

**SACRAMENTO MUNICIPAL UTILITY DISTRICT**  
**CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

	Year Ended December 31,	
	2007	2006
	(thousands of dollars)	
<b>OPERATING REVENUES</b>		
Residential	\$ 493,910	\$ 515,025
Commercial and industrial	580,489	572,018
Street lighting and other	9,433	8,611
Wholesale	212,294	304,651
Test Power	-0-	(13,778)
Rate stabilization fund transfers	15,957	(32,100)
Total operating revenues	1,312,083	1,354,427
<b>OPERATING EXPENSES</b>		
Operations:		
Purchased power	385,021	388,714
Production	364,467	346,586
Transmission and distribution	50,880	45,424
Administrative, general and customer	135,639	125,498
Public good	37,419	29,009
Maintenance	68,805	65,118
Depreciation	132,387	124,745
Depletion	9,451	8,367
Decommissioning	31,620	30,894
Regulatory deferrals collected in rates	1,216	1,192
Total operating expenses	1,216,905	1,165,547
<b>OPERATING INCOME</b>	95,178	188,880
<b>NONOPERATING REVENUES AND EXPENSES</b>		
Other revenues		
Interest income	41,064	42,773
Other income - net	6,276	4,648
Total other revenues	47,340	47,421
Interest charges		
Interest on debt	151,650	132,198
Allowance for funds used during construction	(4,549)	(3,303)
Total interest charges	147,101	128,895
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(4,583)	107,406
NET ASSETS - BEGINNING OF YEAR	492,994	385,588
NET ASSETS - END OF YEAR	\$ 488,411	\$ 492,994