

THIS FILING IS

Item 1:  An Initial (Original) Submission OR  Resubmission No. \_\_\_\_\_

Form 1 Approved  
OMB No. 1902-0021  
(Expires 12/31/2011)  
Form 1-F Approved  
OMB No. 1902-0029  
(Expires 12/31/2011)  
Form 3-Q Approved  
OMB No. 1902-0205  
(Expires 1/31/2012)



# FERC FINANCIAL REPORT

## FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

**Exact Legal Name of Respondent (Company)**

California Independent System Operator Corporation

**Year/Period of Report**

**End of** 2010/Q4



## Report of Independent Auditors

To the Members of the Board of Governors  
California Independent System Operator Corporation:

We have audited the accompanying balance sheets of the California Independent System Operator Corporation ("the Company") as of December 31, 2010 and 2009, and the related statements of income, retained earnings and cash flows for the years then ended, included on pages 110 through 123.14 and page 450.2 of the accompanying Federal Energy Regulatory Commission Form 1. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 2, these financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

This report is intended solely for the information and use of the Members of the Board of Governors and management of the California Independent System Operator Corporation and for filing with the Federal Energy Regulatory Commission and should not be used for any other purpose.

*PricewaterhouseCoopers LLP*

Sacramento, California  
May 12, 2011

**FERC FORM NO. 1/3-Q:  
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER**

**IDENTIFICATION**

01 Exact Legal Name of Respondent California Independent System Operator Corporation		02 Year/Period of Report End of 2010/Q4	
03 Previous Name and Date of Change (if name changed during year) / /			
04 Address of Principal Office at End of Period (Street, City, State, Zip Code) 250 Outcropping Way, Folsom, CA 95630			
05 Name of Contact Person Dennis Y. Estrada		06 Title of Contact Person Assistant Controller	
07 Address of Contact Person (Street, City, State, Zip Code) 250 Outcropping Way, Folsom, CA 95630			
08 Telephone of Contact Person, Including Area Code (916) 351-2235	09 This Report Is (1) <input checked="" type="checkbox"/> An Original      (2) <input type="checkbox"/> A Resubmission		10 Date of Report (Mo, Da, Yr) 05/12/0011

**ANNUAL CORPORATE OFFICER CERTIFICATION**

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

01 Name Ryan Seghesio	03 Signature  Ryan Seghesio	04 Date Signed (Mo, Da, Yr) 05/12/0011
02 Title CFO and Treasurer		

Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	General Information	101	
2	Control Over Respondent	102	
3	Corporations Controlled by Respondent	103	N/A
4	Officers	104	
5	Directors	105	
6	Information on Formula Rates	106(a)(b)	N/A
7	Important Changes During the Year	108-109	
8	Comparative Balance Sheet	110-113	
9	Statement of Income for the Year	114-117	
10	Statement of Retained Earnings for the Year	118-119	
11	Statement of Cash Flows	120-121	
12	Notes to Financial Statements	122-123	
13	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)	
14	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	
15	Nuclear Fuel Materials	202-203	N/A
16	Electric Plant in Service	204-207	
17	Electric Plant Leased to Others	213	N/A
18	Electric Plant Held for Future Use	214	N/A
19	Construction Work in Progress-Electric	216	
20	Accumulated Provision for Depreciation of Electric Utility Plant	219	
21	Investment of Subsidiary Companies	224-225	N/A
22	Materials and Supplies	227	N/A
23	Allowances	228(ab)-229(ab)	N/A
24	Extraordinary Property Losses	230	N/A
25	Unrecovered Plant and Regulatory Study Costs	230	N/A
26	Transmission Service and Generation Interconnection Study Costs	231	N/A
27	Other Regulatory Assets	232	N/A
28	Miscellaneous Deferred Debits	233	N/A
29	Accumulated Deferred Income Taxes	234	N/A
30	Capital Stock	250-251	N/A
31	Other Paid-in Capital	253	N/A
32	Capital Stock Expense	254	N/A
33	Long-Term Debt	256-257	
34	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261	N/A
35	Taxes Accrued, Prepaid and Charged During the Year	262-263	
36	Accumulated Deferred Investment Tax Credits	266-267	N/A

LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
37	Other Deferred Credits	269	
38	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273	N/A
39	Accumulated Deferred Income Taxes-Other Property	274-275	N/A
40	Accumulated Deferred Income Taxes-Other	276-277	N/A
41	Other Regulatory Liabilities	278	N/A
42	Electric Operating Revenues	300-301	
43	Sales of Electricity by Rate Schedules	304	N/A
44	Sales for Resale	310-311	N/A
45	Electric Operation and Maintenance Expenses	320-323	
46	Purchased Power	326-327	N/A
47	Transmission of Electricity for Others	328-330	N/A
48	Transmission of Electricity by ISO/RTOs	331	
49	Transmission of Electricity by Others	332	N/A
50	Miscellaneous General Expenses-Electric	335	
51	Depreciation and Amortization of Electric Plant	336-337	
52	Regulatory Commission Expenses	350-351	
53	Research, Development and Demonstration Activities	352-353	N/A
54	Distribution of Salaries and Wages	354-355	
55	Common Utility Plant and Expenses	356	N/A
56	Amounts included in ISO/RTO Settlement Statements	397	N/A
57	Purchase and Sale of Ancillary Services	398	N/A
58	Monthly Transmission System Peak Load	400	N/A
59	Monthly ISO/RTO Transmission System Peak Load	400a	
60	Electric Energy Account	401	N/A
61	Monthly Peaks and Output	401	
62	Steam Electric Generating Plant Statistics	402-403	N/A
63	Hydroelectric Generating Plant Statistics	406-407	N/A
64	Pumped Storage Generating Plant Statistics	408-409	N/A
65	Generating Plant Statistics Pages	410-411	N/A
66	Transmission Line Statistics Pages	422-423	N/A

LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule  (a)	Reference Page No. (b)	Remarks (c)
67	Transmission Lines Added During the Year	424-425	N/A
68	Substations	426-427	N/A
69	Transactions with Associated (Affiliated) Companies	429	N/A
70	Footnote Data	450	
	<p><b>Stockholders' Reports</b> Check appropriate box:</p> <p><input type="checkbox"/> Two copies will be submitted</p> <p><input type="checkbox"/> No annual report to stockholders is prepared</p>		

Name of Respondent California Independent System Operator Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/12/0011	Year/Period of Report End of <u>2010/Q4</u>
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**GENERAL INFORMATION**

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Ryan Seghesio  
Chief Financial Officer  
250 Outcropping Way  
Folsom, CA 95630

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

California - 1997

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

Not Applicable

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

California - Independent system operator of the PTO-owned transmission lines.

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

- (1)  Yes...Enter the date when such independent accountant was initially engaged:  
(2)  No

Name of Respondent California Independent System Operator	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/12/0011	Year/Period of Report End of <u>2010/Q4</u>
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**CONTROL OVER RESPONDENT**

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

The California Independent System Operator Corporation (CAISO) was created as a result of the restructuring of the electric industry in California. CAISO is exempt from Federal income taxes under Section 501 (c) (3) of the US Internal Revenue Code and is also exempt from California state franchise and income taxes.

OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.  
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	President and Chief Executive Officer	Yakout Mansour	475,000
2	Vice President , General Counsel and Chief Administrativ	Nancy J. Saracino*****	266,717
3	Vice President, Grid Operations	James W. Detmers*	168,603
4	Vice President and Chief Operating Officer	Stephen B. Berberich****	292,582
5	Vice President, Market and Infrastructure Development	Keith Casey	250,000
6	Vice President, Human Resources	Brenda Thomas	250,000
7	Vice President, Policy and Client Services	Karen K. Edson	255,000
8	Vice President, Technology	Petar Ristanovic**	120,750
9	Chief Financial Officer and Treasurer	Ryan Seghesio***	153,462
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21	* Thru 07/31/10		
22	** Effective 08/01/10		
23	*** Appointed as CFO effective 11/02/10		
24	**** Appointed to this postion effective 08/02/2010;		
25	previously VP, Corporate Services thru 08/01/2010		
26	***** Position title changed effective 08/02/2010; was		
27	VP, General Counsel thru 08/01/2010		
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35	Amounts reported in column "Salary for Year (c)"		
36	represent base salary.		
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DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.  
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	Mason Willrich**	PO Box 639014, Folsom, CA, 95763-4400
2	Linda Capuano*	PO Box 639014, Folsom, CA, 95763-4400
3	Thomas Page*	PO Box 639014, Folsom, CA 95763-4400
4	Laura Doll	PO Box 639014, Folsom, CA 95763-4400
5	Kristine Hafner ***	PO Box 639014, Folsom, CA 95763-4400
6	Tom Habashi	PO Box 639014, Folsom, CA 95763-4400
7	Robert Foster****	PO Box 639014, Folsom, CA 95763-4400
8		
9	* Thru 03/01/10	
10	** Chairman of the Board; The Company has no Executive	
11	Committee	
12	*** Thru 09/10/10	
13	****Appointed 03/04/10	
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Name of Respondent California Independent System Operator	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 05/12/0011	Year/Period of Report End of <u>2010/Q4</u>
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**IMPORTANT CHANGES DURING THE QUARTER/YEAR**

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

PAGE 108 INTENTIONALLY LEFT BLANK  
SEE PAGE 109 FOR REQUIRED INFORMATION.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/12/0011	Year/Period of Report 2010/Q4
California Independent System Operator Corporation			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. N/A
2. N/A
3. N/A
4. N/A
5. N/A
6. None
7. None
8. None
9. Please refer to Note 12 Contingencies of the 2010 Form 1 Notes to the Financial Statements.
10. None
11. N/A
12. N/A
13. Director (ISO Board) and Officer changes due to end-of-term assignments and resignations occurred during the period. Please refer to pages 104 and 105.
14. N/A

**COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
<b>1</b>	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106, 114)	200-201	465,110,814	392,263,070
3	Construction Work in Progress (107)	200-201	110,945,844	84,054,646
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		576,056,658	476,317,716
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	224,783,428	186,546,137
6	Net Utility Plant (Enter Total of line 4 less 5)		351,273,230	289,771,579
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		351,273,230	289,771,579
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
<b>17</b>	<b>OTHER PROPERTY AND INVESTMENTS</b>			
18	Nonutility Property (121)		446,883	0
19	(Less) Accum. Prov. for Depr. and Amort. (122)		0	0
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		67,585,077	55,929,699
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		348,549,290	422,139,070
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets – Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		416,581,250	478,068,769
<b>33</b>	<b>CURRENT AND ACCRUED ASSETS</b>			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		76,578,259	115,173,025
36	Special Deposits (132-134)		49,668,027	59,194,870
37	Working Fund (135)		1,588	1,588
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		291,665	1,010,056
41	Other Accounts Receivable (143)		1,091,606	1,666,846
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		0	0
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		0	0
45	Fuel Stock (151)	227	0	0
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	0	0
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	0	0

**COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)**(Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	0	0
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		8,671,936	8,969,241
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		1,446,136	1,772,509
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		24,970,559	37,445,280
62	Miscellaneous Current and Accrued Assets (174)		0	0
63	Derivative Instrument Assets (175)		0	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		162,719,776	225,233,415
68	<b>DEFERRED DEBITS</b>			
69	Unamortized Debt Expenses (181)		2,399,173	2,864,411
70	Extraordinary Property Losses (182.1)	230a	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0
72	Other Regulatory Assets (182.3)	232	0	0
73	Prelim. Survey and Investigation Charges (Electric) (183)		0	0
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		12,290	-98,832
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	0	0
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		271,430	420,777
82	Accumulated Deferred Income Taxes (190)	234	0	0
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		2,682,893	3,186,356
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		933,257,149	996,260,119

**COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	0	0
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		0	0
7	Other Paid-In Capital (208-211)	253	0	0
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	242,787,244	248,708,556
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-850,635	-1,951,534
16	Total Proprietary Capital (lines 2 through 15)		241,936,609	246,757,022
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	326,870,000	365,970,000
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	0	0
22	Unamortized Premium on Long-Term Debt (225)		4,657,378	6,809,454
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		0	0
24	Total Long-Term Debt (lines 18 through 23)		331,527,378	372,779,454
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		0	0
29	Accumulated Provision for Pensions and Benefits (228.3)		16,099,848	14,220,821
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		0	0
35	Total Other Noncurrent Liabilities (lines 26 through 34)		16,099,848	14,220,821
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		42,098,474	44,428,030
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		0	0
41	Customer Deposits (235)		292,167,850	262,098,783
42	Taxes Accrued (236)	262-263	392,748	274,340
43	Interest Accrued (237)		7,401,279	8,527,846
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

**COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)** (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		0	0
48	Miscellaneous Current and Accrued Liabilities (242)		0	0
49	Obligations Under Capital Leases-Current (243)		0	0
50	Derivative Instrument Liabilities (244)		0	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		342,060,351	315,328,999
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		0	0
57	Accumulated Deferred Investment Tax Credits (255)	266-267	0	0
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	1,632,963	47,173,823
60	Other Regulatory Liabilities (254)	278	0	0
61	Unamortized Gain on Reaquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		0	0
64	Accum. Deferred Income Taxes-Other (283)		0	0
65	Total Deferred Credits (lines 56 through 64)		1,632,963	47,173,823
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		933,257,149	996,260,119

**STATEMENT OF INCOME**

**Quarterly**

1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
5. If additional columns are needed, place them in a footnote.

**Annual or Quarterly if applicable**

5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	211,850,326	208,353,688		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	127,730,606	143,149,220		
5	Maintenance Expenses (402)	320-323	26,507,843	19,915,857		
6	Depreciation Expense (403)	336-337	60,909,829	42,784,242		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337				
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)					
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	199,375	394,907		
15	Income Taxes - Federal (409.1)	262-263				
16	- Other (409.1)	262-263				
17	Provision for Deferred Income Taxes (410.1)	234, 272-277				
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277				
19	Investment Tax Credit Adj. - Net (411.4)	266				
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		215,347,653	206,244,226		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117, line 27		-3,497,327	2,109,462		

STATEMENT OF INCOME FOR THE YEAR (Continued)

9. Use page 122 for important notes regarding the statement of income for any account thereof.  
 10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.  
 11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purches, and a summary of the adjustments made to balance sheet, income, and expense accounts.  
 12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.  
 13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.  
 14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.  
 15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
						1
211,850,326	208,353,688					2
						3
127,730,606	143,149,220					4
26,507,843	19,915,857					5
60,909,829	42,784,242					6
						7
						8
						9
						10
						11
						12
						13
199,375	394,907					14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
215,347,653	206,244,226					25
-3,497,327	2,109,462					26

STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		-3,497,327	2,109,462		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)					
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)					
33	Revenues From Nonutility Operations (417)					
34	(Less) Expenses of Nonutility Operations (417.1)					
35	Nonoperating Rental Income (418)					
36	Equity in Earnings of Subsidiary Companies (418.1)	119				
37	Interest and Dividend Income (419)		7,051,974	6,577,142		
38	Allowance for Other Funds Used During Construction (419.1)					
39	Miscellaneous Nonoperating Income (421)		175,084	131,131		
40	Gain on Disposition of Property (421.1)					
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		7,227,058	6,708,273		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)					
44	Miscellaneous Amortization (425)					
45	Donations (426.1)					
46	Life Insurance (426.2)					
47	Penalties (426.3)			70,000		
48	Exp. for Certain Civic, Political & Related Activities (426.4)					
49	Other Deductions (426.5)		233	6,361,750		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		233	6,431,750		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263				
53	Income Taxes-Federal (409.2)	262-263				
54	Income Taxes-Other (409.2)	262-263				
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277				
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277				
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)					
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		7,226,825	276,523		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		17,796,985	13,474,044		
63	Amort. of Debt Disc. and Expense (428)		465,239	385,674		
64	Amortization of Loss on Reaquired Debt (428.1)		149,347	359,009		
65	(Less) Amort. of Premium on Debt-Credit (429)		2,152,076	2,591,067		
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)					
68	Other Interest Expense (431)		975,838	-10,338,688		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		7,584,523	4,432,666		
70	Net Interest Charges (Total of lines 62 thru 69)		9,650,810	-3,143,694		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		-5,921,312	5,529,679		
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		-5,921,312	5,529,679		

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		248,708,556	243,178,877
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		-5,921,312	5,529,679
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31				
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)			
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		242,787,244	248,708,556
	APPROPRIATED RETAINED EARNINGS (Account 215)			
39				
40				

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		242,787,244	248,708,556
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52				
53	Balance-End of Year (Total lines 49 thru 52)			

**STATEMENT OF CASH FLOWS**

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.  
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.  
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.  
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	-5,921,312	5,529,679
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	60,909,829	42,784,242
5	Amortization of Debt Expenses	614,586	744,683
6	Amortization of Bond Premium	-2,152,076	-2,591,067
7	Change in Accrued Capitalized Interest	1,242,727	-1,064,238
8	Deferred Income Taxes (Net)		
9	Investment Tax Credit Adjustment (Net)		
10	Net (Increase) Decrease in Receivables	13,834,022	9,619,974
11	Net (Increase) Decrease in Inventory		
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	1,222,168	11,901,728
14	Net (Increase) Decrease in Other Regulatory Assets		
15	Net Increase (Decrease) in Other Regulatory Liabilities		
16	(Less) Allowance for Other Funds Used During Construction		
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):		
19	Payment of Generator Noncompliance Fines Refund Obligation	-43,859,403	
20	Net Increase in Other Deferred Credits	-1,681,455	-13,589,096
21	Loss on Disposal of Asset/Abandonment of Software	233	6,361,751
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	24,209,319	59,697,656
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-125,234,397	-70,320,528
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction		
31	Other (provide details in footnote):		
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-125,234,397	-70,320,528
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)	-32,971,497	-27,223,514
45	Proceeds from Sales of Investment Securities (a)	21,316,119	31,354,563

STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.  
 (2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.  
 (3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.  
 (4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase ) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
54			
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-136,889,775	-66,189,479
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		199,940,334
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
65			
66	Net Increase in Short-Term Debt (c)		
67	Other (provide details in footnote):		
68	Receipts from Market Participants	409,387,678	505,626,283
69	Payments to Market Participants	-379,318,611	-399,294,908
70	Cash Provided by Outside Sources (Total 61 thru 69)	30,069,067	306,271,709
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)	-39,100,000	-31,000,000
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):		
77	Decrease/(Increase) in Special Deposits	9,526,844	-35,622,717
78	Net Decrease in Short-Term Debt (c)		
79	Net Decrease/(Increase) in Other Special Funds	73,589,779	-197,447,754
80	Dividends on Preferred Stock		
81	Dividends on Common Stock		
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	74,085,690	42,201,238
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	-38,594,766	35,709,415
87			
88	Cash and Cash Equivalents at Beginning of Period	115,173,025	79,463,610
89			
90	Cash and Cash Equivalents at End of period	76,578,259	115,173,025



Name of Respondent  
California Independent System Operator Corporation

This Report Is:  
(1)  An Original  
(2)  A Resubmission

Date of Report  
(Mo, Da, Yr)  
05/12/0011

Year/Period of Report  
End of 2010/Q4

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Specify] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 117, Line 78) (i)	Total Comprehensive Income (j)
1			( 1,951,534)		
2					
3					
4					
5			( 1,951,534)		
6			( 1,951,534)		
7					
8			1,100,899		
9			1,100,899		1,100,899
10			( 850,635)		

Name of Respondent California Independent System Operator	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 05/12/0011	Year/Period of Report End of <u>2010/Q4</u>
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NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Recquired Debt, and 257, Unamortized Gain on Recquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK  
 SEE PAGE 123 FOR REQUIRED INFORMATION.

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## 1. Organization and Operations

The Company, a nonprofit public benefit corporation incorporated in May 1997, is responsible for the operation of the long-distance, high-voltage power lines that deliver electricity throughout the California grid and to neighboring control areas and states, as well as with Canada and Mexico. The Company charges a Grid Management Charge (GMC) to market participants to recover the Company's costs and to provide an operating reserve. The Company's principal objective is to ensure the reliability of the California grid while fostering a low-cost wholesale marketplace for electrical generation and related services in California. The Company operates pursuant to tariffs filed with the Federal Energy Regulatory Commission (FERC).

The Company operates a day-ahead market for all 24 hours of the next operating day, and a realtime market for each operating hour. The Company also performs a settlement and clearing function by collecting payments from users of these services and making pass-through payments to providers of such services. Cash held by the Company on behalf of market participants is recorded in a restricted asset account with a corresponding liability due market participants on the balance sheet. Except as noted above, market transactions are maintained in financial records separate from the Company, and accordingly, the financial results of these market transactions are not included in the financial statements of the Company. GMC revenues have a priority claim against any market-related receipts. Any market defaults are allocated to market participants.

The Board of the Company is appointed by the California Governor and is subject to confirmation by the California State Senate. A full Board is comprised of five members.

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## 2. Summary of Significant Accounting Policies

### Method of accounting

The accompanying financial statements have been prepared in conformity with the requirements of the FERC, as set forth in its applicable Uniform System of Accounts and published accounting releases. Accordingly, as required by the FERC, certain information has been presented differently or has been excluded from that which would be required by accounting principles generally accepted in the United States of America (GAAP). Such differences include expense reconition related to the post-employment medical benefit plan, accounting for certain investments, the classification of long-term debt, balance sheet captions used for certain assets and liabilities, and the presentation of cash flows, as specified by FERC. Additionally, certain disclosures required by GAAP are not required to be presented by the FERC.

### Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. In particular, the Company's results of operations and financial position are materially affected by the management estimates associated with generator noncompliance fines, as discussed in Note 7. Actual results could materially differ from these, and other, estimates.

### Utility plant

Fixed assets are recorded at cost. Depreciation is computed on the straight-line method over the assets' estimated useful lives. Most of the Company's investment in fixed assets consists of the newly-constructed building which is depreciable over a forty year life, and information systems, which are being depreciated over useful lives of three to five years. The cost of improvements to or replacement of fixed assets is capitalized. Interest incurred during development is capitalized. When assets are retired or otherwise disposed of, the cost and related depreciation are removed from the accounts and any resulting gain or loss is reflected in the Company's statement of income for the period. Repairs and maintenance costs are expensed when incurred. The Company capitalizes direct costs of salaries and certain indirect costs incurred to develop or obtain software for internal use. Costs incurred related to software development during the preliminary project stage and training and maintenance costs are expensed as incurred. Costs of software development related to abandoned projects are expensed when the decision to abandon is made.

### Cash and cash equivalents

Cash and cash equivalents are included in various funds whose use is either unrestricted or restricted. Cash and cash equivalents are comprised of cash on hand, governmental securities, commercial paper, money market investments, mutual funds and certificates of deposit and other highly liquid investments with original maturities of three months or less. Cash and cash equivalents are unrestricted unless specifically restricted by bond indentures or the tariff.

### Other property and investments

Other property and investments include other investments and other special funds. Other investments include government and federal agency securities and corporate bonds, with maturities of more than three months. Investments are carried at fair value. Income on investments and the gain or loss from the mark-to-market on investments are recorded as a component of interest income.

Other special funds include cash and cash equivalents restricted by the tariff for market participants, bond indenture agreements, for capital expenditures, funds held in trust for employee retirement plans and amounts on deposit for generator interconnection studies.

### Current and accrued assets

Current and accrued assets include cash on hand, special deposits, customer accounts receivable, other accounts

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receivable, prepayments, interest and dividends receivable, and accrued utility revenues.

Special deposits include cash, cash equivalents and investments restricted for debt service that are held by a bond trustee under an indenture agreement for scheduled repayments of bond principal and for a debt service reserve fund. Investments, which include government and federal agency securities, corporate bonds, a guaranteed investment contracts (GIC) and a forward delivery agreement are carried at fair value.

**Accrued utility revenues and revenue recognition**

The GMC is based on rates filed with FERC and is designed to recover the Company's operating costs, capital expenditures, debt service costs, and to provide for an operating reserve. The GMC and other market service billings are recognized as revenue, based on estimated meter data submitted by market participants and therefore, may be subject to adjustment after final invoices have been issued.

The 2010 and 2009 GMC rates were comprised of the following service categories: core reliability services; energy transmission services; forward scheduling; congestion management; market usage; and settlements, metering and client relations.

The operating reserve is calculated separately for each GMC service category and accumulates until the reserve becomes fully funded (at 15 percent of budgeted annual operating costs for each rate service category). At December 31, 2010, the operating reserve for each service category was fully funded. In accordance with the tariff, any surplus operating reserve balance is applied as a reduction in revenue requirements in the following year. The tariff requires GMC rates to be adjusted not more than once per quarter in the event that billing determinant volumes differ by more than five percent from those projections used to set rates. During 2010 and 2009, adjustments were made to certain GMC rates pursuant to these provisions.

**Generator interconnection studies**

The Company is responsible for conducting generator interconnection studies. The project sponsors are the owners of the generating plants that are planning to be connected to the California grid. The project sponsors request the Company to conduct these studies and are required to make a deposit before any studies are performed. At any time, the project sponsors may withdraw from the studies and have the right to some or all of the remaining unapplied deposits.

In accordance with the tariff, the Company charges the project sponsors the actual costs of the studies. Study costs include both internal and external costs and are recorded when incurred as operating expenses. As costs are incurred, the Company recognizes revenue for the same amount, which is recorded as a component of operating revenues. The Company applies the deposits against the related receivable once the studies are completed. Beginning in 2010, the tariff rules regarding deposits changed to require that certain deposits related to projects abandoned by the project sponsor be retained by the Company and distributed to market participants following FERC approval.

**Deferred debits**

Deferred debits consist primarily of debt issuance costs, which are amortized over the life of the bonds using the bonds outstanding method, which approximates the effective interest method.

**Other deferred credits**

Other deferred credits consist primarily of generator noncompliance fines and other long-term liabilities.

From December 8, 2000 through June 30, 2001, the Company assessed noncompliance fines on participating generators that failed to fully comply with dispatch instructions when the Company was seeking to prevent an imminent or threatened system emergency. In accordance with the tariff, these fines are retained by the Company. The Company recorded the net realizable amount of such fines as revenue when the underlying noncompliance event occurred, and adjusts such amounts in recognition of evolving factors affecting the ultimate recognition of the fines charged and to reflect payments of the liability.

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**Income taxes**

The Company is exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Service (IRS) Code and is exempt from California State franchise income taxes.

**Concentration of credit risk**

Financial instruments that subject the Company to credit risk consist primarily of accounts receivable relating to GMC billings due from market participants and cash and cash equivalents and investments.

All of the Company's receivables are due from entities in the energy industry, comprising utilities, generation owners, and other electricity market participants. For the years ended December 31, 2010 and 2009, approximately 58 percent and 62 percent, respectively, of GMC revenues were from two market participants.

GMC revenues have a priority claim against any market-related receipts, which means that if an entity defaults on an invoice containing a GMC charge, the Company receives the full GMC so long as sufficient funds were received on other market invoices.

The Company's concentration of credit risk related to its investment portfolio is the risk attributed to the magnitude of investments in a single issuer. At December 31, 2010 and 2009, the Company had 67% and 69% of its investment portfolio concentrated in 6 issuers.

**Subsequent events**

The Company evaluates events or transactions that occur after the balance sheet date but before financial statements are issued for potential recognition or disclosure in the financial statements. The Company has evaluated all subsequent events through May 12, 2011, the date the financial statements were issued, and no items were noted that need to be disclosed.

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### 3. Customer Deposits

Customer deposits, which are held by the Company to be remitted to market participants or others on their behalf, consist of the following at December 31 (in thousands):

	2010	2009
Security deposits	\$ 141,746	\$ 124,743
Market funds pending settlement	67,704	69,079
Pass-through fees due to others	10,341	10,195
Generator interconnection study deposits	59,830	58,082
Forfeited deposits pending distribution	12,547	-
Total amounts restricted for market participants	<u>\$ 292,168</u>	<u>\$ 262,099</u>

Cash and cash equivalents restricted for market participants consist of amounts held by the Company to be remitted to market participants or others on their behalf. Security deposits are amounts received from market participants who are required to post collateral for their transactions in the Company's markets. Market funds pending settlement consist of amounts collected during the settlement and clearing function that will pass through to market participants in subsequent periods. A portion of the market funds pending settlement (\$1.3 million and \$18.2 million at December 31, 2010 and 2009) is being held pending resolution of the FERC Refund Case (Note 12). Pass-through fees due to others consist of amounts collected from market participants that will be paid to market participants for summer reliability, startup costs and emission costs. Generator interconnection study deposits are amounts collected for future studies. Forfeited deposits consist of generator interconnection study amounts forfeited by project sponsors that are pending Federal Energy Regulatory Commission approval for distribution.

These amounts are reflected in the balance sheet as Customer Deposits, a liability, and as a component of Other Special Funds, an asset.

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#### 4. Other Investments, Other Special Funds and Special Deposits

Other investments, other special funds and special deposits consist of the following at December 31 (in thousands):

	2010	2009
Money market and other mutual funds	\$ 307,565	\$ 329,056
Corporate bonds and commercial paper	87,955	91,098
Government securities	70,245	117,073
Common and preferred stocks	37	37
	<u>\$ 465,802</u>	<u>\$ 537,264</u>
Other investments	\$ 67,585	\$ 55,930
Other special funds	348,549	422,139
Special deposits	49,668	59,195
	<u>\$ 465,802</u>	<u>\$ 537,264</u>

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## 5. Utility Plant

Utility Plant consists of the following at December 31 (in thousands):

	2010	2009
Nondepreciable fixed assets:		
Land	\$ 7,617	\$ 7,617
Work-in-progress	110,946	76,438
	<u>118,563</u>	<u>84,055</u>
Depreciable fixed assets:		
Grid, market and settlement software	313,140	300,412
Enterprise and support software	23,693	32,139
Computer hardware and other equipment	44,092	31,567
HQ Facility - Mission Critical wing	45,631	-
Leasehold improvements	17,675	17,488
Furniture, fixtures and other	13,263	10,657
	<u>457,494</u>	<u>392,263</u>
Less: accumulated depreciation	<u>(224,784)</u>	<u>(186,546)</u>
	<u>232,710</u>	<u>205,717</u>
Total fixed assets, net	<u>\$ 351,273</u>	<u>\$ 289,772</u>

The Company capitalized interest related to the development of fixed assets of \$7.6 million and \$ 4.4 million for the years ending December 31, 2010 and 2009, respectively. The 2010 and 2009 amounts include a reduction of \$ 3.9 million and \$1.1 million, respectively for income earned on unspent debt proceeds.

On September 30, 2010, the mission critical wing of the new headquarters facility was completed and subsequently occupied. As a result, \$45.6 million in assets were moved from work-in-progress and placed in service. Included in work-in-progress at December 31, 2010, is the cost of the remaining two wings of the new headquarters facility in the amount of \$84.8 million.

On April 1, 2009, the new market system was placed into operation and as a result, \$198.6 million of assets were moved from work-in-progress and placed in service.

For the year ended December 31, 2009, the Company recorded \$6.4 million in abandonment and loss on retirement expenses. The assets that were abandoned in 2009 were software and hardware that were used in running the markets and certain assets related to the new headquarters building. As the new market was being implemented in 2009, the Company determined that certain software and hardware components were not performing as expected and made the decision to abandon the assets and replace them. Additionally, the costs associated with earlier design studies for the new headquarters building were abandoned as these designs were not aligned with the Company's current environmental strategy.

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## 6. Employee Note Receivable

The Company has provided \$500,000 in financing to an officer of the Company in connection with the purchase of his primary residence. The loan is collateralized by a subordinated deed of trust on the property, accrues interest at 6.5 percent per annum, compounded annually, and requires annual payments of \$68,000. Portions of the note may be forgiven by the Company based on the officer's continuing employment as set forth in the employment agreement. The balance due at December 31, 2010 and 2009 of approximately \$390,000 and \$434,000, respectively, including accrued interest, is included in other accounts receivable in the accompanying balance sheets.

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## 7. Generator Noncompliance Fines

In 2000 and 2001, the Company billed generator noncompliance fines to market participants totaling \$122.1 million. Through December 31, 2009, collection of these fines totaled \$60.7 million. Generally, these fines were assessed at twice the highest price paid in the Company's markets for energy and were applied against the amount of energy the participating generator failed to supply as directed by the Company during specific emergency conditions as defined in the tariff. These fines will be retroactively adjusted as a result of the FERC Refund Case, as described in Note 12, in which the prices used to calculate the fines are subject to adjustment, with any surplus collections being refunded with interest to market participants.

Based on estimates of the mitigated energy prices in the FERC Refund Case, the Company recorded fine revenues totaling \$29.5 million, which results in a refund liability of \$31.2 million. The ultimate settlement of fines is expected after the conclusion of the proceedings in the FERC Refund Case and the ultimate financial settlement of the California Power Exchange (Cal PX).

In accordance with FERC rulings, the Company accrues interest on the portion of fines collected in excess of the estimated realizable amount, which are to be refunded to market participants when the amounts are settled. Such interest expense amounted to \$1.9 million and \$2.1 million in 2010 and 2009, respectively.

Through December 31, 2008, the Company excluded the calculation of interest on the preparatory rerun corrections, based on the position that interest would only accrue upon the preparatory rerun being invoiced. The Company, however, believed that preparatory rerun corrections should be eligible for interest from the due date of the original trade month being corrected in the same manner as interest on corrections for mitigated market-clearing prices in the refund rerun and requested a FERC ruling on this issue. On May 27, 2009, FERC ruled that preparatory rerun corrections in the FERC Refund Case are eligible for interest in the same manner as interest on corrections for mitigated market-clearing prices in the refund rerun. Such interest amounted to \$12.7 million at the date of FERC's ruling, of which \$12.2 million relates to amounts that accumulated through December 31, 2008. Accordingly, in May 2009, the Company recognized \$12.8 million as a reduction of interest expense with a corresponding adjustment to the estimated generator noncompliance fines refund liability.

In 2010, the Company determined an additional adjustment was necessary to comply with the Federal Energy Regulatory Commission refund order and to reverse the mitigation of certain energy sales. The effect of this adjustment was an increase in generator non-compliance fine revenue of \$1.4 million, which is recorded as operating revenues, and a reduction in interest previously accrued of \$0.9 million, which is recorded as a component of interest expense.

Also in 2010, in connection with a FERC settlement, the Company made arrangements to distribute the generator noncompliance fines to be refunded to the market in conjunction with the Sempra Energy Trading global settlement. The settlement was approved by FERC on December 22, 2010, and on December 30, 2010, the Company distributed \$43.9 million to the settling parties. The Company estimates the remaining liability (including interest) related to generator noncompliance fines, after the payment described above and after other adjustments to be \$0.8 million as of December 31, 2010 and is recorded as a component of other deferred credits. The final settlement of fines is expected after the conclusion of the proceedings in the FERC Refund Case and the related financial settlement of the Cal PX bankruptcy.

While there are significant uncertainties associated with this process, management believes it is unlikely that there will be any material future adjustment in generator fines to be recognized by the Company.

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## 8. Bonds

Bonds consist of the following at December 31 (in thousands):

	2010	2009
CIEDB Revenue Bonds, Series 2009		
Fixed interest rates of 3.00% - 6.25% with maturities from 2012 through 2039	\$ 200,000	\$ 200,000
CIEDB Revenue Bonds, Series 2008		
Fixed interest rates of 4.00% - 5.00% with maturities through 2014	126,870	165,970
Unamortized net premium:		
Series 2009 bonds	1,852	1,955
Series 2008 bonds	2,805	4,854
Total long-term debt	<u>\$ 331,527</u>	<u>\$ 372,779</u>

Scheduled future debt service payments as of December 31, 2010, are as follows (in thousands):

	Principal	Interest	Total
2011	42,250	16,607	58,857
2012	28,585	14,870	43,455
2013	39,580	13,228	52,808
2014	27,145	11,605	38,750
2015	3,830	10,868	14,698
2016 - 2039	185,480	163,664	349,144
	<u>\$ 326,870</u>	<u>\$ 230,842</u>	<u>\$ 557,712</u>

### Long-term debt and related agreements

In July 2009, the Company issued \$200.0 million of fixed rate revenue bonds (the 2009 Bonds) through the California Infrastructure and Economic Development Bank (CIEDB), at a premium of \$2.0 million. The proceeds of the issuance were used to provide funds for the design and construction of a new headquarters building, the acquisition or development of computer hardware and software systems, and the acquisition of office equipment.

The 2009 and 2008 Bonds are supported by a pledge of the Company's revenues and operating reserves. In addition, the 2009 Bonds are supported by a deed of trust on the new headquarters building and land. The premiums on the bonds are being amortized over the life of the bonds.

### Interest expense

Interest expense recorded by the Company related to long-term debt includes interest paid on the bonds, and amortization of the bond issuance costs, loss on refunding and the bond premiums.

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## 9. Fair Value of Financial Instruments

Accounting Standards Codification (ASC) 820 establishes a three-tier fair value hierarchy that prioritizes inputs to valuation techniques used for fair value measurements. This accounting standard is applied under other accounting pronouncements that require or permit fair value measurements and, accordingly, does not require any new fair value measurements.

The levels of fair value input hierarchy are described below:

Level 1: Quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: Quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability. Financial assets and liabilities are classified in their entirety based on the level of input that is considered most significant to the fair value measurement.

The Company's financial assets and liabilities recorded at fair value on a recurring basis are bonds (government, agency and corporate), a guaranteed investment contract (GIC), a forward delivery agreement (FDA), money market funds, and investments held in employee retirement plan trust accounts. The Company utilizes the market approach to measure fair value for all of these assets, except for the GICs and FDA, which uses the income approach. The Company's assets and liabilities measured at fair value on a recurring basis at December 31, 2010, were as follows (in thousands):

	Total	Level 1	Level 2	Level 3
Bonds	\$ 121,538	\$ -	\$ 121,538	\$ -
GICs and Forward delivery agreements	36,212	-	-	36,212
Employee retirement plan trust accounts	1,455	1,455	-	-
Money market funds	382,691	382,691	-	-

The Company's assets and liabilities measured at fair value on a recurring basis at December 31, 2009, were as follows (in thousands):

	Total	Level 1	Level 2	Level 3
Bonds	\$ 172,145	\$ -	\$ 172,145	\$ -
GICs and Forward delivery agreements	34,817	-	-	34,817
Employee retirement plan trust accounts	1,233	1,233	-	-
Money market funds	443,398	443,398	-	-

The bonds, GICs, forward delivery agreements, employee retirement plan trust accounts, and money market funds

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are components of other investments, other special funds, special deposits, and cash on the balance sheet.

Changes in the value of the fair value measurements that are classified as Level 3 inputs during the year ended December 31, were as follows (in thousands):

	2010	2009
Balance as of January 1	\$ 34,817	\$ 20,598
Purchases	-	14,902
Unrealized gain (loss)	1,395	(683)
Balance as of December 31	<u>\$ 36,212</u>	<u>\$ 34,817</u>

The unrealized gain and loss relate to financial instruments still held by the Company at December 31, 2010 and 2009, respectively, and are recorded as a component of interest and dividend income on the statement of income.

The fair value of the Company's long-term debt as of December 31, 2010 and 2009 was \$340.1 million and \$382.4 million, respectively. The fair value of fixed rate long-term debt, which includes the short-term portion, is based on current market rates.

The carrying values reported on the balance sheet for current assets and liabilities, excluding amounts discussed above, approximate fair value.

Additionally, the Company had \$4.6 million and \$4.2 million at December 31, 2010 and 2009, respectively, in trust related to the post employment medical benefit plan (see Note 10). These trust assets consist primarily of corporate bonds and are classified as a Level 2 on the fair value hierarchy at both December 31, 2010 and 2009.

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## 10. Employee Benefit Plans

The Company maintains a number of employee benefit plans. The description of the plans and their key provisions is reflected below. The plans are included in the accumulated provision for pensions and benefits on the balance sheets and consist of the following at December 31 (in thousands):

	2010	2009
Executive pension restoration plan	\$ 1,069	\$ 866
Post-employment medical benefit plan	14,275	12,668
Supplemental executive retirement plan	369	320
Executive savings plan	387	367
Total employee retirement plan obligations	<u>\$ 16,100</u>	<u>\$ 14,221</u>

### Retirement savings benefits plan

The Company sponsors a defined contribution retirement plan, the California ISO Retirement Savings Benefits Plan (the Retirement Plan) that is subject to the provisions of the Employee Retirement Income Security Act of 1974 and substantially covers all employees. The Retirement Plan is administered by the Company with the assistance of a third party. The assets of the plan are held separately from Company assets and are not combined with the assets on the balance sheet.

Employees may elect to contribute up to fifty percent of their eligible compensation to the Retirement Plan, subject to statutory limitations. The Company matches contributions up to six percent of an employees' eligible compensation and an additional contribution equal to five percent of eligible compensation for employees with less than five years of service, or seven percent for employees who have at least five years but not more than ten years of service. An additional contribution of one percent of eligible compensation is also made by the Company for each five year increment of service after an employees' ten year anniversary.

Employees' contributions to the Retirement Plan for 2010 and 2009 were \$6.9 million and \$6.7 million, respectively. The Company's contributions to the Retirement Plan for 2010 and 2009 were \$7.7 million and \$7.8 million, respectively.

### Executive pension restoration plan

The Company sponsors the Executive Pension Restoration Plan, a non-qualified defined contribution plan, which allows certain officers of the Company to make contributions and receive Company contributions in excess of the 401(k) contribution limits set forth by IRS regulations as described in the retirement savings benefits plan above.

The contributions and earnings thereon are held in a trust and the balances as of December 31, 2010 and 2009, were \$1,069,000 and \$866,000, respectively and are included in Other Special Funds with a corresponding liability in Accumulated Provision for Pensions and Benefits. The Company recognized expenses for contributions of \$135,000 and \$229,000 in 2010 and 2009, respectively.

### Post-employment medical benefit plan

#### *Plan description*

The Company sponsors the California ISO Retiree Medical Plan, a defined benefit plan, to provide post-employment health care benefits to all employees who retire from the Company on or after attaining age 60 with at least five years of service and to their spouses, domestic partners and eligible dependents, as provided for under the terms of the plan. Depending on the retirement age and coverage elections made by the beneficiaries, the Company pays a portion (ranging from 60 to 100 percent) of the premiums. There are 31 employees and 18 retirees eligible to receive benefits pursuant to the plan as of December 31, 2010.

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#### *Funding policy*

The Company has established a trust for the purposes of funding the plan. The trust was established as a tax-exempt voluntary employees' beneficiary association. All assets of the trust are to be used for the exclusive benefit of the participants and beneficiaries of the plan. Although the Company has fiscal accountability for these assets and holds them in a fiduciary capacity, the assets are not considered assets of the Company and are therefore not included on the balance sheets of the Company. As of December 31, 2010 and 2009, the trust assets were \$4.6 million and \$4.2 million, respectively. Trust assets were primarily invested in corporate bonds. The investment of the trust assets generally follows the Company's investment policy.

The Company's current funding policy is to annually contribute an amount such that the total amount in the trust approximates the actuarially determined liability attributable to retirees and their spouses and to active participants who are fully eligible to retire.

This plan had the following activity and related accumulated post retirement benefit obligation (APBO) at December 31 (in thousands):

	2010	2009
APBO, beginning of year	\$ 16,805	\$ 15,227
Service cost	2,328	2,332
Interest cost	997	904
Plan participants' contributions	57	42
Actuarial (gain)/loss	3,676	(1,598)
Plan change	(4,823)	-
Benefits paid and other	(157)	(102)
APBO, end of year	18,883	16,805
Less: fair value of plan assets	4,608	4,137
Funded status and balance sheet liability	<u>\$ 14,275</u>	<u>\$ 12,668</u>

The actuarial loss in 2010 was primarily due to demographic experience and assumption changes, and the investment return different from assumed during the prior year. The actuarial gain in 2009 was due to the actual 2009 health care cost trend rate being less than projected and other actual data experience compared to projected.

Plan changes, which were in effect January 1, 2010, contributed to a gain of \$4.8 million. The employee cost-share of the medical plan premiums increased from an approximate average of 30% to 40% for all insurance plans.

Additional pension liabilities are recorded as accumulated other comprehensive income in the proprietary capital section of the balance sheet, and to the post-retirement medical benefit plan liability in the balance sheet. In 2010, as a result of the actuarial loss and the gain from plan changes, the Company recorded a \$1.1 million reduction to the additional pension liability. In 2009, the Company recorded a \$1.9 million reduction to the additional pension liability, mostly as a result of the actuarial gain.

The significant assumptions that are considered in the calculation of the Accumulated Pension Benefit Obligation (APBO) include the discount rate applied to the estimated future health care benefits (5.5% and 6.00% at December 31, 2010 and 2009, respectively) and the estimated costs of the health care premiums to be paid on behalf of the plan beneficiaries. Such estimated costs are based on current premium levels increased by estimated health care cost trend rates over the projected term of the benefits. The health care cost trend rate assumptions used to estimate the actuarial liability as of December 31, 2010, were annual increases of 8.50% for 2010 and 5% on the year of the

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NOTES TO FINANCIAL STATEMENTS (Continued)			

ultimate health care cost trend rate in 2018.

Assumed health care cost trend rates have a significant effect on the benefit obligation amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects (in thousands):

	<b>1-Percentage Point Increase</b>	<b>1-Percentage Point Decrease</b>
Effect on total service and interest cost	\$ 807	\$ (622)
Effect on APBO	4,031	(3,145)

A summary of the plan's postretirement benefit expense for 2010 and 2009 is as follows (in thousands):

	<b>2010</b>	<b>2009</b>
Service cost	\$ 2,328	\$ 2,332
Interest cost	997	904
Expected return on assets	(219)	(141)
Net loss/ (gain) amortization	18	145
Net periodic benefit cost	<u>\$ 3,124</u>	<u>\$ 3,240</u>

The following benefit payments, which reflect expected future health care benefit services, as appropriate, are expected to be paid in connection with the plan as of December 31, 2010 (in thousands):

2011	\$ 200
2012	292
2013	371
2014	468
2015	549
2016 -2020	4,327

#### **Supplemental executive retirement plan**

The Company sponsors the California ISO Supplemental Executive Retirement Plan (SERP Plan), a non-qualified defined benefit plan intended to provide selected executives of the Company with target retirement benefits based upon an executive's average earnings and total number of years of service with the Company, as defined in the plan. The target benefit is to be offset by other retirement benefits, including those provided by the Company, and by any distributions from this plan made to pay the beneficiary's share of federal, state and local taxes. The plan is unfunded.

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The activity and related obligations associated with the plan during 2010 and 2009 is as follows (in thousands):

	2010	2009
Obligation, beginning of year	\$ 320	\$ 509
Current period actuarially determined cost	130	205
Benefits distributed during the year	(81)	(394)
Obligation, end of year	<u>\$ 369</u>	<u>\$ 320</u>

The Company recognized expenses of \$130,000 and \$205,000 in 2010 and 2009, respectively in connection with this plan.

**Executive savings plan**

The Company sponsors the Executive Savings Plan, a non-qualified defined contribution plan under section 457(b) of the IRS Code. The Company contributes a percentage of each officer's annual base compensation to the plan. Officers may elect to make voluntary contributions, subject to statutory limitations. The contributions and earnings thereon are held in a trust and the balance as of December 31, 2010 and 2009 was \$387,000 and \$367,000, respectively and is included in Other Special Funds, with a corresponding liability in Accumulated Provision for Pensions and Benefits. The Company recognized expenses of \$89,000 and \$92,000 in 2010 and 2009, respectively, in connection with this plan.

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## 11. Lease and Contract Commitments

The Company has long-term operating leases and service contracts that expire at various times through 2030 including telecommunication equipment and services, information system equipment and services and systems infrastructure. The following are the future minimum payments under these agreements as of December 31, 2010 (in thousands):

2011	\$ 12,487
2012	12,506
2013	3,318
2014	793
2015	809
2016 - 2030	4,183
	<u>\$ 34,096</u>

Lease and service contract costs of approximately \$12.6 million and \$12.2 million were charged to operating expense in 2010 and 2009, respectively.

The Company has leased office space under three separate leases, which served as the location of the headquarters prior to the move, in January 2011, to the newly constructed headquarters. One lease expires in November 2012, and the other 2 leases expire in December 2016, with an early termination option available beginning November 2012. Although the Company is no longer using the leased space, it is required to pay monthly rent through November 2012, early termination fees, and other on-going costs associated with each of the leases.

The Company will record an expense for the net unrecoverable lease and termination costs in 2011, the period in which the properties were vacated and were no longer being used in operations. The Company currently estimates its total future costs associated with the abandoned facilities to be \$5.9 million.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

## 12. Contingencies and Settlements

### The FERC Refund Case

In 2000 and 2001, the California energy markets, including those managed by the Company, experienced high prices, shortages of energy and reserves, rolling blackouts and liquidity problems for many market participants. Several of them, including the California Power Exchange (Cal PX), filed for bankruptcy.

Purchasers of energy during this period sought refunds at FERC. FERC has issued a series of orders related to mitigating the market clearing prices in markets administered by the Company and Cal PX for the period from October 2, 2000 through June 20, 2001 (the FERC Refund Case). Several of the Company's market participants have settled their liability arising from the FERC Refund Case and related proceedings. Management believes the ultimate outcome of the FERC Refund case (except as it relates to generator noncompliance fines, as described in Note 7) will have no financial impact on the Company as these refund amounts are funded and will ultimately be resettled among market participants.

### Market billing disputes in good faith negotiations

As part of the tariff and applicable contracts, the Company has dispute resolution processes for market participants, transmission owners and RMR owners to register disagreements regarding information reflected in the settlement statements or billing amounts for market and RMR activity. After good faith efforts, known as good faith negotiations (GFN), have been made to negotiate and resolve disputes, written claims may be submitted either to mediation or arbitration.

Two material unresolved market related dispute, totaling \$46.4 million (excluding interest) remains outstanding in GFN at December 31, 2010. These disputes are related to disagreements with the Company's financial settlement of market transactions and related tariff interpretations. Management believes that any settlements or market adjustments relating to these disputes would be resettled against the market with no liability to the Company.

### Indemnifications

The Company's bylaws require its annual financial statements to include disclosures about certain payments made by the Company related to indemnifications to or on behalf of officers and Board members. There were no such payments in 2010 and 2009.

### Other matters

The Company, during the ordinary course of its operations, has been involved in various lawsuits and claims, some of which are still pending. In addition, the Company must comply with Federal Energy Regulatory Commission-approved mandatory reliability standards, which if violated could result in penalties assessed to the Company. There are several matters currently pending related to alleged violations of these standards. Management and legal counsel are of the opinion that the outcome of these matters will not have a material adverse impact on the financial position or results of operations of the Company.

**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS  
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.

Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	465,110,814	465,110,814
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified		
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	465,110,814	465,110,814
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	110,945,844	110,945,844
12	Acquisition Adjustments		
13	Total Utility Plant (8 thru 12)	576,056,658	576,056,658
14	Accum Prov for Depr, Amort, & Depl	224,783,428	224,783,428
15	Net Utility Plant (13 less 14)	351,273,230	351,273,230
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	224,783,428	224,783,428
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant		
22	Total In Service (18 thru 21)	224,783,428	224,783,428
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	Total Leased to Others (24 & 25)		
27	Held for Future Use		
28	Depreciation		
29	Amortization		
30	Total Held for Future Use (28 & 29)		
31	Abandonment of Leases (Natural Gas)		
32	Amort of Plant Acquisition Adj		
33	Total Accum Prov (equals 14) (22,26,30,31,32)	224,783,428	224,783,428

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(2)  A Resubmission

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS  
FOR DEPRECIATION, AMORTIZATION AND DEPLETION

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
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**ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)**

1. Report below the original cost of electric plant in service according to the prescribed accounts.
2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents		
4	(303) Miscellaneous Intangible Plant	32,139,948	
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	32,139,948	
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights		
9	(311) Structures and Improvements		
10	(312) Boiler Plant Equipment		
11	(313) Engines and Engine-Driven Generators		
12	(314) Turbogenerator Units		
13	(315) Accessory Electric Equipment		
14	(316) Misc. Power Plant Equipment		
15	(317) Asset Retirement Costs for Steam Production		
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)		
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights		
19	(321) Structures and Improvements		
20	(322) Reactor Plant Equipment		
21	(323) Turbogenerator Units		
22	(324) Accessory Electric Equipment		
23	(325) Misc. Power Plant Equipment		
24	(326) Asset Retirement Costs for Nuclear Production		
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)		
26	C. Hydraulic Production Plant		
27	(330) Land and Land Rights		
28	(331) Structures and Improvements		
29	(332) Reservoirs, Dams, and Waterways		
30	(333) Water Wheels, Turbines, and Generators		
31	(334) Accessory Electric Equipment		
32	(335) Misc. Power PLant Equipment		
33	(336) Roads, Railroads, and Bridges		
34	(337) Asset Retirement Costs for Hydraulic Production		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)		
36	D. Other Production Plant		
37	(340) Land and Land Rights		
38	(341) Structures and Improvements		
39	(342) Fuel Holders, Products, and Accessories		
40	(343) Prime Movers		
41	(344) Generators		
42	(345) Accessory Electric Equipment		
43	(346) Misc. Power Plant Equipment		
44	(347) Asset Retirement Costs for Other Production		
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)		
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)		

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
47	3. TRANSMISSION PLANT		
48	(350) Land and Land Rights		
49	(352) Structures and Improvements		
50	(353) Station Equipment		
51	(354) Towers and Fixtures		
52	(355) Poles and Fixtures		
53	(356) Overhead Conductors and Devices		
54	(357) Underground Conduit		
55	(358) Underground Conductors and Devices		
56	(359) Roads and Trails		
57	(359.1) Asset Retirement Costs for Transmission Plant		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)		
59	4. DISTRIBUTION PLANT		
60	(360) Land and Land Rights		
61	(361) Structures and Improvements		
62	(362) Station Equipment		
63	(363) Storage Battery Equipment		
64	(364) Poles, Towers, and Fixtures		
65	(365) Overhead Conductors and Devices		
66	(366) Underground Conduit		
67	(367) Underground Conductors and Devices		
68	(368) Line Transformers		
69	(369) Services		
70	(370) Meters		
71	(371) Installations on Customer Premises		
72	(372) Leased Property on Customer Premises		
73	(373) Street Lighting and Signal Systems		
74	(374) Asset Retirement Costs for Distribution Plant		
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)		
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT		
77	(380) Land and Land Rights		7,617,491
78	(381) Structures and Improvements		45,631,152
79	(382) Computer Hardware	10,071,454	5,537,277
80	(383) Computer Software	300,413,237	7,353,307
81	(384) Communication Equipment		
82	(385) Miscellaneous Regional Transmission and Market Operation Plant		
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper		
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)	310,484,691	66,139,227
85	6. GENERAL PLANT		
86	(389) Land and Land Rights		
87	(390) Structures and Improvements	17,487,818	187,411
88	(391) Office Furniture and Equipment	10,424,945	2,745,326
89	(392) Transportation Equipment	232,426	10,745
90	(393) Stores Equipment		
91	(394) Tools, Shop and Garage Equipment		
92	(395) Laboratory Equipment		
93	(396) Power Operated Equipment		
94	(397) Communication Equipment	5,169,847	3,144,320
95	(398) Miscellaneous Equipment		
96	SUBTOTAL (Enter Total of lines 86 thru 95)	33,315,036	6,087,802
97	(399) Other Tangible Property	16,323,395	3,693,856
98	(399.1) Asset Retirement Costs for General Plant		
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	49,638,431	9,781,658
100	TOTAL (Accounts 101 and 106)	392,263,070	75,920,885
101	(102) Electric Plant Purchased (See Instr. 8)		
102	(Less) (102) Electric Plant Sold (See Instr. 8)		
103	(103) Experimental Plant Unclassified		
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	392,263,070	75,920,885

**ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)**

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.

9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
					2
					3
	-32,139,948				4
	-32,139,948				5
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				47
				48
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				70
				71
				72
				73
				74
				75
				76
			7,617,491	77
			45,631,152	78
	9,086		15,617,817	79
22,439,079	19,365,425	32,139,948	336,832,838	80
				81
				82
				83
22,439,079	19,374,511	32,139,948	405,699,298	84
				85
				86
			17,675,229	87
229,035	79,111	1,075,293	14,095,640	88
			243,171	89
				90
				91
				92
				93
4,656	23,513	601,541	8,934,565	94
				95
233,691	102,624	1,676,834	40,948,605	96
	122,492	-1,676,834	18,462,909	97
				98
233,691	225,116		59,411,514	99
22,672,770	-12,540,321	32,139,948	465,110,812	100
				101
				102
				103
22,672,770	-12,540,321	32,139,948	465,110,812	104

**CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)**

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$1,000,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	Capitalized Interest - Other Projects	1,631,194
2	Capitalized Interest - HQ Building Project	10,385,995
3	ALFS 5 Min. Forecast	556,719
4	eTerra Upgrade 2.5	60,000
5	Convergence Bidding	4,269,778
6	Website HW & SW	177,270
7	One Line Visualization	77,000
8	VAS Enhancement	25,901
9	CRR 2010 Enhancements	424,649
10	Alhambra Simulator Training Roo	87,115
11	Folsom Training Simulator	61,402
12	72 Hour Residual Unit Commitmen	3,259
13	Commitment Costs	14,454
14	TRACCESS CI Migration	86
15	Capacity Procurement Mechanism	30,833
16	Mkt Sch. Limit Open Ties	13,230
17	Market Services Enhancement	92,526
18	Operations Enhancements	122,883
19	Exceptional Dispatch	19,070
20	Standard Capacity 2	576,340
21	2010 Misc. Hardware	59,259
22	2010 Misc. Software	10,000
23	Reporting Environment	106,692
24	Range 3000 System	17,646
25	Folsom Reliability Upgrade	676,805
26	New HQ Building Project	91,180,258
27	Alhambra Equipment Purchases	169,263
28	Iron Point Equipment	96,217
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43	TOTAL	110,945,844

**ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)**

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

**Section A. Balances and Changes During Year**

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	186,546,137	186,546,137		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	60,909,829	60,909,829		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing				
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):				
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	60,909,829	60,909,829		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	22,672,538	22,672,538		
13	Cost of Removal				
14	Salvage (Credit)				
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	22,672,538	22,672,538		
16	Other Debit or Cr. Items (Describe, details in footnote):				
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	224,783,428	224,783,428		

**Section B. Balances at End of Year According to Functional Classification**

20	Steam Production				
21	Nuclear Production				
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production				
25	Transmission				
26	Distribution				
27	Regional Transmission and Market Operation	160,479,576	160,479,576		
28	General	64,303,852	64,303,852		
29	TOTAL (Enter Total of lines 20 thru 28)	224,783,428	224,783,428		

LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	Account 221 - Bonds		
2			
3	CIEDB Fixed Rate Revenue Bonds, 2008 Series A	196,970,000	9,188,489
4			
5	CIEDB Fixed Rate Revenue Bonds, 2009 Series A (4/15/09; 127 FERC 62,136)	200,000,000	1,998,064
6			
7			
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33	TOTAL	396,970,000	11,186,553

LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

- 10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
- 11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
- 12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
- 13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
- 14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
- 15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
- 16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
06-04-08	02-01-14	06-19-08	02-01-14	126,870,000	6,506,413	3
						4
07-22-09	02-01-39	08-01-09	02-01-39	200,000,000	11,290,572	5
						6
						7
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				326,870,000	17,796,985	33

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	Property Taxes			188,602	188,602	
2						
3	FICA	140,308		3,117,564	3,055,818	
4						
5	Medicare	32,814		1,225,165	1,192,524	
6						
7	California Unemployment Tax	101,218		227,482	203,461	
8						
9	Use Tax			5,004	5,004	
10						
11	Environmental & Other			5,459	5,459	
12						
13	Annual Fee			310	310	
14						
15						
16						
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39						
40						
41	TOTAL	274,340		4,769,586	4,651,178	

**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)**

5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
						2
202,055						3
						4
65,454						5
						6
125,239						7
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						38
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						40
392,748						41

OTHER DEFFERED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$100,000, whichever is greater) may be grouped by classes.

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1						
2						
3	Fines Subject to Refund	45,955,949	131/427/142	47,109,546	1,925,956	772,359
4						
5						
6	Unearned Revenue	90,005	142	90,005		
7						
8	Advances for Leasehold Improvemens	1,127,869	931	267,265		860,604
9						
10						
11						
12						
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44						
45						
46						
47	TOTAL	47,173,823		47,466,816	1,925,956	1,632,963

**ELECTRIC OPERATING REVENUES (Account 400)**

1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales		
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)		
5	Large (or Ind.) (See Instr. 4)		
6	(444) Public Street and Highway Lighting		
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers		
11	(447) Sales for Resale		
12	TOTAL Sales of Electricity		
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds		
15	Other Operating Revenues		
16	(450) Forfeited Discounts		
17	(451) Miscellaneous Service Revenues		
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property		
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues		
22	(456.1) Revenues from Transmission of Electricity of Others		
23	(457.1) Regional Control Service Revenues	202,092,929	202,352,563
24	(457.2) Miscellaneous Revenues	9,757,397	6,001,125
25			
26	TOTAL Other Operating Revenues	211,850,326	208,353,688
27	TOTAL Electric Operating Revenues	211,850,326	208,353,688

**ELECTRIC OPERATING REVENUES (Account 400)**

6. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
8. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
9. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
				2
				3
				4
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Line 12, column (b) includes \$ 0 of unbilled revenues.  
 Line 12, column (d) includes 0 MWH relating to unbilled revenues

REGIONAL TRANSMISSION SERVICE REVENUES (Account 457.1)

1. The respondent shall report below the revenue collected for each service (i.e., control area administration, market administration, etc.) performed pursuant to a Commission approved tariff. All amounts separately billed must be detailed below.

Line No.	Description of Service (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	GMC Core Reliab Svcs Non-Coinck Peak	7,177,190	14,722,819	27,636,716	37,801,260
2	GMC Core Reliab Svcs Non-Coinck Off Peak	229,484	457,339	805,149	1,162,543
3	GMC Core Reliab Services Export Energy	1,238,813	3,580,196	6,576,456	8,692,183
4	GMC Energy Transmission Services Net Eny	16,479,696	33,805,674	56,724,411	76,596,263
5	GMC Energy Transmission Services Deviates	2,262,800	5,041,981	10,673,525	16,137,067
6	CRS/ETS-TORS Energy Export	192,120	436,495	669,282	876,048
7	GMC Forward Scheduling (Load, Generatio)	2,263,808	5,908,336	9,810,128	13,421,864
8	GMC Forward Scheduling inter-SC Trades e	1,406,752	3,532,191	5,832,372	8,101,270
9	GMC Market Usage Ancillary Services	2,013,918	4,028,324	6,127,869	7,997,982
10	GMC Market Usage Instructed Energy	1,441,671	3,158,830	5,238,371	7,355,639
11	GMC Market Usage Uninstructed Energy	448,577	999,522	1,653,288	2,308,584
12	MU-Forward Energy	4,963,516	9,417,096	14,825,669	19,742,101
13	ETS/MU PIRP Deviations	8,168	19,698	34,644	74,124
14	GMC Settlements, Metering, and Client Rs	457,000	914,000	1,421,000	1,826,000
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45					
46	TOTAL	40,583,513	86,022,501	148,028,880	202,092,928

**ELECTRIC OPERATION AND MAINTENANCE EXPENSES**

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering		
5	(501) Fuel		
6	(502) Steam Expenses		
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses		
10	(506) Miscellaneous Steam Power Expenses		
11	(507) Rents		
12	(509) Allowances		
13	TOTAL Operation (Enter Total of Lines 4 thru 12)		
14	Maintenance		
15	(510) Maintenance Supervision and Engineering		
16	(511) Maintenance of Structures		
17	(512) Maintenance of Boiler Plant		
18	(513) Maintenance of Electric Plant		
19	(514) Maintenance of Miscellaneous Steam Plant		
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)		
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)		
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering		
25	(518) Fuel		
26	(519) Coolants and Water		
27	(520) Steam Expenses		
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses		
31	(524) Miscellaneous Nuclear Power Expenses		
32	(525) Rents		
33	TOTAL Operation (Enter Total of lines 24 thru 32)		
34	Maintenance		
35	(528) Maintenance Supervision and Engineering		
36	(529) Maintenance of Structures		
37	(530) Maintenance of Reactor Plant Equipment		
38	(531) Maintenance of Electric Plant		
39	(532) Maintenance of Miscellaneous Nuclear Plant		
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)		
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)		
42	C. Hydraulic Power Generation		
43	Operation		
44	(535) Operation Supervision and Engineering		
45	(536) Water for Power		
46	(537) Hydraulic Expenses		
47	(538) Electric Expenses		
48	(539) Miscellaneous Hydraulic Power Generation Expenses		
49	(540) Rents		
50	TOTAL Operation (Enter Total of Lines 44 thru 49)		
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Maintenance Supervision and Engineering		
54	(542) Maintenance of Structures		
55	(543) Maintenance of Reservoirs, Dams, and Waterways		
56	(544) Maintenance of Electric Plant		
57	(545) Maintenance of Miscellaneous Hydraulic Plant		
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)		
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)		

**ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)**

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
60	D. Other Power Generation		
61	Operation		
62	(546) Operation Supervision and Engineering		
63	(547) Fuel		
64	(548) Generation Expenses		
65	(549) Miscellaneous Other Power Generation Expenses		
66	(550) Rents		
67	TOTAL Operation (Enter Total of lines 62 thru 66)		
68	Maintenance		
69	(551) Maintenance Supervision and Engineering		
70	(552) Maintenance of Structures		
71	(553) Maintenance of Generating and Electric Plant		
72	(554) Maintenance of Miscellaneous Other Power Generation Plant		
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)		
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)		
75	E. Other Power Supply Expenses		
76	(555) Purchased Power		
77	(556) System Control and Load Dispatching		
78	(557) Other Expenses		
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)		
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)		
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering	1,346,687	1,846,438
84	(561) Load Dispatching	2,757,295	1,796,456
85	(561.1) Load Dispatch-Reliability	2,779,377	2,900,842
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	9,710,165	12,173,124
87	(561.3) Load Dispatch-Transmission Service and Scheduling	9,313,282	9,239,349
88	(561.4) Scheduling, System Control and Dispatch Services		
89	(561.5) Reliability, Planning and Standards Development	10,098,337	11,430,379
90	(561.6) Transmission Service Studies		
91	(561.7) Generation Interconnection Studies		645,146
92	(561.8) Reliability, Planning and Standards Development Services		
93	(562) Station Expenses		
94	(563) Overhead Lines Expenses		
95	(564) Underground Lines Expenses		
96	(565) Transmission of Electricity by Others		
97	(566) Miscellaneous Transmission Expenses		
98	(567) Rents		
99	TOTAL Operation (Enter Total of lines 83 thru 98)	36,005,143	40,031,734
100	Maintenance		
101	(568) Maintenance Supervision and Engineering	10,633,882	8,666,188
102	(569) Maintenance of Structures		
103	(569.1) Maintenance of Computer Hardware		
104	(569.2) Maintenance of Computer Software		
105	(569.3) Maintenance of Communication Equipment		
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant		
107	(570) Maintenance of Station Equipment		
108	(571) Maintenance of Overhead Lines		
109	(572) Maintenance of Underground Lines		
110	(573) Maintenance of Miscellaneous Transmission Plant		
111	TOTAL Maintenance (Total of lines 101 thru 110)	10,633,882	8,666,188
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	46,639,025	48,697,922

**ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)**

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
113	<b>3. REGIONAL MARKET EXPENSES</b>		
114	Operation		
115	(575.1) Operation Supervision	6,279,862	6,390,563
116	(575.2) Day-Ahead and Real-Time Market Facilitation	8,284,123	9,407,976
117	(575.3) Transmission Rights Market Facilitation	1,618,161	2,672,576
118	(575.4) Capacity Market Facilitation		
119	(575.5) Ancillary Services Market Facilitation	1,156,082	2,894,536
120	(575.6) Market Monitoring and Compliance	4,697,059	5,940,585
121	(575.7) Market Facilitation, Monitoring and Compliance Services		
122	(575.8) Rents	917,605	1,230,490
123	Total Operation (Lines 115 thru 122)	22,952,892	28,536,726
124	Maintenance		
125	(576.1) Maintenance of Structures and Improvements		
126	(576.2) Maintenance of Computer Hardware	286,696	348,438
127	(576.3) Maintenance of Computer Software	2,708,452	1,308,092
128	(576.4) Maintenance of Communication Equipment	3,659,109	
129	(576.5) Maintenance of Miscellaneous Market Operation Plant		
130	Total Maintenance (Lines 125 thru 129)	6,654,257	1,656,530
131	TOTAL Regional Transmission and Market Op Expns (Total 123 and 130)	29,607,149	30,193,256
132	<b>4. DISTRIBUTION EXPENSES</b>		
133	Operation		
134	(580) Operation Supervision and Engineering		
135	(581) Load Dispatching		
136	(582) Station Expenses		
137	(583) Overhead Line Expenses		
138	(584) Underground Line Expenses		
139	(585) Street Lighting and Signal System Expenses		
140	(586) Meter Expenses		
141	(587) Customer Installations Expenses		
142	(588) Miscellaneous Expenses		
143	(589) Rents		
144	TOTAL Operation (Enter Total of lines 134 thru 143)		
145	Maintenance		
146	(590) Maintenance Supervision and Engineering		
147	(591) Maintenance of Structures		
148	(592) Maintenance of Station Equipment		
149	(593) Maintenance of Overhead Lines		
150	(594) Maintenance of Underground Lines		
151	(595) Maintenance of Line Transformers		
152	(596) Maintenance of Street Lighting and Signal Systems		
153	(597) Maintenance of Meters		
154	(598) Maintenance of Miscellaneous Distribution Plant		
155	TOTAL Maintenance (Total of lines 146 thru 154)		
156	TOTAL Distribution Expenses (Total of lines 144 and 155)		
157	<b>5. CUSTOMER ACCOUNTS EXPENSES</b>		
158	Operation		
159	(901) Supervision		
160	(902) Meter Reading Expenses	398,649	402,095
161	(903) Customer Records and Collection Expenses	4,714,227	5,520,680
162	(904) Uncollectible Accounts		
163	(905) Miscellaneous Customer Accounts Expenses		16,680
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	5,112,876	5,939,455

**ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)**

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
165	<b>6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</b>		
166	Operation		
167	(907) Supervision	698,377	618,333
168	(908) Customer Assistance Expenses	3,931,925	4,100,998
169	(909) Informational and Instructional Expenses		
170	(910) Miscellaneous Customer Service and Informational Expenses	1,777,973	1,941,322
171	<b>TOTAL Customer Service and Information Expenses (Total 167 thru 170)</b>	<b>6,408,275</b>	<b>6,660,653</b>
172	<b>7. SALES EXPENSES</b>		
173	Operation		
174	(911) Supervision		
175	(912) Demonstrating and Selling Expenses		
176	(913) Advertising Expenses		
177	(916) Miscellaneous Sales Expenses		
178	<b>TOTAL Sales Expenses (Enter Total of lines 174 thru 177)</b>		
179	<b>8. ADMINISTRATIVE AND GENERAL EXPENSES</b>		
180	Operation		
181	(920) Administrative and General Salaries	34,066,647	37,054,781
182	(921) Office Supplies and Expenses	4,011,041	3,513,341
183	(Less) (922) Administrative Expenses Transferred-Credit		
184	(923) Outside Services Employed	4,889,309	7,626,056
185	(924) Property Insurance	2,107,366	1,992,974
186	(925) Injuries and Damages	-60,228	85,156
187	(926) Employee Pensions and Benefits		
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	2,818,029	2,689,278
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses	49,454	56,202
192	(930.2) Miscellaneous General Expenses	379,761	332,185
193	(931) Rents	8,990,041	8,630,677
194	<b>TOTAL Operation (Enter Total of lines 181 thru 193)</b>	<b>57,251,420</b>	<b>61,980,650</b>
195	Maintenance		
196	(935) Maintenance of General Plant	9,219,704	9,593,141
197	<b>TOTAL Administrative &amp; General Expenses (Total of lines 194 and 196)</b>	<b>66,471,124</b>	<b>71,573,791</b>
198	<b>TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)</b>	<b>154,238,449</b>	<b>163,065,077</b>

**TRANSMISSION OF ELECTRICITY BY ISO/RTOs**

1. Report in Column (a) the Transmission Owner receiving revenue for the transmission of electricity by the ISO/RTO.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in Column (a).
3. In Column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO – Firm Network Service for Others, FNS – Firm Network Transmission Service for Self, LFP – Long-Term Firm Point-to-Point Transmission Service, OLF – Other Long-Term Firm Transmission Service, SFP – Short-Term Firm Point-to-Point Transmission Reservation, NF – Non-Firm Transmission Service, OS – Other Transmission Service and AD- Out-of-Period Adjustments. Use this code for any accounting adjustments or “true-ups” for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.
4. In column (c) identify the FERC Rate Schedule or tariff Number, on separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (b) was provided.
5. In column (d) report the revenue amounts as shown on bills or vouchers.
6. Report in column (e) the total revenues distributed to the entity listed in column (a).

Line No.	Payment Received by (Transmission Owner Name) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Total Revenue by Rate Schedule or Tariff (d)	Total Revenue (e)
1	San Diego Gas & Electric Co.	FNO	374 HV Access	( 109,114,729)	
2	San Diego Gas & Electric Co.	FNO	384 HV Wheeling	( 2,997,276)	
3					( 112,112,005)
4	Southern California Edison Co.	FNO	374 HV Access	( 466,995,725)	
5	Southern California Edison Co.	FNO	384 HV Wheeling	( 31,252,566)	
6	Southern California Edison Co.	FNO	385 LV Wheeling	( 120,392)	
7					( 498,368,683)
8	Pacific Gas & Electric Com	FNO	374 HV Access	( 364,172,086)	
9	Pacific Gas & Electric Com	FNO	384 HV Wheeling	( 49,247,768)	
10	Pacific Gas & Electric Com	FNO	385 LV Wheeling	( 22,940,134)	
11					( 436,359,988)
12	City of Azusa - PTO	FNO	374 HV Access	( 1,692,746)	
13	City of Azusa - PTO	FNO	384 HV Wheeling	( 18,079)	
14					( 1,710,825)
15	City of Banning - PTO	FNO	374 HV Access	( 1,164,333)	
16	City of Banning - PTO	FNO	384 HV Wheeling	( 15,083)	
17					( 1,179,416)
18	City of Anaheim - PTO	FNO	374 HV Access	( 21,124,320)	
19	City of Anaheim - PTO	FNO	384 HV Wheeling	( 580,428)	
20					( 21,704,748)
21	City of Vernon - PTO	FNO	374 HV Access	( 1,498,893)	
22	City of Vernon - PTO	FNO	384 HV Wheeling	( 15,349)	
23					( 1,514,242)
24	City of Riverside - PTO	FNO	374 HV Access	( 20,063,373)	
25	City of Riverside - PTO	FNO	384 HV Wheeling	( 513,755)	
26					( 20,577,128)
27	City of Pasadena - PTO	FNO	374 HV Access	( 12,053,080)	
28	City of Pasadena - PTO	FNO	384 HV Wheeling	( 354,045)	
29					( 12,407,125)
30	Trans-Elect NTD Path 15, LLC	FNO	374 HV Access	( 51,161,897)	
31					( 51,161,897)
32	STARTRANS IO, LLC	FNO	374 HV Access	( 5,309,869)	
33	STARTRANS IO, LLC	FNO	384 HV Wheeling	( 21,311)	
34					( 5,331,180)
35	Trans Bay Cable, LLC	FNO	374 HV Access	( 14,108,717)	
36					( 14,108,717)
37					
38					
39					
40	<b>TOTAL</b>			( 1,176,535,954)	( 1,176,535,954)

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000	
6	Bank Service Fee	199,052
7	Board of Directors Fees and Expense	180,709
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46	TOTAL	379,761

**DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)**  
(Except amortization of acquisition adjustments)

1. Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403); (c) Depreciation Expense for Asset Retirement Costs (Account 403.1); (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).

2. Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.

3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.

Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.

In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.

For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.

4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

**A. Summary of Depreciation and Amortization Charges**

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant					
2	Steam Production Plant					
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant					
7	Transmission Plant					
8	Distribution Plant					
9	Regional Transmission and Market Operation	52,021,110				52,021,110
10	General Plant	8,888,719				8,888,719
11	Common Plant-Electric					
12	<b>TOTAL</b>	<b>60,909,829</b>				<b>60,909,829</b>

**B. Basis for Amortization Charges**

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Name of Respondent  
California Independent System Operator Corporation

This Report Is:  
(1)  An Original  
(2)  A Resubmission

Date of Report  
(Mo, Da, Yr)  
05/12/0011

Year/Period of Report  
End of 2010/Q4

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	Intangible Plant:						
13	#303						
14							
15							
16	General Plant:						
17	#390	1,908	8.46		11.82		0.83
18	#391	3,874	4.69		21.31		2.91
19	#397	3,882	5.66		17.68		1.64
20	#399	4,127	3.26		30.69		1.71
21							
22	Regional Transmission:						
23	#382	7,781	3.75		26.63		3.93
24	#383	165,932	4.77		20.97		3.23
25							
26							
27							
28							
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REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	FERC Hearings		2,818,029	2,818,029	
2					
3					
4					
5					
6					
7					
8					
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45					
46	TOTAL		2,818,029	2,818,029	

REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR				
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	Line No.
Department (f)	Account No. (g)	Amount (h)					
Gencounsel	928.0	2,818,029					1
							2
							3
							4
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		2,818,029					46



DISTRIBUTION OF SALARIES AND WAGES (Continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
48	Distribution			
49	Administrative and General			
50	TOTAL Maint. (Enter Total of lines 43 thru 49)			
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)			
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,			
54	Other Gas Supply (Enter Total of lines 33 and 45)			
55	Storage, LNG Terminating and Processing (Total of lines 31 thru 47)			
56	Transmission (Lines 35 and 47)			
57	Distribution (Lines 36 and 48)			
58	Customer Accounts (Line 37)			
59	Customer Service and Informational (Line 38)			
60	Sales (Line 39)			
61	Administrative and General (Lines 40 and 49)			
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)			
63	Other Utility Departments			
64	Operation and Maintenance			
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	102,944,366		102,944,366
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant			
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)			
72	Plant Removal (By Utility Departments)			
73	Electric Plant			
74	Gas Plant			
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)			
77	Other Accounts (Specify, provide details in footnote):			
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79				
80				
81				
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts			
96	TOTAL SALARIES AND WAGES	102,944,366		102,944,366

MONTHLY ISO/RTO TRANSMISSION SYSTEM PEAK LOAD

- (1) Report the monthly peak load on the respondent's transmission system. If the Respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
- (2) Report on Column (b) by month the transmission system's peak load.
- (3) Report on Column (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
- (4) Report on Columns (e) through (i) by month the system's transmission usage by classification. Amounts reported as Through and Out Service in Column (g) are to be excluded from those amounts reported in Columns (e) and (f).
- (5) Amounts reported in Column (j) for Total Usage is the sum of Columns (h) and (i).

NAME OF SYSTEM:

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Imports into ISO/RTO (e)	Exports from ISO/RTO (f)	Through and Out Service (g)	Network Service Usage (h)	Point-to-Point Service Usage (i)	Total Usage (j)
1	January	31,701	20	1800	-6,109,540	183,304	658,973			-5,267,263
2	February	31,409	23	1900	-5,198,436	110,858	641,406			-4,446,172
3	March	29,880	3	1900	-5,641,785	192,265	648,454			-4,801,066
4	Total for Quarter 1	92,990			-16,949,761	486,427	1,948,833			-14,514,501
5	April	28,479	20	2100	-5,214,239	242,812	375,645			-4,595,782
6	May	29,080	19	2100	-5,990,320	237,843	455,004			-5,297,473
7	June	37,616	28	1700	-7,879,789	344,671	639,369			-6,895,749
8	Total for Quarter 2	95,175			-19,084,348	825,326	1,470,018			-16,789,004
9	July	44,544	15	1700	-7,364,761	400,962	578,725			-6,385,074
10	August	47,699	25	1600	-6,577,367	367,457	534,749			-5,675,161
11	September	46,338	27	1600	-6,698,331	170,486	587,256			-5,940,589
12	Total for Quarter 3	138,581			-20,640,459	938,905	1,700,730			-18,000,824
13	October	37,295	1	1600	-6,497,108	147,037	768,451			-5,581,620
14	November	34,098	4	1600	-6,487,245	299,128	565,947			-5,622,170
15	December	33,145	20	1800	-6,846,592	322,739	778,556			-5,745,297
16	Total for Quarter 4	104,538			-19,830,945	768,904	2,112,954			-16,949,087
17	Total Year to Date/Year	431,284			-76,505,513	3,019,562	7,232,535			-66,253,416

**MONTHLY PEAKS AND OUTPUT**

1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.
2. Report in column (b) by month the system's output in Megawatt hours for each month.
3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).

NAME OF SYSTEM:

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	19,393,188		31,701	20	18:00
30	February	20,127,232		31,409	23	19:00
31	March	22,069,942		29,880	3	19:00
32	April	21,696,470		28,479	20	21:00
33	May	23,366,526		29,080	19	21:00
34	June	26,558,092		37,616	28	17:00
35	July	28,390,665		44,544	15	17:00
36	August	27,792,711		47,699	25	16:00
37	September	26,641,026		46,338	27	16:00
38	October	24,710,680		37,295	1	16:00
39	November	23,891,030		34,098	4	16:00
40	December	24,661,559		33,145	20	18:00
41	TOTAL	289,299,121				

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/12/0011	Year/Period of Report 2010/Q4
California Independent System Operator Corporation			
FOOTNOTE DATA			

**Schedule Page: 110 Line No.: 35 Column: c**

	<u>2010</u>	<u>2009</u>
1310011 Concentration Account	\$ 2,328,653	\$ 1,740,877
1310013 Disbursements Account	(111,191)	(1,038,478)
1310014 Payroll Account	(202,168)	(115,799)
1310015 Admin A/R Account	(0)	(20,000)
1310025 Concentration-Wells Fargo	8,490,155	-
1310134 API Controlled Disbursement	(1,096,533)	(968,143)
1310023 LGIP Transmission Studies Depos	726,000	267,000
Cash Equivalents - Investments	66,443,343	115,307,568
	<u>\$ 76,578,259</u>	<u>\$ 115,173,025</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/12/0011	Year/Period of Report 2010/Q4
California Independent System Operator Corporation			
FOOTNOTE DATA			

**Schedule Page: 120 Line No.: 20 Column: b**

**Other Deferred Credits**

	<u>2010</u>	<u>2009</u>
Fines Subject to Refund	\$ 772,359	\$ 45,955,948
Advances for Leasehold Improvements	860,605	1,127,869
Unearned Revenue	-	90,005
	<u>\$ 1,632,964</u>	<u>\$ 47,173,822</u>

**Cash Flow Statement Presentation of Net Change:**

Net Change	<u>45,540,858</u>
Payment of Generator Noncompliance Fines Refund Obligation	43,859,403
Net Increase in Other Deferred Credits	1,681,455

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/12/0011	Year/Period of Report 2010/Q4
California Independent System Operator Corporation			
FOOTNOTE DATA			

**Schedule Page: 120 Line No.: 90 Column: b**

	<u>2010</u>	<u>2009</u>
<b>Supplemental information:</b>		
Cash paid for interest	\$ 18,972	\$ 8,919
Cash paid for interest for generator noncompliance fines	\$ 14,112	\$ -
<b>Supplemental disclosure of noncash financing and investing activities</b>		
Amortization of bond premium	\$ 2,152	\$ 2,591
Amortization of bond issuance costs and loss of refunding	(614)	(745)
Generator fines interest included in interest expense	(1,925)	(2,114)
Generator fines interest expense recovery	998	12,843
Change in purchases and development of fixed assets included in accounts payable and accrued expenses	(1,581)	10,281