
MONTHLY REPORT
TO THE GOVERNING BOARD
FEBRUARY 2016

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PUERTO RICO ELECTRIC POWER AUTHORITY

I. OPERATIONS HIGHLIGHTS

A. Production

	FEBRUARY		Increase (Decrease) %
	2015-16	2014-15	
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	992,671	982,393	1.0
PREPA - Hydro	3,109	2,069	50.3
Purchased power - gas	268,751	210,861	27.5
Purchased power - coal	272,402	303,499	(10.2)
Renewable Energy	24,659	23,068	6.9
Total	1,561,592	1,521,890	2.6
Fiscal year-to-date:			
PREPA - Steam and gas	9,524,757	8,816,205	8.0
PREPA - Hydro	44,037	56,023	(21.4)
Purchased power - gas	2,137,147	2,486,208	(14.0)
Purchased power - coal	2,049,995	2,421,165	(15.3)
Renewable Energy	211,582	164,530	28.6
Total	13,967,518	13,944,131	0.2
Twelve months:			
PREPA - Steam and gas	14,306,742	13,236,900	8.1
PREPA - Hydro	56,726	73,141	(22.4)
Purchased power - gas	2,993,069	3,822,282	(21.7)
Purchased power - coal	3,233,441	3,628,635	(10.9)
Renewable Energy	337,313	257,744	30.9
Total	20,927,291	21,018,702	(0.4)
2. Maximum hourly peak load (in MW)			
Month	2,701	2,744	(1.6)
Fiscal year-to-date	3,080	3,030	1.7
Twelve months	3,080	3,030	1.7
3. Sales (kWh in thousands)			
Month:			
Billed	1,336,905	1,365,116	(2.1)
Days billed	30.00	31.00	(3.2)
Fiscal year-to-date:			
Billed	11,619,297	11,632,217	(0.1)
Days billed	243.00	245.00	(0.8)
Twelve months:			
Billed	17,213,311	17,303,025	(0.5)
Days billed	364.0	365.0	(0.3)
4. System efficiency (%)			
Month	81.1	80.5	0.8
Fiscal year-to-date	82.5	82.7	(0.2)
Twelve months	82.6	82.4	0.2
5. Average cost per barrel (\$)			
Month	42.69	73.90	(42.2)
Fiscal year-to-date	55.04	94.38	(41.7)
Twelve months	59.57	99.74	(40.3)
6. kWh/Barrel			
Month	635.51	626.13	1.5
Fiscal year-to-date	598.48	608.10	(1.6)
Twelve months	608.05	612.20	(0.7)
7. Heat rate (BTU/kWh)			
Month	10,390	10,807	(3.9)
Fiscal year-to-date	10,946	10,873	0.7
Twelve months	10,818	10,842	(0.2)

8. Fuel consumption (in thousands)	2015-16		2014-15		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	789	28,991	1,123	79,707	(29.7)	(63.6)
Gas	310	16,553	101	9,710	*	70.5
Natural Gas	463	21,171	345	26,521	34.2	(20.2)
Total	<u>1,562</u>	<u>66,715</u>	<u>1,569</u>	<u>115,938</u>	(0.4)	(42.5)
Fiscal year-to-date:						
Steam	8,328	416,060	8,769	780,712	(5.0)	(46.7)
Gas	3,770	267,874	2,446	293,818	54.1	(8.8)
Natural Gas	3,817	192,056	3,283	293,738	16.3	(34.6)
Total	<u>15,915</u>	<u>875,990</u>	<u>14,498</u>	<u>1,368,268</u>	9.8	(36.0)
Twelve months:						
Steam	12,848	712,587	13,484	1,316,777	(4.7)	(45.9)
Gas	4,903	370,852	3,151	388,112	55.6	(4.4)
Natural Gas	5,778	318,089	4,987	451,613	15.9	(29.6)
Total	<u>23,529</u>	<u>1,401,528</u>	<u>21,622</u>	<u>2,156,502</u>	8.8	(35.0)

FEBRUARY

	2016	2015	Increase (Decrease) %
B. Client Service			
1. Service complaints per thousand clients	2.50	5.72	(56.3)
2. Disconnections for nonpayment per thousand clients	10.46	11.49	(9.0)
C. Distribution System			
1. Interruption frequency index			
Total interruptions per thousand clients served	0.287	0.264	9.0
2. Interruption duration index			
Average interruption time per clients served (minutes)	50.61	43.04	17.6
3. Clients per interruption	217	210	3.3
4. Time per interruption (minutes)	335	303	10.8

D. Personnel

		FEBRUARY		Increase (Decrease)
		2016	2015	
Management Conf. / Carr.	Reg.	1,935	2,014	(79)
	Temp.	13	31	(18)
U.T.I.E.R.	Reg.	3,764	3,867	(103)
	Temp.	19	163	(144)
	Emerg.			
U.I.T.I.C.E.	Reg.	657	725	(68)
	Temp.			
U.E.P.I.	Reg.	318	326	(8)
	Temp.			
U.P.A.E.E.	Reg.	4	4	
	Temp.			
Total		<u>6,710</u>	<u>7,130</u>	<u>(420)</u>

II. FINANCIAL HIGHLIGHTS

A. Revenue data

1. Sales of electric energy per classes
(including unbilled adjustment)
(in thousands)

	FEBRUARY					
	Month			Fiscal Year-to-Date		
	2016	2015	Increase (Decrease) %	2015-16	2014-15	Increase (Decrease) %
kWh sales:						
Residential	445,498	426,690	4.4	4,290,066	4,185,512	2.5
Commercial	615,830	604,199	1.9	5,424,349	5,573,442	(2.7)
Industrial	176,095	168,001	4.8	1,561,920	1,537,189	1.6
Others	29,718	26,358	12.7	251,361	234,212	7.3
Total	<u>1,267,141</u>	<u>1,225,248</u>	3.4	<u>11,527,696</u>	<u>11,530,355</u>	
Basic revenues:						
Residential	26,547	26,348	0.8	245,034	233,469	5.0
Commercial	42,797	41,226	3.8	360,657	379,294	(4.9)
Industrial	8,035	7,711	4.2	70,251	70,136	0.2
Others	4,955	4,320	14.7	41,270	37,988	8.6
Total	<u>82,334</u>	<u>79,605</u>	3.4	<u>717,212</u>	<u>720,887</u>	(0.5)
Fuel adjustment:						
Residential	26,549	46,565	(43.0)	371,954	577,296	(35.6)
Commercial	37,896	64,614	(41.4)	472,022	738,649	(36.1)
Industrial	9,372	16,285	(42.5)	121,595	188,956	(35.6)
Others	1,619	2,992	(45.9)	22,242	32,984	(32.6)
Total	<u>75,436</u>	<u>130,456</u>	(42.2)	<u>987,813</u>	<u>1,537,885</u>	(35.8)
Purchased power:						
Residential	21,465	24,054	(10.8)	191,170	227,282	(15.9)
Commercial	29,486	33,672	(12.4)	237,559	297,099	(20.0)
Industrial	7,652	8,531	(10.3)	62,714	74,747	(16.1)
Others	1,452	1,576	(7.9)	11,480	12,899	(11.0)
Total	<u>60,055</u>	<u>67,833</u>	(11.5)	<u>502,923</u>	<u>612,027</u>	(17.8)
Total revenues:						
Residential	74,561	96,967	(23.1)	808,158	1,038,047	(22.1)
Commercial	110,179	139,512	(21.0)	1,070,238	1,415,042	(24.4)
Industrial	25,059	32,527	(23.0)	254,560	333,839	(23.7)
Others	8,026	8,888	(9.7)	74,992	83,871	(10.6)
Total	<u>217,825</u>	<u>277,894</u>	(21.6)	<u>2,207,948</u>	<u>2,870,799</u>	(23.1)

FEBRUARY						
	Month			Fiscal Year-to-Date		
	2016	2015	Increase (Decrease) %	2015-16	2014-15	Increase (Decrease) %
2. Cents per kWh						
Basic revenues:						
Residential	5.96	6.17	(3.4)	5.71	5.58	2.3
Commercial	6.95	6.82	1.9	6.65	6.81	(2.3)
Industrial	4.56	4.59	(0.7)	4.50	4.56	(1.3)
Others	16.67	16.39	1.7	16.42	16.22	1.2
Total	6.50	6.50		6.22	6.25	(0.5)
Fuel adjustment:						
Residential	5.96	10.92	(45.4)	8.67	13.79	(37.1)
Commercial	6.15	10.70	(42.5)	8.70	13.25	(34.3)
Industrial	5.32	9.69	(45.1)	7.78	12.30	(36.7)
Others	5.45	11.35	(52.0)	8.84	14.08	(37.2)
Total	5.95	10.64	(44.1)	8.57	13.34	(35.8)
Purchased power:						
Residential	4.82	5.64	(14.5)	4.46	5.43	(17.9)
Commercial	4.79	5.57	(14.0)	4.38	5.33	(17.8)
Industrial	4.35	5.08	(14.4)	4.02	4.86	(17.3)
Others	4.89	5.98	(18.2)	4.57	5.51	(17.1)
Total	4.74	5.54	(14.4)	4.36	5.31	(17.9)
Total revenues:						
Residential	16.74	22.73	(26.4)	18.84	24.80	(24.0)
Commercial	17.89	23.09	(22.5)	19.73	25.39	(22.3)
Industrial	14.23	19.36	(26.5)	16.30	21.72	(25.0)
Others	27.01	33.72	(19.9)	29.83	35.81	(16.7)
Total	17.19	22.68	(24.2)	19.15	24.90	(23.1)
3. Clients:						
Residential	1,328,227	1,327,563	0.1	1,326,622	1,328,335	(0.1)
Commercial	123,684	124,304	(0.5)	123,804	124,657	(0.7)
Industrial	636	653	(2.6)	642	657	(2.3)
Others	3,357	3,374	(0.5)	3,368	3,663	(8.1)
Total	<u>1,455,904</u>	<u>1,455,894</u>		<u>1,454,436</u>	<u>1,457,312</u>	(0.2)
4. Average kWh per client:						
Residential	335	321	4.4	3,234	3,151	2.6
Commercial	4,979	4,861	2.4	43,814	44,710	(2.0)
Industrial	276,879	257,276	7.6	2,432,897	2,339,709	4.0
Others	8,853	7,812	13.3	74,632	63,940	16.7
Total	870	842	3.4	7,926	7,912	0.2

II. FINANCIAL HIGHLIGHTS

A. Revenue data

1. Sales of electric energy per government classes
(in thousands)

	FEBRUARY					
	Month		Increase (Decrease) %	Fiscal Year-to-Date		Increase (Decrease) %
	2016	2015		2015-16	2014-15	
kWh sales:						
Residential	10	10		87	80	8.7
Commercial	199,955	205,930	(2.9)	1,621,005	1,750,082	(7.4)
Industrial						
Others	28,980	28,556	1.5	234,651	217,769	7.8
Total	<u>228,945</u>	<u>234,496</u>	(2.4)	<u>1,855,743</u>	<u>1,967,931</u>	(5.7)
Basic revenues:						
Residential	1	1		4	4	
Commercial	13,932	13,777	1.1	105,403	128,060	(17.7)
Industrial						
Others	5,001	4,975	0.5	40,310	36,989	9.0
Total	<u>18,934</u>	<u>18,753</u>	1.0	<u>145,717</u>	<u>165,053</u>	(11.7)
Fuel adjustment:						
Residential	1	1		8	12	(33.3)
Commercial	16,841	21,556	(21.9)	150,312	229,296	(34.4)
Industrial						
Others	2,235	3,214	(30.5)	21,293	31,800	(33.0)
Total	<u>19,077</u>	<u>24,771</u>	(23.0)	<u>171,613</u>	<u>261,108</u>	(34.3)
Purchased power:						
Residential	1	1		4	5	(20.0)
Commercial	9,282	11,084	(16.3)	69,821	95,395	(26.8)
Industrial						
Others	1,423	1,642	(13.3)	10,767	12,614	(14.6)
Total	<u>10,706</u>	<u>12,727</u>	(15.9)	<u>80,592</u>	<u>108,014</u>	(25.4)
Total revenues:						
Residential	3	3		16	21	(23.8)
Commercial	40,055	46,417	(13.7)	325,536	452,751	(28.1)
Industrial						
Others	8,659	9,831	(11.9)	72,370	81,403	(11.1)
Total	<u>48,717</u>	<u>56,251</u>	(13.4)	<u>397,922</u>	<u>534,175</u>	(25.5)
2. Service Agreements:						
Residential	14	15	(6.7)	14	16	(12.5)
Commercial	23,054	23,692	(2.7)	24,526	23,693	3.5
Industrial						
Others	2,909	1,951	49.1	3,109	1,929	61.2
Total	<u>25,977</u>	<u>25,658</u>	1.2	<u>27,649</u>	<u>25,638</u>	7.8

Statistical and financial data from the Government sector is segregated from the original sales reports (CC&B) prepared by Client Service Directorate.

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B. Result of operations-budget comparison
(in million dollars)

	FEBRUARY 2016					
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	82.0	82.3	0.4	743.2	717.2	(3.5)
Fuel adjustment	211.6	75.4	(64.4)	1,679.9	987.8	(41.2)
Purchased power	64.6	60.1	(7.0)	653.3	502.9	(23.0)
Revenues from sales	358.2	217.8	(39.2)	3,076.4	2,207.9	(28.2)
Other	2.7	1.1	(59.3)	21.7	16.8	(22.6)
Total revenues	360.9	218.9	(39.3)	3,098.1	2,224.7	(28.2)
Fuel	187.8	66.7	(64.5)	1,491.2	876.0	(41.3)
Purchased power	57.5	54.0	(6.1)	581.5	449.2	(22.8)
Other expenses	57.0	49.0	(14.0)	456.0	432.9	(5.1)
Total current expenses	302.3	169.7	(43.9)	2,528.7	1,758.1	(30.5)
1974 - sinking fund appropriations	49.2	52.9	7.5	377.8	429.0	13.6
Reserve Account	0.0	0.0		(172.2)	0.0	*
Rate Stabilization Fund	5.5	0.0	*	46.7	0.0	*
Interest on notes	4.3	4.1	(4.7)	34.4	35.8	4.1
Internal funds	(21.4)	0.0	*	93.2	0.0	*
Contribution to municipalities	17.7	(10.5)	*	162.8	(21.9)	*
Other appropriations	3.3	2.7	(18.2)	26.7	23.7	(11.2)
Total	360.9	218.9	(39.3)	3,098.1	2,224.7	(28.2)

EXPLANATION OF MAJOR VARIATIONS

1. The decrease in the fuel adjustment and expense for the fiscal year-to-date was due to lower cost of fuel than budgeted.
2. Purchased power revenue and expenses decreased for the fiscal year-to-date due to a lower availability from cogenerators than budgeted.
3. The other revenues for the fiscal year-to-date decreased due to a lower non operating income than budgeted.
4. The 1974 Sinking Fund appropriation have been accrued but not transferred. The Authority paid \$14.3 millions and \$173.8 millions in interest on Power Revenue Bonds for October 2015 and January 2016, respectively, from its operations.
5. Internal funds have been accrued but not paid nor transferred to the Construction Fund. Actual amounts are maintained as part of the General Fund, to provide a reserve for current expenses.
6. Contribution to municipalities for the fiscal year-to-date decreased due to the application of ceiling limits and the annual saving of 5% in accordance with Act 57-2014.
7. Other appropriations for the fiscal year-to-date decreased due to less funds assigned to residential clients'subsidy than budgeted.

*100% or over

C. Result of operations-as compared to last year
 (in million dollars)

	FEBRUARY					
	Month			Fiscal Year-to-Date		
	2016	2015	Increase (Decrease) %	2015-16	2014-15	Increase (Decrease) %
Basic charges	82.3	79.6	3.4	717.2	720.9	(0.5)
Fuel adjustment	75.4	130.5	(42.2)	987.8	1,537.9	(35.8)
Purchased power	60.1	67.8	(11.4)	502.9	612.0	(17.8)
Revenues from sales	217.8	277.9	(21.6)	2,207.9	2,870.8	(23.1)
Other	1.1	1.2	(8.3)	16.8	20.4	(17.6)
Total revenues	218.9	279.1	(21.6)	2,224.7	2,891.2	(23.1)
Fuel	66.7	115.9	(42.5)	876.0	1,368.3	(36.0)
Purchased power	54.0	60.3	(10.4)	449.2	546.1	(17.7)
Other expenses	49.0	52.6	(6.8)	432.9	440.6	(1.7)
Total current expenses	169.7	228.8	(25.8)	1,758.1	2,355.0	(25.3)
1974 - sinking fund appropriations	52.9	49.2	7.5	429.0	377.8	13.6
Reserve Account	0.0	0.0		0.0	(170.6)	*
Rate Stabilization Fund	0.0	4.0	*	0.0	43.3	*
Interest on notes	4.1	5.9	(30.5)	35.8	36.7	(2.5)
Internal funds	0.0	(29.7)	*	0.0	57.1	*
Contribution to municipalities	(10.5)	18.3	*	(21.9)	164.3	*
Other appropriations	2.7	2.6	3.8	23.7	27.6	(14.1)
Total	218.9	279.1	(21.6)	2,224.7	2,891.2	(23.1)

EXPLANATION OF MAJOR VARIATIONS

1. The decrease in the fuel adjustment and expense for the fiscal year-to-date was due to lower cost of fuel than prior year.
2. Purchased power revenue and expenses decreased for the fiscal year-to-date due to a lower availability from cogenerators than prior year.
3. The other revenues for the fiscal year-to-date decreased due to a lower non operating income than prior year.
4. The 1974 Sinking Fund appropriation for current fiscal year have been accrued but not paid nor transferred.
5. As provided by Act 57-2014, approved on May 27, 2014, PREPA is obligated to set aside 2% out of the 11% surcharge of fuel and purchase power to a Rate Stabilization Account. Such fund have been accrued but not paid to such fund.
6. Internal funds have been accrued but not paid nor transferred to the Construction Fund. Actual amounts are maintained as part of the General Fund, to provide a reserve for current expenses.
7. Contribution to municipalities for the fiscal year-to-date decreased due to the application of ceiling limits and the annual saving of 5% in accordance with Act 57-2014.
8. Other appropriations for the fiscal year-to-date decreased due to less funds assigned to residential clients' subsidy than prior year.

*100% or over

D. Notes Payable
(in thousand dollars)

FEBRUARY

Construction Financing

	2016	2015
1. Rehabilitation Isabela Dam (GDB):		
Line of credit	25,354	25,354
Amount received	713	713
Available balance	<u>24,641</u>	<u>24,641</u>
Debt outstanding balance	713	713
Maturity Date	June 30, 2018	
2. State Revolving Fund Program Aguirre Plant (AFICA):		
Line of credit	17,560	17,560
Amount received	0	0
Available balance	<u>17,560</u>	<u>17,560</u>
Debt outstanding balance	0	0
Maturity Date	June 30, 2033	
3. State Revolving Fund Program San Juan Plant (AFICA):		
Line of credit	9,463	9,463
Amount received	0	0
Available balance	<u>9,463</u>	<u>9,463</u>
Debt outstanding balance	0	0
Maturity Date	June 30, 2033	

Operational Financing

	2016	2015
1. Municipalities Settlement Agreement:		
Line of credit	64,208	64,208
Amount received	<u>64,208</u>	<u>64,208</u>
Available balance	<u>0</u>	<u>0</u>
Debt outstanding balance	0	0
Maturity Date	June 30, 2014	
2. Fuel Financing (Scotiabank):		
Line of credit	550,000	550,000
Amount received	<u>549,950</u>	<u>549,950</u>
Available balance	<u>50</u>	<u>50</u>
Debt outstanding balance	549,950	549,950
Maturity Date	August 14, 2014	
3. Fuel Financing (Citibank):		
Line of credit	150,000	150,000
Amount received	<u>146,042</u>	<u>146,042</u>
Available balance	<u>3,958</u>	<u>3,958</u>
Debt outstanding balance	146,042	146,042
Maturity Date	January 10, 2014	
4. Collateral SWAP - (GDB):		
Line of credit	100,000	100,000
Amount received	<u>35,133</u>	<u>35,133</u>
Available balance	<u>64,867</u>	<u>64,867</u>
Debt outstanding balance	35,133	35,133
Maturity Date	Dec. 31, 2014	

E. Capital Improvements Program
(in thousand dollars)

FEBRUARY 2016						
	Month **			Fiscal Year-to-Date***		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Production	6,720	3,991	(40.6)	53,757	22,980	(57.3)
Transmission	4,307	1,817	(57.8)	34,459	14,646	(57.5)
Distribution	7,114	6,070	(14.7)	56,908	52,364	(8.0)
Other	2,252	891	(60.4)	18,014	3,626	(79.9)
Total	20,393	12,769	(37.4)	163,138	93,616	(42.6)
Internal Funds****	(21,466)	0	*****	93,223	0	*****
Percentage of Internal Funds to Investment in Capital Improvements Programs*	-105%	0%		57%	0%	
Contribution AID for Construction		345			1,454	

	2016	2015
F. Highest debt coverage as of February 29 & 28	1.06	0.91

G. REA Projects

	Month	Fiscal Year-to-Date
Total investment	\$10,000	\$33,326
Families served	2	7

*A minimum in the internal funds contribution of 25% has been recommended by the Consulting Engineers.

**Monthly figures may vary significantly due to fluctuations in the availability of funds. For more accurate results, please refer to fiscal year-to-date figures.

***Includes monthly overhead allocation.

****Please refer to note 5, page 8 for more information.

*****100% or Over

STATISTICS OF ACCOUNTS RECEIVABLE FROM SALES OF ELECTRIC ENERGY
(in thousand dollars)

	FEBRUARY		Increase (Decrease) %
	2016	2015	
General clients	554,543	643,031	(13.8)
Government	1,298,903	963,229	34.8
Less: Accrued Contribution in Lieu of Taxes	1,065,423	737,201	44.5
Total Government, Net	233,480	226,028	3.3
Subtotal	788,023	869,059	(9.3)
Sales of electric energy (12 months)			
Revenues from sales	3,427,250	4,440,578	(22.8)
kWh (including subsidy)	17,277,418	17,311,190	(0.2)
Indicators:			
A. Ratio of accounts receivable to sales (%)	23.0	19.6	17.5
B. Ratio of accounts receivable to sales (%) (including subsidy)	22.9	19.5	17.4
C. Sales days in accounts receivable	84	71	17.5
D. Sales days in accounts receivable (including subsidy)	83	71	17.4
E. Ratio of collections to sales of electric energy:			
General clients:			
Sales	2,814,671	3,638,971	(22.7)
Collections	2,893,348	3,647,513	(20.7)
Percent	102.8	100.2	2.6
Government:			
Sales	612,579	801,607	(23.6)
Collections	404,036	525,015	(23.0)
Percent	66.0	65.5	0.7
Percent of total sales	96.2	94.0	2.4

* Excludes residential clients' subsidy of \$20,902 and \$22,292, for the 12 months ended February 2016 and February 2015, respectively.

PUERTO RICO ELECTRIC POWER AUTHORITY

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STATEMENT OF NET POSITION
ASSETS AND DEFERRED OUTFLOWS
(in thousands)

	February 29 2016	June 30 2015
Current assets:		
Cash and cash equivalents		
General fund	\$ 63,268	\$ 60,558
Reserve for current expenses	369,038	298,069
Revenue fund	13	13
Working funds	1,037	1,017
Total cash and cash equivalents	<u>433,356</u>	<u>359,657</u>
Accounts receivable (Exhibit A)	1,788,786	1,597,653
Fuel oil inventory	79,409	120,314
Materials and supplies inventory	173,280	183,809
Prepayments and other (Exhibit B)	17,298	3,793
Total current assets	<u>2,492,129</u>	<u>2,265,226</u>
Non current receivables (Exhibit A)	<u>108,959</u>	<u>108,959</u>
Restricted Assets		
Cash held by trustees	-	-
Investments held by trustees		
Sinking funds - Interest	3,707	53,842
Non current restricted deposits held by trustees	2,215	332,336
Total investment held by trustees	<u>5,922</u>	<u>386,178</u>
Construction fund and other		
Construction fund	40,757	163,380
Investment held by REA	1,107	1,106
Reserve maintenance fund	16,052	16,040
Other restricted fund	6,810	5,081
Total construction fund and other	<u>64,726</u>	<u>185,607</u>
Total restricted assets	<u>70,648</u>	<u>571,785</u>
Utility Plant		
Electric plant in service	12,625,305	12,495,368
Less: accumulated depreciation	6,961,388	6,730,621
Net electric plant in service	5,663,917	5,764,747
Construction work in progress, including preliminary surveys of 16,876 and 16,849	849,692	887,546
Total utility plant	<u>6,513,609</u>	<u>6,652,293</u>
Deferred debits:		
Unamortized debt expense	(5,941)	(3,627)
Other	35,510	34,078
Total deferred debits	<u>29,569</u>	<u>30,451</u>
Total assets	<u>9,214,914</u>	<u>9,628,714</u>
Deferred outflows of resources	<u>118,795</u>	<u>118,558</u>
Total Assets and Deferred Outflows	<u>\$ 9,333,709</u>	<u>\$ 9,747,272</u>

STATEMENT OF NET POSITION
LIABILITIES AND NET POSITION
(in thousands)

	February 29 2016	June 30 2015
Liabilities and net position		
Current Liabilities		
Notes payable to banks	\$ 731,838	\$ 731,838
Accounts payable and accrued liabilities (Exhibit C)	1,577,674	1,456,042
Customer deposits, including accrued interest	77,250	15,695
Total current liabilities	<u>2,386,762</u>	<u>2,203,575</u>
Current liabilities payable from restricted assets		
Current portion of long-term debt	236,808	452,119
Accrued interest payable on bonds and notes	77,363	211,192
Other current liabilities (Exhibit C)	37,594	42,255
Total current liabilities from restricted assets	<u>351,765</u>	<u>705,566</u>
Non current liabilities		
Power revenue bonds, net of unamortized debt discount of (46,256) and (46,493)	8,049,284	8,048,536
Non current portion, accounts payable and accrued sick leave	114,518	114,518
Accrued unfunded OPEB	132,240	127,016
Customer deposits - noncurrent	<u>168,855</u>	<u>168,855</u>
Total noncurrent liabilities	<u>8,464,897</u>	<u>8,458,925</u>
Total liabilities	<u>11,203,424</u>	<u>11,368,066</u>
Total net position (Deficit)	<u>(1,869,715)</u>	<u>(1,620,794)</u>
Total Liabilities and Net Position	<u>\$ 9,333,709</u>	<u>\$ 9,747,272</u>

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
(in thousands)

	MONTH		
	Budget February 2016	Actual February 2016	Actual February 2015
Operating revenues:			
Sales of electric energy	\$ 358,187	\$ 217,825	\$ 277,894
Total operating revenues	<u>358,187</u>	<u>217,825</u>	<u>277,894</u>
Other income	<u>3,014</u>	<u>1,082</u>	<u>1,357</u>
Total revenues	<u>361,201</u>	<u>218,907</u>	<u>279,251</u>
Expenses:			
Fuel cost	187,792	66,715	115,938
Purchased power	57,538	54,004	60,288
Other production	4,734	4,121	4,440
Transmission and distribution	11,431	9,938	11,606
Maintenance	16,377	11,884	12,360
Customer accounting and collection	8,600	7,332	8,634
Administrative and general	<u>15,859</u>	<u>15,718</u>	<u>15,546</u>
Subtotal expenses by function	302,331	169,712	228,812
Other post - employment benefits	653	653	653
Depreciation	28,787	30,876	29,869
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	38,081	38,319	39,707
Contribution to municipalities	10,911	16,138	18,260
Other appropriations	3,334	2,699	2,574
Bond discount and defeasance amortization	<u>137</u>	<u>399</u>	<u>137</u>
Total expenses	<u>384,234</u>	<u>258,796</u>	<u>320,012</u>
Contributed capital	<u>2,165</u>	<u>704</u>	<u>783</u>
Changes in net position	<u>\$ (20,868)</u>	<u>\$ (39,185)</u>	<u>\$ (39,978)</u>

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
(in thousands)

	FISCAL YEAR		
	Budget February 2016	Actual February 2016	Actual February 2015
Operating revenues:			
Sales of electric energy	\$ 3,076,396	\$ 2,207,948	\$ 2,870,799
Total operating revenues	<u>3,076,396</u>	<u>2,207,948</u>	<u>2,870,799</u>
Other income	<u>24,111</u>	<u>17,435</u>	<u>21,928</u>
Total revenues	<u>3,100,507</u>	<u>2,225,383</u>	<u>2,892,727</u>
Expenses:			
Fuel cost	1,491,240	875,990	1,368,268
Purchased power	581,457	449,234	546,110
Other production	37,877	37,954	38,587
Transmission and distribution	91,447	96,280	100,429
Maintenance	131,016	109,621	108,458
Customer accounting and collection	68,801	62,262	68,796
Administrative and general	<u>126,869</u>	<u>126,718</u>	<u>124,357</u>
Subtotal expenses by function	2,528,707	1,758,059	2,355,005
Other post - employment benefits	5,224	5,224	5,224
Depreciation	230,293	245,947	237,394
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	304,649	310,705	306,938
Contribution to municipalities	149,309	131,716	164,258
Other appropriations	26,672	23,685	27,598
Bond discount and defeasance amortization	<u>1,099</u>	<u>5,754</u>	<u>1,099</u>
Total expenses	<u>3,245,953</u>	<u>2,481,090</u>	<u>3,097,516</u>
Contributed capital	<u>17,320</u>	<u>6,786</u>	<u>17,368</u>
Changes in net position	<u>\$ (128,126)</u>	<u>\$ (248,921)</u>	<u>\$ (187,421)</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

STATEMENTS OF REVENUES AND EXPENSES FOR REVENUE FUND
PURPOSES PER TRUST AGREEMENT
(in thousands)

	MONTH		
	Budget February 2016	Actual February 2016	Actual February 2015
Revenues:			
Sales of electric energy (Exhibit D)	\$ 358,187	\$ 217,825	\$ 277,894
Total operating revenues	358,187	217,825	277,894
Other income	3,014	1,082	1,357
Total revenues	361,201	218,907	279,251
Less: 1974 construction fund investment income and gain on sale of properties	295	32	192
Revenues - net	360,906	218,875	279,059
Current expenses:			
Fuel cost	187,792	66,715	115,938
Purchased power	57,538	54,004	60,288
Other production	4,734	4,121	4,440
Transmission and distribution	11,431	9,938	11,606
Maintenance	16,377	11,884	12,360
Customer accounting and collection	8,600	7,332	8,634
Administrative and general	15,859	15,718	15,546
Total current expenses	302,331	169,712	228,812
Net revenues (as defined)	58,575	49,163	50,247
Contractual obligations:			
Sinking fund appropriations -			
Interest on power revenue bonds (1)	31,324	34,267	31,324
Bond redemption accoun (1)	17,868	18,670	17,867
Rate Stabilization Account	5,525	-	3,966
Interest on notes	4,304	4,052	5,929
Capital Improvements fund	(21,466)	-	(29,673)
Total contractual obligations	37,555	56,989	29,413
Balance	21,020	(7,826)	20,834
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	17,686	(10,525)	18,260
Other	3,334	2,699	2,574
Total provision for contribution and other	21,020	(7,826)	20,834
Remainder	\$ -	\$ -	\$ -

Footnotes:

1. The 1974 Sinking Fund Appropriation have been accrued but not transferred.

The Authority paid \$14.3 million and \$173.8 million in interest on Power Revenue Bonds for October 2015 and January 2016, respectively, from its operations.

2. Internal funds have been accrued but not paid, nor transferred to Construction Fund.

Actual amounts are maintained as part of General Fund, to provide a Reserve for Current Expenses.

STATEMENTS OF REVENUES AND EXPENSES FOR REVENUE FUND
 PURPOSES PER TRUST AGREEMENT
 (in thousands)

	FISCAL YEAR - TO DATE			TWELVE MONTHS ENDED		
	Budget February 2016	Actual February 2016	Actual February 2015	Budget June 2016	Actual February 2016	Actual February 2015
Revenues:						
Sales of electric energy (Exhibit D)	\$ 3,076,396	\$ 2,207,948	\$ 2,870,799	\$ 4,598,098	\$ 3,427,250	\$ 4,440,577
Total operating revenues	3,076,396	2,207,948	2,870,799	4,598,098	3,427,250	4,440,577
Other income	24,111	17,435	21,928	62,150	19,436	(177,142)
Total revenues	3,100,507	2,225,383	2,892,727	4,660,248	3,446,686	4,263,435
Less: 1974 construction fund investment income and gain on sale of properties	2,360	727	1,542	29,520	1,370	3,461
Revenues - net	3,098,147	2,224,656	2,891,185	4,630,728	3,445,316	4,259,974
Current expenses:						
Fuel cost	1,491,240	875,990	1,368,268	2,225,325	1,401,579	2,156,503
Purchased power	581,457	449,234	546,110	871,976	692,439	837,303
Other production	37,877	37,954	38,587	51,198	57,008	58,733
Transmission and distribution	91,447	96,280	100,429	130,305	142,885	153,286
Maintenance	131,016	109,621	108,458	194,345	163,569	167,444
Customer accounting and collection	68,801	62,262	68,796	101,581	91,357	104,591
Administrative and general	126,869	126,718	124,357	206,588	198,652	183,103
Interest charges	-	-	-	-	-	28
Total current expenses	2,528,707	1,758,059	2,355,005	3,781,318	2,747,489	3,660,991
Net revenues (as defined)	569,440	466,597	536,180	849,410	697,827	598,983
Contractual obligations:						
Sinking fund appropriations -						
Interest on power revenue bonds (1)	234,856	254,472	234,855	360,153	379,769	354,690
Bond redemption account (1)	142,940	174,554	142,940	214,410	246,024	211,042
Reserve Account Fund (1)	(172,207)	-	(170,560)	(172,207)	(236,785)	(212,041)
Rate Stabilization Account	46,665	-	43,275	69,733	17,283	43,275
Interest on notes	34,432	35,847	36,721	51,650	54,210	42,043
Capital Improvements fund	93,223	-	57,093	21,422	152,742	42,254
Total contractual obligations	379,909	464,873	344,324	545,161	613,243	481,263
Balance	189,531	1,724	191,856	304,249	84,584	117,720
Provision for Contribution in Lieu of Taxes and other appropriations						
Contribution to municipalities	162,859	(21,961)	164,258	264,235	47,530	71,628
Other	26,672	23,685	27,598	40,014	37,054	46,092
Total provision for contribution and other	189,531	1,724	191,856	304,249	84,584	117,720
Remainder	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Footnotes:

- The 1974 Sinking Fund Appropriation have been accrued but not transferred. The Authority paid \$14.3 million and \$173.8 million in interest on Power Revenue Bonds for October 2015 and January 2016, respectively, from its operations.
- Internal funds have been accrued but not paid, nor transferred to Construction Fund. Actual amounts are maintained as part of General Fund, to provide a Reserve for Current Expenses.

NET POSITION
(in thousands)

	February 2016	June 2015
Net Position		
Invested in utility plant, net related debt	\$ (672,748)	\$ (746,314)
Restricted for capital activity and debt service	(583,162)	(220,515)
Unrestricted	<u>(613,805)</u>	<u>(653,965)</u>
Total net position	<u>\$ (1,869,715)</u>	<u>\$ (1,620,794)</u>

ACCOUNTS RECEIVABLE
(in thousands)

Exhibit A

	February 2016	June 2015
Electric and related services:		
General clients	\$ 840,025	\$ 855,241
Recoveries under fuel adjustment and purchase power clause under or (over) billed	1,017	5,312
Unbilled services	130,379	176,611
Allowance for uncollectible accounts	<u>(416,878)</u>	<u>(410,738)</u>
Total General Clients	<u>554,543</u>	<u>626,426</u>
Government, including current and non current (1)	1,298,903	1,031,375
Claims Receivable from Insurance Companies & Other	29,819	29,819
Advances to Irrigation Systems - net	9,966	16,274
Accrued interest	2,057	2,639
Other	<u>2,457</u>	<u>79</u>
Total Accounts Receivable	<u>1,897,745</u>	<u>1,706,612</u>
Less: Government Account Receivable, non current portion	<u>108,959</u>	<u>108,959</u>
Total Accounts Receivable, current portion	<u><u>\$ 1,788,786</u></u>	<u><u>\$ 1,597,653</u></u>

(1) Excludes CILT set aside during fiscal year 2015-2016 and 2014-2015.

PREPAYMENTS AND OTHER
(in thousands)

Exhibit B

	February 2016	June 2015
Claims Outstanding Related to Property Damages	\$ 353	\$ 352
Prepayments and other	<u>16,945</u>	<u>3,441</u>
Total	<u>\$ 17,298</u>	<u>\$ 3,793</u>

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (in thousands)

Exhibit C

	February 2016	June 2015
Accounts payable - fuel oil and other	\$ 402,514	\$ 521,779
Accrued annual leave	51,956	55,329
Accrued sick leave	10,558	22,962
Accrued salaries and fringe benefits	2,306	4,175
Accrued Contribution in Lieu of Taxes (1)	1,065,422	806,692
Reserve for injuries and damages	8,533	6,704
Accrued Contributions Federal Social Security	251	1,526
Income tax withheld at source	-	872
Pension & Benefits Deferred Employer Contribution	15,014	15,014
Other	21,120	20,989
Sub total current liabilities	<u>1,577,674</u>	<u>1,456,042</u>
Other current payables from restricted assets		
Retention on Contract Work	5,587	5,734
Vouchered A/P construction	1,286	6,316
Contribution aid to construction	<u>30,721</u>	<u>30,205</u>
Total other current payables from restricted assets	<u>37,594</u>	<u>42,255</u>
Total current Liabilities	<u>1,615,268</u>	<u>1,498,297</u>
NON-CURRENT LIABILITIES		
Accrued sick leave	114,518	114,518
Accrued Unfunded OPEB	<u>132,240</u>	<u>127,016</u>
Total non current liabilities	<u>246,758</u>	<u>241,534</u>
Total accounts payables and non current liabilities	<u>\$ 1,862,026</u>	<u>\$ 1,739,831</u>

(1) Excludes CILT set aside during fiscal year 2015-2016 and 2014-2015.

PUERTO RICO ELECTRIC POWER AUTHORITY
SALES OF ELECTRIC ENERGY
FEBRUARY 2016

Exhibit D

Class of Service	CLIENTS		KWHRS (in thousands)			
	Billed	Total	Billed	MONTHLY Unbilled	Adjustment*	Total
Residential	1,328,227	1,328,227	485,552	298,553	(338,607)	445,498
Commercial	123,684	123,684	639,777	383,280	(407,227)	615,830
Industrial	636	636	180,443	110,595	(114,943)	176,095
Public lighting	2,168	2,168	26,291	8,746	(9,841)	25,196
Other public authorit	2	2	2,781	1,289	(1,559)	2,511
Agricultural	1,187	1,187	2,061	1,286	(1,336)	2,011
Subtotal	1,455,904	1,455,904	1,336,905	803,749	(873,513)	1,267,141
Fuel oil adjustment						
Purchased power						
Subtotal	1,455,904	1,455,904	1,336,905	803,749	(873,513)	1,267,141
Unrecovered fuel oil cost-net						
Unrecovered purchased power cost-net						
Total	1,455,904	1,455,904	1,336,905	803,749	(873,513)	1,267,141

FISCAL YEAR-TO-DATE

Class of Service	Average Clients	Kwhrs. (thousands)	Revenue (thousand \$)	Kwhrs. per Client	Cents per Kwhr. Sold
Residential	1,326,622	4,290,066	245,034	3,234	5.71
Commercial	123,804	5,424,349	360,657	43,814	6.65
Industrial	642	1,561,920	70,251	2,432,897	4.50
Public lighting	2,173	208,769	39,056	96,074	18.71
Other public authorit	2	25,224	1,105	12,612,000	4.38
Agricultural	1,193	17,368	1,110	14,558	6.39
Subtotal	1,454,436	11,527,696	717,213	7,926	6.22
Fuel oil adjustment			990,964		8.57
Purchased Power			504,074		4.36
Subtotal	1,454,436	11,527,696	2,212,251	7,926	19.19
Unrecovered fuel oil cost-net			(3,151)		
Unrecovered purchased Power cost-net			(1,151)		
Total	1,454,436	11,527,696	2,207,949	7,926	19.15

*Unbilled previous month.

SALES OF ELECTRIC ENERGY

FEBRUARY 2016

Exhibit D

Class of Service	REVENUES (in thousand \$)				Kwhrs. per Client	Cents per Kwhr. Sold
	Billed	MONTHLY Unbilled	Adjustment*	Total		
Residential	28,279	12,143	(13,875)	26,547	335	5.96
Commercial	44,417	25,123	(26,743)	42,797	4,979	6.95
Industrial	8,375	4,990	(5,330)	8,035	276,879	4.56
Public lighting	4,900	1,524	(1,714)	4,710	11,622	18.69
Other public authorities	124	57	(67)	114	1,255,840	4.54
Agricultural	134	69	(72)	131	1,694	6.51
Subtotal	86,229	43,906	(47,801)	82,334	870	6.50
Fuel oil adjustment	100,474	49,732	(56,345)	93,861		5.95
Purchased power	62,508	36,741	(40,818)	58,431		4.74
Subtotal	249,211	130,379	(144,964)	234,626	870	18.52
				(18,424)		
				1,623		
Total	249,211	130,379	(144,964)	217,825	870	17.19