$ 2,088	\$ 5,008	\$ 500	\$ 24	\$ 8,295

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, 2014 and 2013.

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, 2014
(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, 2013	\$ -	\$ 8,212	\$ 13,505	\$ 18,874	\$ 2,520	\$ 3,000	\$ 46,111
Additions							
Investment earnings	-	6	4	233	35	32	310
Discount on investments	-	7	4	-	-	-	11
Distribution of investment earnings	321	(13)	(8)	(233)	(35)	(32)	-
Receipt from participants	30,544	-	-	-	-	-	30,544
Distribution of revenues	(30,865)	11,992	18,873	-	-	-	-
Other	-	643	-	-	-	-	643
Total additions	-	12,635	18,873	-	-	-	31,508
Deductions							
Operating expenses	-	12,133	-	-	-	-	12,133
Payment of principal	-	-	8,135	-	-	-	8,135
Interest paid	-	-	10,581	-	-	-	10,581
Total deductions	-	12,133	18,716	-	-	-	30,849
Balance at June 30, 2014	\$ -	\$ 8,714	\$ 13,662	\$ 18,874	\$ 2,520	\$ 3,000	\$ 46,770

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, 2014 and 2013.

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, 2014
(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, 2013	\$ -	\$ 7,863	\$ 8,963	\$ 3,216	\$ 20,042
Additions					
Investment earnings	-	7	1	43	51
Discount on investments	-	8	4	-	12
Distribution of investment earnings	63	(15)	(5)	(43)	-
Receipt from participants	16,508	-	-	-	16,508
Distribution of revenues	<u>(16,571)</u>	<u>3,706</u>	<u>12,865</u>	<u>-</u>	<u>-</u>
Total additions	<u>-</u>	<u>3,706</u>	<u>12,865</u>	<u>-</u>	<u>16,571</u>
Deductions					
Operating expenses	-	5,647	-	-	5,647
Payment of principal	-	-	5,065	-	5,065
Interest paid	<u>-</u>	<u>-</u>	<u>7,696</u>	<u>-</u>	<u>7,696</u>
Total deductions	<u>-</u>	<u>5,647</u>	<u>12,761</u>	<u>-</u>	<u>18,408</u>
Balance at June 30, 2014	<u>\$ -</u>	<u>\$ 5,922</u>	<u>\$ 9,067</u>	<u>\$ 3,216</u>	<u>\$ 18,205</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 \$9 held in the revolving fund at June 30, 2014 and 2013.

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, 2014
(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, 2013	\$ -	\$ 6,979	\$ 29,446	\$ 10,262	\$ 46,687
Additions					
Investment earnings	1	5	26	176	208
Discount on investments	-	1	9	-	10
Distribution of investment earnings	217	(7)	(34)	(176)	-
Receipt from participants	79,488	-	-	-	79,488
Distribution of revenue	<u>(79,706)</u>	<u>38,664</u>	<u>41,042</u>	<u>-</u>	<u>-</u>
Total additions	<u>-</u>	<u>38,663</u>	<u>41,043</u>	<u>-</u>	<u>79,706</u>
Deductions					
Operating expenses	-	38,077	-	-	38,077
Payment of principal	-	-	17,850	-	17,850
Interest paid	-	-	22,850	-	22,850
Total deductions	<u>-</u>	<u>38,077</u>	<u>40,700</u>	<u>-</u>	<u>78,777</u>
Balance at June 30, 2014	<u>\$ -</u>	<u>\$ 7,565</u>	<u>\$ 29,789</u>	<u>\$ 10,262</u>	<u>\$ 47,616</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 \$9 held in the revolving fund at June 30, 2014 and 2013.

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, 2014
(AMOUNTS IN THOUSANDS)

	<u>Revenue Fund</u>	<u>Operating Fund</u>	<u>Debt Service Fund</u>	<u>Debt Service Reserve Fund</u>	<u>General Reserve Fund</u>	<u>Project Fund</u>	<u>U.S. Treasury Direct Subsidy</u>	<u>Total</u>
Balance at June 30, 2013	\$ -	\$ 4,403	\$ 6,448	\$ 2,324	\$ 69	\$ 583	\$ 394	\$ 14,221
Additions								
Investment earnings	-	2	2	23	-	-	-	27
Discount on investments	-	5	3	-	-	2	-	10
Distribution of investment earnings	35	(7)	(5)	(23)	-	-	-	-
Revenue from power sales	17,292	-	-	-	-	-	-	17,292
Distribution of revenue	(17,327)	8,022	9,305	-	-	-	-	-
Other transfers	-	-	793	-	-	-	(793)	-
Other receipts	-	-	-	-	-	-	399	399
Total additions	-	8,022	10,098	-	-	2	(394)	17,728
Deductions								
Operating expenses	-	9,836	-	-	-	-	-	9,836
Payment of principal	-	-	2,460	-	-	-	-	2,460
Interest paid	-	-	7,642	-	-	-	-	7,642
Total deductions	-	9,836	10,102	-	-	-	-	19,938
Balance at June 30, 2014	<u>\$ -</u>	<u>\$ 2,589</u>	<u>\$ 6,444</u>	<u>\$ 2,324</u>	<u>\$ 69</u>	<u>\$ 585</u>	<u>\$ -</u>	<u>\$ 12,011</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 \$12 held in the revolving fund at June 30, 2014 and 2013.

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, 2014
(AMOUNTS IN THOUSANDS)

	General Reserve Fund	Issue Fund	Upgrade Construction Fund	Operating Fund	Revenue Fund	Total
Balance at June 30, 2013	\$ 7,130	\$ 82,763	\$ 8,267	\$ 3,619	\$ -	\$ 101,779
Additions						
Investment earnings	16	703	20	3	1	743
Discount on investment purchases	1	38	8	-	-	47
Distribution of investment earnings	(23)	(741)	-	(3)	767	-
Revenue from transmission sales	-	-	-	-	112,691	112,691
Distribution of revenue	(4,030)	85,581	-	31,908	(113,459)	-
Total additions	(4,036)	85,581	28	31,908	-	113,481
Deductions						
Construction expenses	-	-	91	-	-	91
Operating expenses	-	-	-	35,406	-	35,406
Payment of principal	-	49,130	-	-	-	49,130
Interest paid	-	32,721	-	-	-	32,721
Debt issuance costs	-	215	-	-	-	215
Premium and interest on investment purchases	(5)	-	-	-	-	(5)
Total deductions	(5)	82,066	91	35,406	-	117,558
Balance at June 30, 2014	\$ 3,099	\$ 86,278	\$ 8,204	\$ 121	\$ -	\$ 97,702

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 \$25 held in the revolving fund at June 30, 2014 and 2013.

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, 2014
(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, 2013	\$ -	\$ 1,473	\$ 5,675	\$ 185	\$ 176	\$ -	\$ 7,509
Additions							
Investment earnings	-	2	196	-	8	-	206
Distribution of investment earnings	205	(2)	(196)	-	(7)	-	-
Transmission revenue	8,524	-	-	-	-	-	8,524
Distribution of revenues	(9,079)	12,875	(5,675)	1,632	(124)	371	-
Other	350	-	-	-	-	-	350
Total additions	-	12,875	(5,675)	1,632	(123)	371	9,080
Deductions							
Operating expenses	-	-	-	1,510	-	-	1,510
Construction expenses	-	-	-	-	53	-	53
Principal payment	-	6,505	-	-	-	-	6,505
Interest and SWAP paid	-	1,816	-	-	-	-	1,816
Total deductions	-	8,321	-	1,510	53	-	9,884
Balance at June 30, 2014	\$ -	\$ 6,027	\$ -	\$ 307	\$ -	\$ 371	\$ 6,705

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, 2014 and 2013.

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, 2014
(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, 2013	\$ -	\$ 4,713	\$ 16,267	\$ 25	\$ 6,131	\$ -	\$ 1	\$ 27,137
Additions								
Investment earnings	-	16	597	1	225	-	7	846
Discount on investment earnings	-	-	-	-	-	-	-	-
Distribution of investment earnings	835	(6)	(597)	-	(225)	-	(7)	-
Transmission revenue	25,736	-	-	-	-	-	-	25,736
Distribution of revenues	(27,771)	39,864	(16,267)	2,708	(6,089)	-	7,555	-
Other	1,200	-	-	-	-	-	-	1,200
Total additions	-	39,874	(16,267)	2,709	(6,089)	-	7,555	27,782
Deductions								
Principal payment	-	17,820	-	-	-	-	-	17,820
Interest & SWAP paid	-	6,427	-	-	-	-	-	6,427
Operating expenses	-	-	-	2,392	-	-	-	2,392
Total deductions	-	24,247	-	2,392	-	-	-	26,639
Balance at June 30, 2014	\$ -	\$ 20,340	\$ -	\$ 342	\$ 42	\$ -	\$ 7,556	\$ 28,280

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, 2014 and 2013.

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, 2014
(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, 2013	\$ -	\$ 7,905	\$ 3,051	\$ 38	\$ 3,031	\$ 10,016	\$ 24,041
Additions							
Investment earnings	-	7	1	-	2	14	24
Discount on investment purchases	-	2	-	-	1	2	5
Distribution of investment earnings	1	-	(1)	-	-	-	-
Receipt from participants	4,471	8,826	-	-	-	-	13,297
Sales of natural gas	1,452	14,530	-	-	-	-	15,982
Distribution of revenues	(5,924)	3,322	3,708	-	2	(1,108)	-
Other transfer	-	-	-	-	(335)	335	-
Total additions	<u>-</u>	<u>26,687</u>	<u>3,708</u>	<u>-</u>	<u>(330)</u>	<u>(757)</u>	<u>29,308</u>
Deductions							
Construction expenses	-	-	-	-	-	3,516	3,516
Operating expenses	-	26,789	-	-	-	-	26,789
Payment of principal	-	-	2,253	-	-	-	2,253
Interest paid	-	-	1,538	-	-	-	1,538
Total deductions	<u>-</u>	<u>26,789</u>	<u>3,791</u>	<u>-</u>	<u>-</u>	<u>3,516</u>	<u>34,096</u>
Balance at June 30, 2014	<u>\$ -</u>	<u>\$ 7,803</u>	<u>\$ 2,968</u>	<u>\$ 38</u>	<u>\$ 2,701</u>	<u>\$ 5,743</u>	<u>\$ 19,253</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 \$37 held in the revolving fund at June 30, 2014 and 2013.

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, 2014
(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, 2013	\$ -	\$ 2,182	\$ 7,169	\$ 22	\$ 39,875	\$ (5,914)	\$ 43,334
Additions							
Investment earnings	-	2	2	-	242	-	246
Discount on investment purchases	-	-	3	-	1	-	4
Distribution of investment earnings	4	-	(4)	-	-	-	-
Receipt from participants	10,529	255	-	-	-	-	10,784
Sales of natural gas	4,831	1,074	-	-	-	-	5,905
Distribution of revenues	(15,364)	6,317	8,715	-	(439)	771	-
Total additions	-	7,648	8,716	-	(196)	771	16,939
Deductions							
Construction expenses	-	-	-	-	-	536	536
Operating expenses	-	6,636	-	-	-	-	6,636
Payment of principal	-	-	5,302	-	-	-	5,302
Interest paid	-	-	3,619	-	-	-	3,619
Total deductions	-	6,636	8,921	-	-	536	16,093
Balance at June 30, 2014	\$ -	\$ 3,194	\$ 6,964	\$ 22	\$ 39,679	\$ (5,679)	\$ 44,180

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 \$19 held in the revolving fund at June 30, 2014 and 2013.

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, 2014
(AMOUNTS IN THOUSANDS)

	<u>Revenue Fund</u>	<u>Operating Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Balance at June 30, 2013	\$ -	\$ 10,268	\$ 7,173	\$ 17,441
Additions				
Investment earnings	-	488	203	691
Distribution of investment earnings	483	(483)	-	-
Receipt from gas sales	8,614	-	-	8,614
Distribution of revenues	(21,683)	5,677	16,006	-
Commodity swap settlement	9,186	-	-	9,186
Other receipts	3,400	844	591	4,835
Total additions	<u>-</u>	<u>6,526</u>	<u>16,800</u>	<u>23,326</u>
Deductions				
A & G expenses	-	1,632	-	1,632
Payment of principal	-	-	4,065	4,065
Payment of interest	-	-	16,647	16,647
Total deductions	<u>-</u>	<u>1,632</u>	<u>20,712</u>	<u>22,344</u>
Balance at June 30, 2014	<u>\$ -</u>	<u>\$ 15,162</u>	<u>\$ 3,261</u>	<u>\$ 18,423</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 \$19 held in the revolving fund at June 30, 2014 and 2013.

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
MULTIPLE PROJECT FUND
SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS IN FUNDS
REQUIRED BY THE BOND INDENTURE FOR THE YEAR ENDED JUNE 30, 2014
(AMOUNTS IN THOUSANDS)

	<u>Proceeds Account</u>	<u>Debt Service Account</u>	<u>Earnings Account</u>	<u>Total</u>
Balance at June 30, 2013	\$ 39,197	\$ -	\$ -	\$ 39,197
Additions				
Investment earnings	1,441	-	-	1,441
Distribution of investment earnings	(1,441)	1,441	-	-
Transfer for debt service payment	(12,825)	12,825	-	-
Transfer fund to other projects	(26,372)	-	-	(26,372)
Total additions	<u>(39,197)</u>	<u>14,266</u>	<u>-</u>	<u>(24,931)</u>
Deductions				
Interest paid	-	466	-	466
Payment of principal	-	13,800	-	13,800
Total deductions	<u>-</u>	<u>14,266</u>	<u>-</u>	<u>14,266</u>
Balance at June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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.