

(Roll Call Vote)

RESOLUTION NO. 2000-19

RESOLUTION OF THE SOUTHERN CALIFORNIA PUBLIC POWER  
AUTHORITY APPROVING THE BUDGET FOR  
PALO VERDE PROJECT FOR THE FISCAL YEAR  
JULY 1, 2000 THROUGH JUNE 30, 2001

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

1. The budget for the Palo Verde Project for the Fiscal Year July 1, 2000 through June 30, 2001, 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 Palo Verde Project Bond Indenture and Power Sales Contracts; and the budget hereby approved, in such final form, shall constitute the Authority's Annual Budget for the Palo Verde Project for the Fiscal Year July 1, 2000 through June 30, 2001.

2. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority, this 18th day of May 2000.

  
\_\_\_\_\_  
PRESIDENT  
Southern California Public  
Power Authority

ATTEST:

  
\_\_\_\_\_  
ASSISTANT SECRETARY  
Southern California Public  
Power Authority

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**

**PALO VERDE PROJECT**

**ANNUAL BUDGET**

**FOR THE FISCAL YEAR**

**JULY 1, 2000 THROUGH JUNE 30, 2001**

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

PALO VERDE NUCLEAR GENERATING STATION

COMPARISON OF BUDGET - FISCAL 1999-200 TO 2000-2001  
(\$000's)

	<u>1999-2000</u>	<u>2000-2001</u>	Variance	
			\$	%
<b>MINIMUM COST COMPONENT</b>				
Debt Service (net)	\$ 134,624	\$ 134,640	\$ 16	0.01%
Operation and Maintenance	\$ 17,064	\$ 15,768	\$ (1,296)	-7.59%
APS Administration and General Insurance	\$ 1,428	\$ 3,828	\$ 2,400	168.07%
Renewals and Replacements	\$ 156	\$ 168	\$ 12	7.69%
Decommissioning	\$ 3,216	\$ 5,280	\$ 2,064	64.18%
Taxes	\$ 8,004	\$ 8,004	\$ -	0.00%
Authority A&G	\$ 5,100	\$ 4,704	\$ (396)	-7.76%
	<u>\$ 1,008</u>	<u>\$ 1,188</u>	<u>\$ 180</u>	<u>17.86%</u>
Subtotal Minimum Cost Component	\$ 170,600	\$ 173,580	\$ 2,980	1.75%
<b>VARIABLE COST COMPONENT</b>				
Nuclear Fuel - Direct Costs	\$ 6,900	\$ 6,792	\$ (108)	-1.57%
Nuclear Fuel - Spent Fuel	\$ 1,728	\$ 1,728	\$ -	0.00%
Debt Service ANPP Trans. (net)	\$ 2,170	\$ 2,170	\$ -	0.00%
Payments to SRP	\$ 216	\$ 144	\$ (72)	-33.33%
Debt Service - PV Switchyard (net)	\$ 198	\$ 198	\$ -	0.00%
PV Switchyard O&M	\$ 96	\$ 96	\$ -	0.00%
Subtotal Variable Cost Component	\$ 11,308	\$ 11,128	\$ (180)	-1.59%
<b>Total Cost of Power to the Authority</b>	<b>\$ 181,908</b>	<b>\$ 184,708</b>	<b>\$ 2,800</b>	<b>1.54%</b>
Estimated Scheduled Energy (MWH)	1,717,000	1,750,000	33,000	1.92%
Total Average Unit Cost (mills/kWh)	105.9	105.5	(0.4)	-0.38%
Interest Earnings	\$ 6,492	\$ 8,856	\$ 2,364	36.41%

## EXPLANATION OF VARIANCES

### Minimum Cost Component

- 1 Net Debt Service flat per Resolution No. 1998-28.
- 2 Operation and Maintenance decrease reflects funds for dry cask storage facility in 99-2000 budget, and reclassifications to APS A&G.
- 3 APS A&G increase reflects reclassifications from O&M.
- 4 Insurance decrease reflects actual costs.
- 5 Renewals & Replacements includes steam generator replacement costs.
- 6 Decommissioning flat.
- 7 Taxes decrease reflects actual history.
- 8 Authority A&G increase reflects triennial report, increased Trustee and Agent costs.

### Variable Cost Component

- 1 Nuclear Fuel Direct Costs stable.
- 2 Nuclear Fuel Spent Fuel Disposal flat.
- 3 Debt Service ANPP Transmission flat.
- 4 Payments to SRP decrease reflects no more wheeling charges and end of charges for black start power in February 2000.
- 5 Debt Service PV Switchyard flat.
- 6 PV Switchyard O&M flat.
- 7 Interest Earnings increase reflects rising rates.

09-May-00

Power Supply Year Number 15  
 July 1, 2000 Through June 30, 2001  
 Authority Interest in Palo Verde Nuclear Generating Station (1)  
 (\$000)

Minimum Cost Component (2)

Month	Generating Station								Subtotal Minimum Cost Component
	Net Debt Service (4) (5)	Operation and Mainten- ance (6)	APS Admin.& General (6)	Insurance (7)	Renewals and Replace- ments (6)	Additional Decommis- sioning Reqmt.(8)	Taxes(9)	Auth. A&G Expense (10)	
Jul	\$11,220	\$1,314	\$319	\$14	\$440	\$667	\$392	\$99	\$14,465
Aug	\$11,220	\$1,314	\$319	\$14	\$440	\$667	\$392	\$99	14,465
Sep	\$11,220	\$1,314	\$319	\$14	\$440	\$667	\$392	\$99	14,465
Subtotal	\$33,660	\$3,942	\$957	\$42	\$1,320	\$2,001	\$1,176	\$297	\$43,395
Oct	\$11,220	\$1,314	\$319	\$14	\$440	\$667	\$392	\$99	\$14,465
Nov	\$11,220	\$1,314	\$319	\$14	\$440	\$667	\$392	\$99	14,465
Dec	\$11,220	\$1,314	\$319	\$14	\$440	\$667	\$392	\$99	14,465
Subtotal	\$33,660	\$3,942	\$957	\$42	\$1,320	\$2,001	\$1,176	\$297	\$43,395
Jan	\$11,220	\$1,314	\$319	\$14	\$440	\$667	\$392	\$99	\$14,465
Feb	\$11,220	\$1,314	\$319	\$14	\$440	\$667	\$392	\$99	14,465
Mar	\$11,220	\$1,314	\$319	\$14	\$440	\$667	\$392	\$99	14,465
Subtotal	\$33,660	\$3,942	\$957	\$42	\$1,320	\$2,001	\$1,176	\$297	\$43,395
Apr	\$11,220	\$1,314	\$319	\$14	\$440	\$667	\$392	\$99	\$14,465
May	\$11,220	\$1,314	\$319	\$14	\$440	\$667	\$392	\$99	14,465
Jun	\$11,220	\$1,314	\$319	\$14	\$440	\$667	\$392	\$99	14,465
Subtotal	\$33,660	\$3,942	\$957	\$42	\$1,320	\$2,001	\$1,176	\$297	\$43,395
Total FY	\$134,640	\$15,768	\$3,828	\$168	\$5,280	\$8,004	\$4,704	\$1,188	\$173,580

09-May-00

Power Supply Year Number 15  
 July 1, 2000 Through June 30, 2001  
 Authority Interest in Palo Verde Nuclear Generating Station (1)  
 (\$000)

Month	Nuclear Fuel (11)		Variable Cost Component (3)				Subtotal Variable Cost Component	Total Cost of Power to Authority (15)	Estimated Energy to be Scheduled (MWh) (16)
	Direct Costs	Spent Fuel	Debt Service ANPP Transm. Sys. (4)	Payments to SRP (12)	Debt Service PV Swyd. (13)	Palo Verde Switchyd. O&M and Taxes (14)			
Jul	\$566	\$144	\$181	\$12	\$17	\$8	\$927	\$15,392	159,000
Aug	\$566	\$144	\$181	12	\$17	8	927	15,392	159,000
Sep	\$566	\$144	\$181	12	\$17	8	927	15,392	154,000
<b>Subtotal</b>	<b>\$1,698</b>	<b>\$432</b>	<b>\$543</b>	<b>\$36</b>	<b>\$50</b>	<b>\$24</b>	<b>\$2,782</b>	<b>\$46,177</b>	<b>472,000</b>
Oct	\$566	\$144	\$181	\$12	\$17	\$8	\$927	\$15,392	106,000
Nov	\$566	\$144	\$181	12	\$17	8	927	15,392	145,000
Dec	\$566	\$144	\$181	12	\$17	8	927	15,392	159,000
<b>Subtotal</b>	<b>\$1,698</b>	<b>\$432</b>	<b>\$543</b>	<b>\$36</b>	<b>\$50</b>	<b>\$24</b>	<b>\$2,782</b>	<b>\$46,177</b>	<b>410,000</b>
Jan	\$566	\$144	\$181	\$12	\$17	\$8	\$927	\$15,392	159,000
Feb	\$566	\$144	\$181	12	\$17	8	927	15,392	143,000
Mar	\$566	\$144	\$181	12	\$17	8	927	15,392	159,000
<b>Subtotal</b>	<b>\$1,698</b>	<b>\$432</b>	<b>\$543</b>	<b>\$36</b>	<b>\$50</b>	<b>\$24</b>	<b>\$2,782</b>	<b>\$46,177</b>	<b>461,000</b>
Apr	\$566	\$144	\$181	\$12	\$17	\$8	\$927	\$15,392	103,000
May	\$566	\$144	\$181	12	\$17	8	927	15,392	150,000
Jun	\$566	\$144	\$181	12	\$17	8	927	15,392	154,000
<b>Subtotal</b>	<b>\$1,698</b>	<b>\$432</b>	<b>\$543</b>	<b>\$36</b>	<b>\$50</b>	<b>\$24</b>	<b>\$2,782</b>	<b>\$46,177</b>	<b>407,000</b>
<b>Total FY</b>	<b>\$6,792</b>	<b>\$1,728</b>	<b>\$2,170</b>	<b>\$144</b>	<b>\$198</b>	<b>\$96</b>	<b>\$11,129</b>	<b>\$184,709</b>	<b>1,750,000</b>

**ANNUAL BUDGET**  
Power Supply Year Number 15  
July 1, 2000 Through June 30, 2001  
Authority Interest in Palo Verde Nuclear Generating Station (1)  
(\$000)

## Footnotes:

- (1) Based on latest approved ANPP Annual Budget for 2000 and estimate for 2001. Authority Operating Expenses include all of the costs shown herein, with the exception of the following: Debt Service, Debt Service ANPP transmission System, and Debt Service Palo Verde Switchyard.
- (2) Establishes the basis for the billing of the minimum cost component of Monthly Power Costs pursuant to Section 5.2, Adoption of Annual Budget, of the Power Sales Contracts with the Project Participants.
- (3) Establishes the rate for billing of the variable cost component of Monthly Power Costs pursuant to Section 5.2, Adoption of Annual Budget, of the Power Sales Contracts with the Project Participants. Such rate of billing is determined by dividing the fiscal year total of the "Subtotal Variable Cost Component" column by the fiscal year total of the "Estimated Energy to be Scheduled" column. The monthly Variable cost Component is determined by multiplying such rate of billing by the actual energy delivered to the Authority at the high voltage bus of the Palo Verde High Voltage Switchyard.
- (4) Interest to be paid from revenues is accrued during the six months prior to each semi-annual payment on July 1 and January 1. Principal is accrued during the twelve months prior to each annual payment on July 1. Also based on transferring 100% of the investment income to the Revenue Fund from the Debt Service Reserve Accounts in the Debt Service Fund, the Reserve Account in the Reserve and Contingency Fund and the Operating Fund.
- (5) Includes 50% of debt service allocated to Palo Verde High Voltage Switchyard. This represents the portion of such debt service attributable to the generation side of the Palo Verde High Voltage Switchyard.
- (6) Based on estimates provided by APS, payroll loads included in A&G only.
- (7) Based on estimates provided by APS. Includes nuclear insurance.
- (8) "Additional Decommissioning Requirement" represents a sinking fund allowance, which was based, in part, on APS' estimate for decommissioning each unit.
- (9) Based on the Authority ad valorem taxes at rates estimated by APS and Salt River Project.
- (10) Based on amounts estimated by Authority.
- (11) Based on estimates provided by APS and ANPP. There are no fixed costs of nuclear fuel to be incurred under Appendix F to the ANPP Participation Agreement, dated August 23, 1973, as amended, which are not to be funded out of bond proceeds. (See Section 4.32.1.4 of the Power Sales contracts with the Project Participants.) The debt service on these bonds is included under the Minimum Cost Component.
- (12) Based on Amendment No. 1 to the Authority's Transmission Agreement with SRP, dated as of August 25, 1982. Includes Taxes, O&M, Dispatch and Wheeling.
- (13) 50% of debt service allocated to Palo Verde High Voltage Switchyard. This represents the portion of such debt service attributable to the transmission side of the Palo Verde High Voltage Switchyard.
- (14) Based on estimates provided by SRP.
- (15) Sum of Minimum Cost Component and Variable Cost Component.
- (16) At the high voltage bus of the Palo Verde High Voltage Switchyard. Computed as the Authority's share of estimated total generation at the Project

ANNUAL BUDGET  
 Power Supply Year Number 15  
 July 1, 2000 Through June 30, 2001  
 Authority Interest in Palo Verde Nuclear Generating Station (1)  
 (\$000)

Month	Revenues (*)				Revenue Fund Disbursements							
	Minimum Cost Component	Variable Cost Component	Interest Earnings	Total Revenues	Operating Fund	Acquisition of Fuel Reserve	Debt Service Account(**)	Debt Service Reserve Account	Renewal & Replacement Account	Decommissioning Account	General Reserve Fund (**)	Total Revenue Fund Disbursements
Jul	\$14,465	\$927	\$738	\$16,130	\$2,302	\$566	\$2,180	\$0	\$440	\$667	\$9,975	\$16,130
Aug	14,465	927	\$738	16,130	2,302	566	\$2,180	0	440	667	\$9,975	16,130
Sep	14,465	927	\$738	16,130	2,302	566	\$2,180	0	440	667	\$9,975	16,130
Subtotal	\$43,395	\$2,782	\$2,214	\$48,391	\$6,906	\$1,698	\$6,541	\$0	\$1,320	\$2,001	\$29,925	\$48,391
Oct	\$14,465	\$927	\$738	\$16,130	\$2,302	\$566	\$2,180	\$0	\$440	\$667	\$9,975	\$16,130
Nov	14,465	927	\$738	16,130	2,302	566	\$2,180	0	440	667	\$9,975	16,130
Dec	14,465	927	\$738	16,130	2,302	566	\$2,180	0	440	667	\$9,975	16,130
Subtotal	\$43,395	\$2,782	\$2,214	\$48,391	\$6,906	\$1,698	\$6,541	\$0	\$1,320	\$2,001	\$29,925	\$48,391
Jan	\$14,465	\$927	\$738	\$16,130	\$2,302	\$566	\$2,180	\$0	\$440	\$667	\$9,975	\$16,130
Feb	14,465	927	\$738	16,130	2,302	566	\$2,180	0	440	667	\$9,975	16,130
Mar	14,465	927	\$738	16,130	2,302	566	\$2,180	0	440	667	\$9,975	16,130
Subtotal	\$43,395	\$2,782	\$2,214	\$48,391	\$6,906	\$1,698	\$6,541	\$0	\$1,320	\$2,001	\$29,925	\$48,391
Apr	\$14,465	\$927	\$738	\$16,130	\$2,302	\$566	\$2,180	\$0	\$440	\$667	\$9,975	\$16,130
May	14,465	927	\$738	16,130	2,302	566	\$2,180	0	440	667	\$9,975	16,130
Jun	14,465	927	\$738	16,130	2,302	566	\$2,180	0	440	667	\$9,975	16,130
Subtotal	\$43,395	\$2,782	\$2,214	\$48,391	\$6,906	\$1,698	\$6,541	\$0	\$1,320	\$2,001	\$29,925	\$48,391
Total FY	\$173,580	\$11,129	\$8,856	\$193,565	\$27,624	\$6,792	\$26,165	\$0	\$5,280	\$8,004	\$119,700	\$193,565

(\*) To be deposited in the Revenue Fund.

(\*\*) Per Resolution No. 1998-28, includes \$6.7 million to keep total net debt service at the prior level.