

[ROLL CALL VOTE]

RESOLUTION NO. 1998-15

RESOLUTION OF THE SOUTHERN CALIFORNIA
PUBLIC POWER AUTHORITY APPROVING ANNUAL BUDGET
FOR PALO VERDE PROJECT POWER SUPPLY YEAR
BEGINNING JULY 1, 1998

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

1. The budget for the Palo Verde Project for the Power Supply Year beginning July 1, 1998, 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 Power Supply Year beginning July 1, 1998.

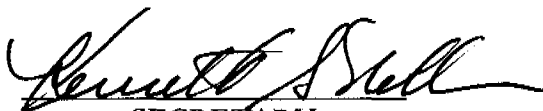
2. This resolution shall become effective immediately.

The foregoing resolution is approved and adopted by the Authority this 21st day of May, 1998.



PRESIDENT
Southern California Public
Power Authority

ATTEST:



SECRETARY
Southern California Public
Power Authority

PALO VERDE

ANNUAL BUDGET

FOR THE FISCAL YEAR

JULY 1, 1998 THROUGH JUNE 30, 1999

PVBUD98-99 ANNUAL BUDGET
 Power Supply Year 14
 11-May-98 July 1, 1998 Through June 30, 1999
 Authority Interest in Palo Verde Nuclear Generating Station (1)
 Rev. 01 (\$000)

Minimum Cost Component (2)										
Generating Station										
Month	Net Debt Service (4)(5)	Operation and Maintenance (6)	APS Admin. & General (6)	Insurance (7)	Renewals and Replacements (6)	Additional Decommissioning Reqmt.(8)	Taxes(9)	Auth. A&G Expenses (10)	Subtotal Minimum Cost Component	
Jul	\$11,216	\$1,350	\$348	\$32	\$292	\$667	\$467	\$105	\$14,476	
Aug	\$11,216	1,350	348	32	292	667	467	105	14,476	
Sep	\$11,216	1,350	349	32	291	667	467	106	14,477	
Subtotal	\$33,647	\$4,050	\$1,045	\$96	\$875	\$2,000	\$1,401	\$316	\$43,430	
Oct	\$11,216	\$1,350	\$348	\$32	\$292	\$667	\$467	\$105	\$14,476	
Nov	\$11,216	1,350	348	32	292	667	467	105	14,476	
Dec	\$11,216	1,350	349	32	291	667	467	106	14,477	
Subtotal	\$33,647	\$4,050	\$1,045	\$96	\$875	\$2,000	\$1,401	\$316	\$43,430	
Jan	\$11,216	\$1,350	\$348	\$32	\$292	\$667	\$467	\$105	\$14,476	
Feb	\$11,216	1,350	348	32	292	667	467	105	14,476	
Mar	\$11,216	1,350	349	32	291	667	467	106	14,477	
Subtotal	\$33,647	\$4,050	\$1,045	\$96	\$875	\$2,000	\$1,401	\$316	\$43,430	
Apr	\$11,216	\$1,350	\$348	\$32	\$292	\$667	\$467	\$105	\$14,476	
May	\$11,216	1,350	348	32	292	667	467	105	14,476	
Jun	\$11,217	1,350	349	32	291	667	467	106	14,478	
Subtotal	\$33,648	\$4,050	\$1,045	\$96	\$875	\$2,000	\$1,401	\$316	\$43,431	
Total FY98	\$134,589	\$16,200	\$4,180	\$384	\$3,500	\$8,000	\$5,604	\$1,264	\$173,721	

Rev. 01 Authority Interest in Palo Verde Nuclear Generating Station (1)
(\$000)

Variable Cost Component (3)										
Transmission										
Nuclear Fuel (11)		Debt Ser-		Payments		Debt Service		Palo Verde		Estimated
Month	Direct Costs	Spent Fuel	vice ANP Transm. Sys. (4)	SRP (12)	to SRP (12)	PV Swyd. (13)	Switchyhd O&M and Taxes(14)	Subtotal Variable Cost Component	Total Cost of Power to Authority (15)	Energy to be Scheduled (MWh)(16)
Jul	\$553	\$144	\$181	\$31	\$17	\$5	\$930	\$15,406	160,000	
Aug	553	143	\$181	32	\$17	4	929	15,405	160,000	
Sep	553	143	\$181	28	\$17	5	927	15,404	110,000	
Subtotal	\$1,659	\$430	\$542	\$91	\$50	\$14	\$2,786	\$46,216	430,000	
Oct	\$554	\$144	\$181	\$30	\$17	\$5	\$931	\$15,407	110,000	
Nov	553	143	\$181	32	\$17	4	929	15,405	160,000	
Dec	553	143	\$181	30	\$17	5	928	15,405	160,000	
Subtotal	\$1,660	\$430	\$542	\$92	\$50	\$14	\$2,788	\$46,218	430,000	
Jan	\$553	\$144	\$181	\$31	\$17	\$5	\$930	\$15,406	160,000	
Feb	554	143	\$181	34	\$17	4	932	15,408	160,000	
Mar	553	143	\$181	29	\$17	5	928	15,405	110,000	
Subtotal	\$1,660	\$430	\$542	\$94	\$50	\$14	\$2,790	\$46,220	430,000	
Apr	\$553	\$144	\$181	\$28	\$17	\$5	\$928	\$15,404	110,000	
May	553	143	\$181	33	\$17	4	930	15,406	160,000	
Jun	554	143	\$181	32	\$17	5	931	15,409	160,000	
Subtotal	\$1,660	\$430	\$542	\$93	\$50	\$14	\$2,789	\$46,220	430,000	
Total FY98	\$6,639	\$1,720	\$2,170	\$370	\$198	\$56	\$11,152	\$184,874	1,720,000	

ANNUAL BUDGET

Power Supply Year Number 14

July 1, 1998 Through June 30, 1999

Authority Interest in Palo Verde Nuclear Generating Station (1)

Footnotes:

- (1) Based on latest approved ANPP Annual Budget for FY 97 and estimate for FY 98. 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 site based on latest approved data from APS.

ANNUAL BUDGET
 Revenues and Disbursements
 Power Supply Year Number 14
 July 1, 1998 Through June 30, 1999
 Authority Interest in Palo Verde Nuclear Generating Station
 (\$000)

Month	Revenues (*)			Revenue Fund Disbursements							Total Revenue Fund Disbursements
	Minimum Cost Component	Variable Cost Component	Interest Earnings	Operating Fund	Acquisition of Fuel Reserve	Debt Service Account(**)	Debt Service Reserve Account	Renewal & Replacement Account	Decommissioning Account	General Reserve Fund (**)	
Jul	\$14,476	\$930	\$519	\$2,482	\$553	\$11,932	\$0	\$292	\$667	\$0	\$15,925
Aug	14,476	929	519	2,481	553	11,932	0	292	667	0	15,924
Sep	14,477	927	519	2,480	553	11,932	0	291	667	0	15,923
Subtotal	\$43,430	\$2,786	\$1,557	\$7,443	\$1,659	\$35,796	\$0	\$875	\$2,000	\$0	\$47,773
Oct	\$14,476	\$931	\$519	\$2,481	\$554	\$11,932	\$0	\$292	\$667	\$0	\$15,926
Nov	14,476	929	519	2,481	553	11,932	0	292	667	0	15,924
Dec	14,477	928	519	2,482	553	11,932	0	291	667	0	15,924
Subtotal	\$43,430	\$2,788	\$1,557	\$7,444	\$1,660	\$35,796	\$0	\$875	\$2,000	\$0	\$47,775
Jan	\$14,476	\$930	\$519	\$2,482	\$553	\$11,932	\$0	\$292	\$667	\$0	\$15,925
Feb	14,476	932	519	2,483	554	11,932	0	292	667	0	15,927
Mar	14,477	928	519	2,481	553	11,932	0	291	667	0	15,924
Subtotal	\$43,430	\$2,790	\$1,557	\$7,446	\$1,660	\$35,796	\$0	\$875	\$2,000	\$0	\$47,777
Apr	\$14,476	\$928	\$519	\$2,479	\$553	\$11,932	\$0	\$292	\$667	\$0	\$15,923
May	14,476	930	519	2,482	553	11,932	0	292	667	0	15,925
Jun	14,478	931	518	2,484	554	11,932	0	291	667	0	15,927
Subtotal	\$43,431	\$2,789	\$1,556	\$7,445	\$1,660	\$35,796	\$0	\$875	\$2,000	\$0	\$47,776
Total FY98	\$173,721	\$11,152	\$6,227	\$29,778	\$6,639	\$443,184	\$0	\$3,500	\$8,000	\$0	\$191,101

(*) To be deposited in the Revenue Fund.
 (**) Includes \$3.85 million as part of phase 3 of the Palo Verde Restructuring Program