

MINUTES OF THE DECEMBER 18, 2003
REGULAR MEETING OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A regular meeting of the Board of Directors was held on December 18, 2003, at the Westin Hotel, 191 N. Los Robles Avenue, Pasadena, California.

The meeting was called to order at 10:56 a.m. by President Ronald E. Davis.

The following Board members (M) and alternates (A) were present and acting in their capacity as representative for their utility: Mark E. Mazak, Anaheim (A); Joseph F. Hsu, Azusa, (M); Paul Toor, Banning (M); Ronald E. Davis, Burbank (M); Vince Brar, Cerritos (A); Thomas K. Clarke, Colton (M); Ignacio R. Troncoso, Glendale (M); Kristine K. Fontaine, Imperial Irrigation District (A); Ronald O. Vazquez, Los Angeles (M); Phyllis E. Currie, Pasadena (M); Donna Stevener, Riverside (A); Charles W. Montoya, Vernon (A).

Staff present were: Executive Director Bill D. Carnahan; SCPPA staff members Steven L. Homer, Manuel A. Robledo, Craig A. Koehler, Phyllis H. Brown, and Geri L. Mitchell; Pacience Dungo, SCPPA Accounting Manager; Therese Savery, SCPPA Investments Manager; Luan Nguyen, LADWP Nuclear Group; John Schumann, LADWP External Generation.

Attorneys and consultants present included: Stephen Cole, Fulbright & Jaworski; Gregg Cook, Government Affairs Consulting; and Deborah Sliz, Morgan Meguire.

1. Notice/Agenda Opportunity for the Public to Address the Board

President Davis afforded the public an opportunity to address the Board.

2. Approval of Minutes

Mr. Vazquez moved to approve the minutes of the Regular Meeting held November 20, 2003. The motion was seconded by Mr. Clarke and unanimously approved.

3. Executive Director's Report

Mr. Carnahan referenced his written report, and discussed the highlights, including the activities of the Ad Hoc Transmission & Distribution Engineering & Operating Committee.

4. Finance and Accounting Manager's Report

Mr. Koehler reported on the December 1, 2003, meeting of the SCPPA Finance Committee, including proposed use of Palo Verde overcollections, the status of the Mead-Phoenix/Mead-Adelanto refinancing, and the status of a Request for Qualifications and Proposals for Underwriting Services.

He also presented the unaudited SCPPA Financial Statements for the quarter ended September 30, 2003, and the Investment Report for the month October 31, 2003, for receipt and filing. He also reported on the Ad Hoc Customer Service Committee meeting of December 3, 2003.

Mr. Koehler presented the SCPPA Annual Report for Fiscal Year 2002/03, and noted that it was dedicated to Alan R. Watts, SCPPA's Special Counsel since 1982.

5. Energy Systems Manager's Report

Mr. Robledo referenced his written report, and reported on meetings of the Resource Planning and Public Benefits Committees, including status of the landfill gas and gas reserves projects.

6. Government Affairs Manager's Report

Ms. Brown reported on legislative activities in Sacramento and Washington, D.C.

7. Project Administrator's Report

Mr. Homer referenced the written reports, presented budget comparison reports, and reported on current issues at the projects.

Mr. Schumann discussed the transmission constraints caused by the increased capacity at Palo Verde Unit 2 in the event of a simultaneous loss of two units at Palo Verde, and proposed an interim solution, which was originally suggested by Riverside.

LADWP will assume all load shedding responsibility for the other SCPPA Palo Verde Participants, in return for the use of their new capacity until April 1, 2004. The other Palo Verde participants will stay at their historical capacity levels until April 1, and then go up to the new level. Allocation of nuclear fuel costs will reflect actual megawatt-hours.

Following discussion, the Board agreed to the proposed arrangement.

8. Closed Session

At this point the Board went into closed session to discuss hiring of general counsel.

9. Legislative Briefing

At this point, the Board recessed for lunch, after which Mr. Cook and Ms. Sliz presented their annual legislative briefings.

10. Adjournment

There being no further business, the meeting was adjourned at 2:03 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Rozanski", written in a cursive style.

Robert K. Rozanski
Assistant Secretary