

California Energy Resources Scheduling

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

**Activities and Expenditures Report
Quarter Ended March 31, 2011**

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



Activities and Expenditures Report For The Quarter Ended March 31, 2011

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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 (DWR) for quarter ended March 31, 2011. 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, 2010 and 2009, and the un-audited financial statements for the quarter ended March 31, 2011, 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, 2011

(in millions)

Power Accounts*

Operating and Priority Contract Accounts	\$	1,365
Operating Reserve Account		288
Total Power Account Balances	\$	<u>1,653</u>

Bond Accounts

Bond Charge Collection Account	\$	252
Bond Charge Payment Account		795
Debt Service Reserve Account		919
Total Bond Account Balances	\$	<u>1,966</u>

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

*Power accounts balances include \$233 million as a result of the Sempra Settlement.

Revenues from IOU Ratepayers

Quarter Ended March 31, 2011

(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, 2011	\$ 86	\$ 45	\$ 186	\$ 318
<u>Bond Charges</u>				
Quarter Ended March 31, 2011	\$ 86	\$ 21	\$ 92	\$ 200

DWR Contract Expenditures for the Benefit of Ratepayers

Quarter Ended March 31, 2011 (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	\$ 66	0.52	\$ 0 **	(3.27)
Southern California Edison	168	4.17	118	18.93
San Diego Gas & Electric	24	0.52	16	2.81
Total	\$ 257	5.21	\$ 134	18.47

*Contract expenditures do not include the net costs of prior period refunds and adjustments or settlement revenues.

**Due to hydrological conditions this year, DWR contract generation for PG&E was minimal in the first quarter 2011. As a result, surplus natural gas was sold, offsetting most of the cost of purchasing natural gas for PG&E.

Power Revenue Bonds

March 31, 2011

(in millions)

Series	Initial Principal Amount	March 31, 2011 Outstanding Principal Amount	Interest Rate Mode
Initial Issues			
Series 2002A	\$ 6,314	\$ 777	Fixed
Series 2002B	1,000	25	Variable
Series 2002C	2,750	923	Variable
Series 2002D	500		
Series 2002E (Taxable)	700		
Total	\$ 11,264		
Refunding Issues			
Series 2005F	\$ 759	\$ 348	Fixed
Series 2005G	1,835	173	Fixed
Series 2008H	1,007	1,007	Fixed
Series 2008I	150		
Series 2008J	130		
Series 2008K	279	279	Fixed
Series 2010L	2,993	2,993	Fixed
Series 2010M	1,763	1,763	Fixed
Total	\$ 8,916		
Total Bonds Outstanding		\$ 8,287	

Appropriated Costs

Fiscal Year Ending June 30, 2011

(in millions)

	Annual Budget for Fiscal Year Ended <u>June 30, 2011</u>	Pro rated Budget for nine months Ended <u>March 31, 2011</u>	Actual Expenditures through <u>March 31, 2011</u>
Salaries, Benefits and Distributed Administrative Costs	\$ 7.2	\$ 5.4	\$ 5.1
Consulting Companies and Personal Service Consultants	9.8	7.4	5.5
Other Operating Expenses and Equipment	1.8	1.4	1.1
Subtotal	<u>18.8</u>	<u>14.1</u>	<u>11.7</u>
Allocation of State Wide Pro-Rata Costs	<u>7.2</u>	<u>5.4</u>	<u>5.4</u>
TOTAL ADMINISTRATIVE COSTS	<u><u>\$ 26.0</u></u>	<u><u>\$ 19.5</u></u>	<u><u>\$ 17.1</u></u>