

Final Version

(Roll Call Vote)

RESOLUTION NO. 2004-25


RESOLUTION OF THE SOUTHERN CALIFORNIA PUBLIC POWER
AUTHORITY APPROVING THE ANNUAL BUDGET FOR
SOUTHERN TRANSMISSION SYSTEM PROJECT FOR THE FISCAL YEAR
JULY 1, 2004 THROUGH JUNE 30, 2005

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, 2004 through June 30, 2005, 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, 2004 through June 30, 2005.


2. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority, this 20th day of May, 2004.



PRESIDENT
Southern California Public
Power Authority

ATTEST:



SECRETARY
Southern California Public
Power Authority

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SOUTHERN TRANSMISSION SYSTEM

ANNUAL BUDGET

FOR THE FISCAL YEAR

JULY 1, 2004 THROUGH JUNE 30, 2005

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SOUTHERN TRANSMISSION PROJECT

COMPARISON OF BUDGET - FISCAL 2003-2004 TO 2004-05
(\$000's)

	<u>2003-04</u>	<u>2004-05</u>	Variance	
			\$	%
Net Debt Service	\$ 67,452	\$ 67,548	\$ 96	0.14%
Operation and Maintenance	\$ 17,112	\$ 16,056	\$ (1,056)	-6.17%
Authority A&G	\$ 720	\$ 804	\$ 84	11.67%
TOTAL	\$ 85,284	\$ 84,408	\$ (876)	-1.03%
Interest Earnings	\$ 3,696	\$ 3,000	\$ (696)	-18.83%

EXPLANATION OF VARIANCES

- 1 Net Debt Service flat.
- 2 Operation and Maintenance as approved by IPP Participants.
- 3 Authority A&G reflects increased Agent Billable overheads.
- 4 Interest Earnings reduction reflects lower reserve balances and low rates.

ANNUAL BUDGET

July 1, 2004 through June 30, 2005
Southern Transmission Project (1)
(\$000)

Month	Net Debt Service (2)	Operation and Maintenance (3)	SCPPA Admin. & General (4)	Total Transmission Costs
Jul	\$5,629	\$1,338	\$67	\$7,034
Aug	5,629	\$1,338	\$67	7,034
Sep	5,629	\$1,338	\$67	7,034
Subtotal	\$16,887	\$4,014	\$201	\$21,102
Oct	\$5,629	\$1,338	\$67	\$7,034
Nov	5,629	\$1,338	\$67	7,034
Dec	5,629	\$1,338	\$67	7,034
Subtotal	\$16,887	\$4,014	\$201	\$21,102
Jan	\$5,629	\$1,338	\$67	\$7,034
Feb	5,629	\$1,338	\$67	7,034
Mar	5,629	\$1,338	\$67	7,034
Subtotal	\$16,887	\$4,014	\$201	\$21,102
Apr	\$5,629	\$1,338	\$67	\$7,034
May	5,629	\$1,338	\$67	7,034
Jun	5,629	\$1,338	\$67	7,034
Subtotal	\$16,887	\$4,014	\$201	\$21,102
Total FY	\$67,548	\$16,056	\$804	\$84,408

Footnotes:

- (1) Based on IPA's unapproved "Final Operating Budget Fiscal Year 2004-05".
- (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.

Annual Budget

July 1, 2004 through June 30, 2005
Southern Transmission Project (1)
(\$000)

Revenues (2)		Revenue Fund Disbursements										
Month	Monthly Trans- mission Costs (3)	Interest Earnings (4)	Total Revenues	Operating Fund	Reserve for 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	\$7,034	\$250	\$7,284	\$1,405	\$0	\$388	\$0	\$0	\$0	\$0	\$5,491	\$7,284
Aug	7,034	\$250	7,284	1,405	0	\$388	0	0	0	0	\$5,491	7,284
Sep	7,034	\$250	7,284	1,405	0	\$388	0	0	0	0	\$5,491	7,284
Subtotal	\$21,102	\$750	\$21,852	\$4,215	\$0	\$1,164	\$0	\$0	\$0	\$0	\$16,473	\$21,852
Oct	\$7,034	\$250	\$7,284	\$1,405	\$0	\$388	\$0	\$0	\$0	\$0	\$5,491	\$7,284
Nov	7,034	\$250	7,284	1,405	0	\$388	0	0	0	0	\$5,491	7,284
Dec	7,034	\$250	7,284	1,405	0	\$388	0	0	0	0	\$5,491	7,284
Subtotal	\$21,102	\$750	\$21,852	\$4,215	\$0	\$1,164	\$0	\$0	\$0	\$0	\$16,473	\$21,852
Jan	\$7,034	\$250	\$7,284	\$1,405	\$0	\$388	\$0	\$0	\$0	\$0	\$5,491	\$7,284
Feb	7,034	\$250	7,284	1,405	0	\$388	0	0	0	0	\$5,491	7,284
Mar	7,034	\$250	7,284	1,405	0	\$388	0	0	0	0	\$5,491	7,284
Subtotal	\$21,102	\$750	\$21,852	\$4,215	\$0	\$1,164	\$0	\$0	\$0	\$0	\$16,473	\$21,852
Apr	\$7,034	\$250	\$7,284	\$1,405	\$0	\$388	\$0	\$0	\$0	\$0	\$5,491	\$7,284
May	7,034	\$250	7,284	1,405	0	\$388	0	0	0	0	\$5,491	7,284
Jun	7,034	\$250	7,284	1,405	0	\$388	0	0	0	0	\$5,491	7,284
Subtotal	\$21,102	\$750	\$21,852	\$4,215	\$0	\$1,164	\$0	\$0	\$0	\$0	\$16,473	\$21,852
Total FY	\$84,408	\$3,000	\$87,408	\$16,860	\$0	\$4,656	\$0	\$0	\$0	\$0	\$65,892	\$87,408

Footnotes:

- (1) Based on IPA's unapproved "Final Operating Budget Fiscal Year 2004-05".
- (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.