

(Roll Call Vote)

RESOLUTION NO. 1999-14

RESOLUTION OF THE SOUTHERN CALIFORNIA PUBLIC POWER
AUTHORITY APPROVING THE ANNUAL BUDGET FOR
SOUTHERN TRANSMISSION SYSTEM PROJECT FOR THE FISCAL YEAR
JULY 1, 1999 THROUGH JUNE 30, 2000

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, 1999 through June 30, 2000, 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, 1999 through June 30, 2000.

4. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority, this 20th day of May 1999.



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, 1999 THROUGH JUNE 30, 2000

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

SOUTHERN TRANSMISSION PROJECT

COMPARISON OF BUDGET - FISCAL 1998-99 TO 1999-2000
(\$000's)

| | <u>1998-99</u> | <u>1999-2000</u> | Variance | |
|---------------------------|----------------|------------------|----------|---------|
| | | | \$ | % |
| Net Debt Service | \$ 67,992 | \$ 71,488 | \$ 3,496 | 5.14% |
| Operation and Maintenance | \$ 12,288 | \$ 11,484 | \$ (804) | -6.54% |
| Authority A&G | \$ 612 | \$ 516 | \$ (96) | -15.69% |
| TOTAL | \$ 80,892 | \$ 83,488 | \$ 2,596 | 3.21% |
| | | | | |
| Interest Earnings | \$ 7,584 | \$ 7,500 | \$ (84) | -1.11% |

EXPLANATION OF VARIANCES

- 1 Net Debt Service increase reflects higher principal payment this year.
- 2 Operation and Maintenance reflects cost containment efforts.
- 3 Authority A&G decrease reflects decreases in Trustee Costs and Agent Billable.
- 4 Interest Earnings stable.

ANNUAL BUDGET

July 1, 1999 through June 30, 2000
Southern Transmission Project (1)
(\$000)

| Month | Net Debt Service (2) | Operation and Maintenance (3) | SCPPA Admin. & General (4) | Total Transmission Costs |
|----------|----------------------|-------------------------------|----------------------------|--------------------------|
| Jul | \$5,954 | \$957 | \$43 | \$6,954 |
| Aug | 5,954 | \$957 | \$43 | 6,954 |
| Sep | 5,954 | \$957 | \$43 | 6,954 |
| Subtotal | \$17,862 | \$2,871 | \$129 | \$20,862 |
| Oct | \$5,954 | \$957 | \$43 | \$6,954 |
| Nov | 5,954 | \$957 | \$43 | 6,954 |
| Dec | 5,954 | \$957 | \$43 | 6,954 |
| Subtotal | \$17,862 | \$2,871 | \$129 | \$20,862 |
| Jan | \$5,954 | \$957 | \$43 | \$6,954 |
| Feb | 5,954 | \$957 | \$43 | 6,954 |
| Mar | 5,954 | \$957 | \$43 | 6,954 |
| Subtotal | \$17,862 | \$2,871 | \$129 | \$20,862 |
| Apr | \$5,954 | \$957 | \$43 | \$6,954 |
| May | 5,954 | \$957 | \$43 | 6,954 |
| Jun | 5,954 | \$957 | \$43 | 6,954 |
| Subtotal | \$17,862 | \$2,871 | \$129 | \$20,862 |
| Total FY | \$71,448 | \$11,484 | \$516 | \$83,448 |

Footnotes:

- (1) Based on IPA's unapproved "Final Operating Budget Fiscal Year 1999-2000" dated May 1999
- (2) Net of reinvestment interest earnings. Includes accruals of amounts payable by the Authority at 6.38% under the swap agreement, and amounts payable by the Authority to the standby purchaser, remarketing agent, trustee, tender agent and paying agent, with respect to the Transmission Project Revenue Bonds, 1991 Subordinate Refunding Series. Includes accruals of amounts payable with respect to the 1982 and 1993 Subordinate Refunding Series.
- (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, 1999 through June 30, 2000
Southern Transmission Project (1)
(\$000)

| Revenues (2) | | Revenue Fund Disbursements | | | | | | | | | | |
|--------------|--------------------------------|----------------------------|----------------|----------------|--|----------------------|------------------------------|-----------------------------|---------------------------|-----------------|-------------------------|----------------------------------|
| Month | Monthly Transmission Costs (3) | Interest Earnings (4) | Total Revenues | Operating Fund | Reserve for Authority Operating Expenses | Debt Service Account | Debt Service Reserve Account | Bond Anticipation Note Fund | Renewals and Replacements | Reserve Account | General Reserve Fund(5) | Total Revenue Fund Disbursements |
| Jul | \$6,954 | \$625 | \$7,579 | \$1,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$6,579 | \$7,579 |
| Aug | 6,954 | \$625 | 7,579 | 1,000 | 0 | 0 | 0 | 0 | 0 | 0 | \$6,579 | 7,579 |
| Sep | 6,954 | \$625 | 7,579 | 1,000 | 0 | 0 | 0 | 0 | 0 | 0 | \$6,579 | 7,579 |
| Subtotal | \$20,862 | \$1,875 | \$22,737 | \$3,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$19,737 | \$22,737 |
| Oct | \$6,954 | \$625 | \$7,579 | \$1,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$6,579 | \$7,579 |
| Nov | 6,954 | \$625 | 7,579 | 1,000 | 0 | 0 | 0 | 0 | 0 | 0 | \$6,579 | 7,579 |
| Dec | 6,954 | \$625 | 7,579 | 1,000 | 0 | 0 | 0 | 0 | 0 | 0 | \$6,579 | 7,579 |
| Subtotal | \$20,862 | \$1,875 | \$22,737 | \$3,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$19,737 | \$22,737 |
| Jan | \$6,954 | \$625 | \$7,579 | \$1,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$6,579 | \$7,579 |
| Feb | 6,954 | \$625 | 7,579 | 1,000 | 0 | 0 | 0 | 0 | 0 | 0 | \$6,579 | 7,579 |
| Mar | 6,954 | \$625 | 7,579 | 1,000 | 0 | 0 | 0 | 0 | 0 | 0 | \$6,579 | 7,579 |
| Subtotal | \$20,862 | \$1,875 | \$22,737 | \$3,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$19,737 | \$22,737 |
| Apr | \$6,954 | \$625 | \$7,579 | \$1,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$6,579 | \$7,579 |
| May | 6,954 | \$625 | 7,579 | 1,000 | 0 | 0 | 0 | 0 | 0 | 0 | \$6,579 | 7,579 |
| Jun | 6,954 | \$625 | 7,579 | 1,000 | 0 | 0 | 0 | 0 | 0 | 0 | \$6,579 | 7,579 |
| Subtotal | \$20,862 | \$1,875 | \$22,737 | \$3,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$19,737 | \$22,737 |
| Total FY | \$83,448 | \$7,500 | \$90,948 | \$12,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$76,948 | \$90,948 |

Footnotes:

- (1) Based on IPA's unapproved "Final Operating Budget Fiscal Year 1999-2000" dated May 1999
- (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 the 1991 Subordinate Bonds indenture, and the 1992 Subordinate Bonds indenture 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.