STATE OF CALIFORNIA – CALIFORNIA NATURAL RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES
1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 653-5791

ARNOLD SCHWARZENEGGER, *Governor*

SEP 20 2010

To: Distribution List

Assembly Bill 1X (Chapter 4, Statutes of 2001), among other things, established Section 27 of the California Water Code, authorized the Department of Water Resources (DWR) to enter into long-term contracts with power suppliers, authorized DWR to issue revenue bonds and required DWR to make quarterly and annual reports to the Governor and the Legislature regarding California Energy Resources Scheduling Divisions' (CERS) activities. The accompanying report contains results of operating activities with detail on remittance revenues, long-term power contract and administrative expenditures and CERS financial position as of June 30, 2009.

If you have any questions, please contact me at (916) 653-7007 or your staff may contact Russell Mills, Chief, Financial Management Office, at (916) 574-2756.

Sincerely,

Mark W. Cowin
Director

Attachments

Distribution List

Electronic copy of one-page summary distributed to all members of the Legislature.

E. Dotson Wilson
Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California 95814

Gregory Schmidt
Secretary of the Senate
State Capitol, Room 3044
Sacramento, California 95814

Diane Boyer-Vine
Legislative Counsel
925 L Street, Suite 900
Sacramento, California 95814

Honorable Lester A. Snow
Secretary for Natural Resources
California Natural Resources Agency
1416 Ninth Street, Room 1311
Sacramento, California 95814

Chris Mowrer
Deputy Secretary for Legislation
California Natural Resources Agency
1416 Ninth Street, Room 1311
Sacramento, California 95814

Michael Prosio
Legislative Secretary
Governor's Office

Kasey Schimke
Assistant Director
Legislative Affairs Office
Department of Water Resources

Sue Sims
Chief Deputy Director
Department of Water Resources

Cathy Crothers
Acting Chief Counsel
Office of the Chief Counsel
Department of Water Resources

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Report to the Legislature
Assembly Bill X1 1 (Chapter 4, Statutes of 2001)
Activities and Expenditures Report for Quarter Ended June 30, 2009

Assembly Bill X1 1 (Chapter 4, Statutes of 2001), among other things, established Section 27 of the California Water Code, authorized the Department of Water Resources (DWR) to enter into long-term contracts with power generators, created the Power Supply Revenue Bond program and required DWR to make quarterly and annual reports to the Governor and the Legislature regarding California Energy Resources Scheduling Divisions' (CERS) activities.

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 oversees repayment of the outstanding revenue bonds.

As required by Assembly Bill X1 1, this report provides information with respect to cash receipts, disbursements, bonds outstanding and cash balances for the quarter ending June 30, 2009.

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

California Energy Resources Scheduling

A Division of
California Department of Water Resources

Activities and Expenditures Report
Quarter Ended June 30, 2009

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

Activities and Expenditures Report
For The Quarter Ended June 30, 2009

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Cash Balances
June 30, 2009

(in millions)

Power Accounts		
Operating and Priority Contract Accounts	$	964
Operating Reserve Account		543
Total Power Account Balances	$	1,507
Bond Accounts		
Bond Charge Collection Account	$	365
Bond Charge Payment Account		264
Debt Service Reserve Account		950
Total Bond Account Balances	$	1,579

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 June 30, 2009

(in millions)

	Pacific Gas & Electric	San Diego Gas & Electric	Southern California Edison	Total
Power Charges				
Quarter Ended June 30, 2009	$ 338	$ 138	$ 343	$ 818
Bond Charges				
Quarter Ended June 30, 2009	$ 92	$ 21	$ 92	$ 205

DWR Contract Expenditures for the Benefit of Ratepayers
Quarter Ended June 30, 2009 (in millions)

Utility	Total Power Costs	Total MWh	Total Gas Costs	Total MMBtu
Pacific Gas & Electric	$ 216	2.96	$ 24	0.03
Southern California Edison	252	7.27	116	26.78
San Diego Gas & Electric	44	1.11	21	6.43
Total	**$ 512**	**11.35**	**$ 160**	**33.24**

Power Revenue Bonds
June 30, 2009

(in millions)

Series	Initial Principal Amount	June 30, 2009 Outstanding Principal Amount	Interest Rate Mode
Initial Issues			
Series 2002A	$ 6,314	$ 2,458	Fixed
Series 2002B	1,000	1,000	Variable
Series 2002C	2,750	2,229	Variable
Series 2002D	500		
Series 2002E (Taxable)	700		
Total	$ 11,264		
Refunding Issues			
Series 2005F	$ 759	$ 758	Variable and Fixed
Series 2005G	1,835	819	Variable and Fixed
Series 2008H	1,007	1,007	Fixed
Series 2008I	150	150	Variable
Series 2008J	130	329	Variable
Series 2008K	279	279	Fixed
Total	$ 4,160		
Total Bonds Outstanding		$ 9,029	

Appropriated Costs
Fiscal Year Ending June 30, 2009

(in millions)

	Annual Budget for Fiscal Year Ended June 30, 2009	Actual Appropriated Expenditures through June 30, 2009
Salaries, Benefits and Distributed Administrative Costs	$8.7	$7.2
Consulting Companies and Personal Service Consultants	8.4	4.9
Other Operating Expenses and Equipment	0.5	0.5
Subtotal	17.6	12.6
Allocation of State Wide Pro-Rata Costs	8.6	8.6
TOTAL APPROPRIATED ADMINISTRATIVE COSTS	$26.2	$21.2