

California Energy Resources Scheduling

**A Division of
California Department of Water Resources**

**Activities and Expenditures Report
Quarter Ended March 31, 2009**

(Provides Data as Required by Section 80250 of the California Water Code)



Activities and Expenditures Report For The Quarter Ended March 31, 2009

	<u>Topic</u>	<u>Page</u>
Preface		3
Cash Balances at the End of Quarter		4
Revenues from Ratepayers of IOUs		5
Actual Energy Expenditures		6
Power Revenue Bonds		7
Appropriated Costs - Fiscal Year 2009		8

Activities and Expenditures Report

Preface

Pursuant to the reporting requirement in Section 80250 of the California Water Code, the following information reflects energy acquisition activities and expenditures incurred by the California Energy Resources Scheduling Division (CERS) of the Department of Water Resources for the first quarter of 2009. Included are all costs related to energy acquisition and administration.

CERS purchases power under the terms of its existing contracts, all of which were entered into prior to January 1, 2003. The scheduling, dispatch and certain other administrative functions for the existing contracts are managed by the investor owned utilities. CERS continues to have financial and legal responsibility for its contract portfolio and will oversee repayment of the revenue bonds.

The audited financial statements for the years ended June 30, 2008 and 2007, and the un-audited financial statements for the quarter ended March 31, 2009, prepared in accordance with generally accepted accounting principles, can be referenced at the following link: http://www.cers.water.ca.gov/financial_bonds.cfm

This report is available on the DWR website at www.cers.water.ca.gov.

Cash Balances

March 31, 2009

(in millions)

Power Accounts

Operating and Priority Contract Accounts	\$	836
Operating Reserve Account		543
Total Power Account Balances	\$	<u>1,379</u>

Bond Accounts

Bond Charge Collection Account	\$	316
Bond Charge Payment Account		768
Debt Service Reserve Account		950
Total Bond Account Balances	\$	<u>2,034</u>

Note: All cash balances met the requirements of the Bond Indenture at quarter end and for each day during the quarter.

Revenues from IOU Ratepayers

Quarter Ended March 31, 2009

(in millions)

	<u>Pacific Gas & Electric</u>	<u>San Diego Gas & Electric</u>	<u>Southern California Edison</u>	<u>Total</u>
<u>Power Charges</u>				
Quarter Ended March 31, 2009	\$ 270	\$ 118	\$ 470	\$ 858
<u>Bond Charges</u>				
Quarter Ended March 31, 2009	\$ 86	\$ 21	\$ 88	\$ 195

DWR Contract Expenditures for the Benefit of Ratepayers

Quarter Ended March 31, 2009 (in millions)

<u>Utility</u>	<u>Total Power Costs</u>	<u>Total MWh</u>	<u>Total Gas Costs</u>	<u>Total MMBtu</u>
Pacific Gas & Electric	\$ 257	3.35	\$ 50	0.74
Southern California Edison	258	7.58	202	32.35
San Diego Gas & Electric	48	1.32	38	6.42
Total	\$ 563	12.26	\$ 290	39.51

Power Revenue Bonds

March 31, 2009

(in millions)

Series	Initial Principal Amount	March 31, 2009 Outstanding Principal Amount	Interest Rate Mode
Initial Issues			
Series 2002A	\$ 6,314	\$ 2,826	Fixed
Series 2002B	1,000	1,000	Variable
Series 2002C	2,750	2,333	Variable
Series 2002D	500		
Series 2002E (Taxable)	700		
Total	\$ 11,264		
Refunding Issues			
Series 2005F	\$ 759	\$ 757	Variable and Fixed
Series 2005G	1,835	841	Variable and Fixed
Series 2008H	1,007	1,007	Fixed
Series 2008I	150	150	Variable
Series 2008J	130	330	Variable
Series 2008K	279	279	Fixed
Total	\$ 4,160		
Total Bonds Outstanding		\$ 9,523	

Bond Refunding Activities

In January 2009, DWR refunded \$350 million of Series F variable rate bonds and issued \$348 million fixed rate bonds due to expiring credit facilities that could not be renewed in December 2008. Refunding the bonds was necessary to avoid early redemption of the bonds that would have increased ratepayer costs over the next three years. The amount of bonds outstanding after the transaction is \$9.523 billion.

Appropriated Costs

Fiscal Year Ending June 30, 2009

(in millions)

	Annual Budget for Fiscal Year Ended <u>June 30, 2009</u>	Pro rated Budget for Nine months Ended <u>March 31, 2009</u>	Actual Expenditures through <u>March 31, 2009</u>
Salaries, Benefits and Distributed Administrative Costs	\$8.7	\$6.5	\$5.2
Consulting Companies and Personal Service Consultants	8.4	6.3	5.1
Other Operating Expenses and Equipment	0.5	0.4	0.2
Subtotal	<u>17.6</u>	<u>13.2</u>	<u>10.5</u>
Allocation of State Wide Pro-Rata Costs	<u>8.6</u>	<u>6.4</u>	<u>6.4</u>
TOTAL ADMINISTRATIVE COSTS	<u><u>\$26.2</u></u>	<u><u>\$19.6</u></u>	<u><u>\$16.9</u></u>