

(Roll Call Vote)

RESOLUTION NO. 2017-021

RESOLUTION OF THE SOUTHERN CALIFORNIA PUBLIC POWER
AUTHORITY APPROVING THE ANNUAL BUDGET FOR
SOUTHERN TRANSMISSION SYSTEM PROJECT
OR THE FISCAL YEAR JULY 1, 2017 THROUGH JUNE 30, 2018

BE IT RESOLVED by the Board of Directors of the Southern California Public Power Authority (the "Authority") that:

1. The budget for the Southern Transmission System Project for the Fiscal Year July 1, 2017 through June 30, 2018, submitted to this Board of Directors, is hereby approved. The Executive Director is hereby authorized and directed to place the budget so approved in final form, with such changes as shall be necessary or advisable to comply with the Southern Transmission System Project Bond Indenture and Transmission Service Contracts; and the budget hereby approved, in such final form, shall constitute the Authority's Annual Budget for Fiscal Year July 1, 2017 through June 30, 2018.

2. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority, this 18th day of May, 2017.



PRESIDENT
Southern California Public
Power Authority

ATTEST:



ASSISTANT SECRETARY
Southern California Public
Power Authority

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SOUTHERN TRANSMISSION SYSTEM

ANNUAL BUDGET

FOR THE FISCAL YEAR

JULY 1, 2017 THROUGH JUNE 30, 2018

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SOUTHERN TRANSMISSION PROJECT

COMPARISON OF BUDGET - FISCAL 2016-17 TO 2017-18
(\$000's)

	<u>2016-17</u>	<u>2017-18</u>	Variance	
			\$	%
Net Debt Service	\$ 80,988	\$ 80,736	\$ (252)	-0.31%
Operation and Maintenance	\$ 24,528	\$ 32,952	\$ 8,424	34.34%
Direct Authority A&G	\$ 348	\$ 372	\$ 24	6.90%
PROJECT TOTAL	\$ 105,864	\$ 114,060	\$ 8,196	7.74%
Indirect A&G	\$ 680	\$ 643	\$ (37)	-5.44%
TOTAL FOR BILLING	\$ 106,544	\$ 114,703	\$ 8,159	7.66%
Interest Earnings	\$ 744	\$ 996	\$ 252	33.87%

EXPLANATION OF VARIANCES

- 1 Near Flat Debt Service
- 2 Operation and Maintenance as approved by IPP Participants.
Based on approved IPA final budget.
- 3 Indirect A&G is SCPPA administrative costs allocated by new methodology.

ANNUAL BUDGET

July 1, 2017 through June 30, 2018
Southern Transmission Project (1)
(\$000)

Month	Net Debt Service (2)	Operation and Maintenance (3)	SCPPA DIRECT General (4)	Indirect Admin. & General (4)	Total Transmission Costs
Jul	\$6,728	\$2,746	\$31	\$54	\$9,559
Aug	6,728	\$2,746	\$31	\$54	9,559
Sep	6,728	\$2,746	\$31	\$54	9,559
Subtotal	\$20,184	\$8,238	\$93	\$161	\$28,676
Oct	\$6,728	\$2,746	\$31	\$54	\$9,559
Nov	6,728	\$2,746	\$31	\$54	9,559
Dec	6,728	\$2,746	\$31	\$54	9,559
Subtotal	\$20,184	\$8,238	\$93	\$161	\$28,676
Jan	\$6,728	\$2,746	\$31	\$54	\$9,559
Feb	6,728	\$2,746	\$31	\$54	9,559
Mar	6,728	\$2,746	\$31	\$54	9,559
Subtotal	\$20,184	\$8,238	\$93	\$161	\$28,676
Apr	\$6,728	\$2,746	\$31	\$54	\$9,559
May	6,728	\$2,746	\$31	\$54	9,559
Jun	6,728	\$2,746	\$31	\$54	9,559
Subtotal	\$20,184	\$8,238	\$93	\$161	\$28,676
===== Total FY	===== \$80,736	===== \$32,952	===== \$372	===== \$643	===== \$114,703

Footnotes:

- (1) Based on IPA's unapproved "Final Operating Budget Fiscal Year 2017-18
(2) Net of reinvestment interest earnings.
(3) Includes the following Southern Transmission Project costs as billed by IPA:
Net Debt Service (credit for income earned by IPA on funds contributed by the Authority),
Operations, Maintenance, Renewals and Replacements, Indirect Labor (IPSC), Taxes,
Insurance, IPA Administrative and General.
(4) Estimated by the Authority.

July 1, 2017 through June 30, 2018
Southern Transmission Project (1)
(\$000)

Month	Revenues (2)			Revenue Fund Disbursements								
	Monthly Trans- mission Costs (3)	Interest Earnings (4)	Total Revenues	Operating Fund	Reserve for (Drawdown) Authority Operating Expenses	Debt Service Account	Debt Service Reserve Account	Bond Antici- pation Note Fund	Renewals and Replace- ments	Reserve Account	General Reserve Fund(5)	Total Revenue Fund Dis- bursements
Jul	\$9,559	\$83	\$9,642	\$2,777	\$0	\$0	\$0	\$0	\$0	\$0	\$6,811	\$9,588
Aug	9,559	\$83	9,642	2,777	0	\$0	0	0	0	0	\$6,811	9,588
Sep	9,559	\$83	9,642	2,777	0	\$0	0	0	0	0	\$6,811	9,588
Subtotal	\$28,676	\$249	\$28,925	\$8,331	\$0	\$0	\$0	\$0	\$0	\$0	\$20,433	\$28,764
Oct	\$9,559	\$83	\$9,642	\$2,777	\$0	\$0	\$0	\$0	\$0	\$0	\$6,811	\$9,588
Nov	9,559	\$83	9,642	2,777	0	\$0	0	0	0	0	\$6,811	9,588
Dec	9,559	\$83	9,642	2,777	0	\$0	0	0	0	0	\$6,811	9,588
Subtotal	\$28,676	\$249	\$28,925	\$8,331	\$0	\$0	\$0	\$0	\$0	\$0	\$20,433	\$28,764
Jan	\$9,559	\$83	\$9,642	\$2,777	\$0	\$0	\$0	\$0	\$0	\$0	\$6,811	\$9,588
Feb	9,559	\$83	9,642	2,777	0	\$0	0	0	0	0	\$6,811	9,588
Mar	9,559	\$83	9,642	2,777	0	\$0	0	0	0	0	\$6,811	9,588
Subtotal	\$28,676	\$249	\$28,925	\$8,331	\$0	\$0	\$0	\$0	\$0	\$0	\$20,433	\$28,764
Apr	\$9,559	\$83	\$9,642	\$2,777	\$0	\$0	\$0	\$0	\$0	\$0	\$6,811	\$9,588
May	9,559	\$83	9,642	2,777	0	\$0	0	0	0	0	\$6,811	9,588
Jun	9,559	\$83	9,642	2,777	0	\$0	0	0	0	0	\$6,811	9,588
Subtotal	\$28,676	\$249	\$28,925	\$8,331	\$0	\$0	\$0	\$0	\$0	\$0	\$20,433	\$28,764
Total FY	\$114,703	\$996	\$115,699	\$33,324	\$0	\$0	\$0	\$0	\$0	\$0	\$81,732	\$115,056

Footnotes:

- (1) Based on IPA's unapproved "Final Operating Budget Fiscal Year 2017-18
- (2) To be deposited in the Revenue Fund. To the extent the interest rate on the 1991 Subordinate Bonds exceeds 6.38%, additional amounts are to be received from the swap provider and deposited in the Revenue Fund.
- (3) Net of reinvestment earnings.
- (4) Assumes yields on monies deposited in the Debt Service Reserve Account at current coupon rates and 5.0% for working capital, debt service account and revenue account. Earnings attributable to the subordinate bonds reserve account are included
- (5) To be transferred to the Pledged Revenues Accounts under any subordinate indentures for amounts accruing for payment under those indentures. To the extent the interest rate on the 1991 Subordinate Bonds exceeds 6.38%, additional amounts (to be received from the Revenue Fund) will also be transferred to the Pledged Revenues Account.