
MONTHLY REPORT
TO THE GOVERNING BOARD
OCTOBER 2016

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PUERTO RICO ELECTRIC POWER AUTHORITY

I. OPERATIONS HIGHLIGHTS

A. Production

	OCTOBER		Increase (Decrease) %
	2016-17	2015-16	
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	1,183,440	1,447,740	(18.3)
PREPA - Hydro	12,657	6,801	86.1
Purchased power - gas	299,841	227,293	31.9
Purchased power - coal	293,391	167,879	74.8
Renewable Energy	15,784	19,171	(17.7)
Total	1,805,113	1,868,884	(3.4)
Fiscal year-to-date:			
PREPA - Steam and gas	4,788,844	5,200,417	(7.9)
PREPA - Hydro	30,687	21,615	42.0
Purchased power - gas	1,196,207	977,728	22.3
Purchased power - coal	1,103,264	1,093,986	0.8
Renewable Energy	104,202	112,203	(7.1)
Total	7,223,204	7,405,949	(2.5)
Twelve months:			
PREPA - Steam and gas	13,665,852	14,017,643	(2.5)
PREPA - Hydro	63,698	51,424	23.9
Purchased power - gas	3,445,775	2,947,391	16.9
Purchased power - coal	3,224,115	3,547,346	(9.1)
Renewable Energy	317,624	315,585	0.6
Total	20,717,064	20,879,389	(0.8)
2. Maximum hourly peak load (in MW)			
Month	2,955	3,080	(4.1)
Fiscal year-to-date	3,087	3,080	0.2
Twelve months	3,087	3,080	0.2
3. Sales (kWh in thousands)			
Month:			
Billed	1,447,349	1,515,120	(4.5)
Days billed	30.0	30.0	
Fiscal year-to-date:			
Billed	6,018,686	6,007,671	0.2
Days billed	121.0	121.0	
Twelve months:			
Billed	17,284,392	17,122,576	0.9
Days billed	364.0	365.0	(0.3)
4. System efficiency (%)			
Month	78.7	85.3	(7.8)
Fiscal year-to-date	83.9	82.5	1.7
Twelve months	83.5	82.6	1.1
5. Average cost per barrel (\$)			
Month	55.37	56.36	(1.8)
Fiscal year-to-date	54.28	60.29	(10.0)
Twelve months	49.75	69.32	(28.2)
6. kWh/Barrel			
Month	616.05	580.49	6.1
Fiscal year-to-date	603.59	595.15	1.4
Twelve months	610.14	612.79	(0.4)
7. Heat rate (BTU/kWh)			
Month	10,720	11,211	(4.4)
Fiscal year-to-date	10,799	10,995	(1.8)
Twelve months	10,735	10,794	(0.5)

8. Fuel consumption
(in thousands)

	2016-17		2015-16		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	951	48,678	1,243	61,228	(23.5)	(20.5)
Gas	446	32,309	706	51,696	(36.8)	(37.5)
Natural Gas	524	25,440	545	27,624	(3.9)	(7.9)
Total	<u>1,921</u>	<u>106,427</u>	<u>2,494</u>	<u>140,548</u>	(23.0)	(24.3)
Fiscal year-to-date:						
Steam	3,536	175,238	4,693	259,985	(24.7)	(32.6)
Gas	2,450	165,944	2,019	159,840	21.3	3.8
Natural Gas	1,948	89,484	2,026	106,961	(3.8)	(16.3)
Total	<u>7,934</u>	<u>430,666</u>	<u>8,738</u>	<u>526,786</u>	(9.2)	(18.2)
Twelve months:						
Steam	10,893	481,733	13,650	898,014	(20.2)	(46.4)
Gas	5,693	370,087	3,962	348,953	43.7	6.1
Natural Gas	5,812	262,567	5,263	338,618	10.4	(22.5)
Total	<u>22,398</u>	<u>1,114,387</u>	<u>22,875</u>	<u>1,585,585</u>	(2.1)	(29.7)

OCTOBER

			Increase (Decrease) %	
	2016	2015		
B. Client Service				
1. Service complaints per thousand clients	3.70	6.30		(41.3)
2. Disconnections for nonpayment per thousand clients	8.25	12.26		(32.7)
C. Distribution System				
1. Interruption frequency index				
Total interruptions per thousand clients served	0.40	0.36		8.7
2. Interruption duration index				
Average interruption time per clients served (minutes)	81.42	68.11		19.5
3. Clients per interruption	179	192		(6.3)
4. Time per interruption (minutes)	416	355		17.1

D. Personnel

		OCTOBER		Increase (Decrease)
		2016	2015	
Management Conf. / Carr.	Reg.	1,922	1,942	(20)
	Temp.	29	31	(2)
U.T.I.E.R.	Reg.	3,632	3,695	(63)
	Temp.	15	155	(140)
U.I.T.I.C.E.	Reg.	631	679	(48)
	Temp.			
U.E.P.I.	Reg.	307	322	(15)
	Temp.			
U.P.A.E.E.	Reg.	4	4	0
	Temp.	1	0	1
Total		<u>6,541</u>	<u>6,828</u>	<u>(287)</u>

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	OCTOBER					
	Month			Fiscal Year-to-Date		
	2016	2015	Increase (Decrease) %	2016-17	2015-16	Increase (Decrease) %
kWh sales:						
Residential	537,649	603,370	(10.9)	2,350,247	2,324,939	1.1
Commercial	671,228	753,607	(10.9)	2,816,336	2,841,744	(0.9)
Industrial	179,819	201,612	(10.8)	764,165	814,029	(6.1)
Others	32,288	36,502	(11.5)	130,338	130,341	(0.0)
Total	<u>1,420,984</u>	<u>1,595,091</u>	(10.9)	<u>6,061,086</u>	<u>6,111,053</u>	(0.8)
Basic revenues:						
Residential	30,127	33,788	(10.8)	129,498	131,304	(1.4)
Commercial	47,097	50,764	(7.2)	186,557	181,587	2.7
Industrial	9,053	9,482	(4.5)	35,712	37,502	(4.8)
Others	5,591	5,556	0.6	21,227	20,848	1.8
Total	<u>91,868</u>	<u>99,590</u>	(7.8)	<u>372,994</u>	<u>371,241</u>	0.5
Provisional rate:						
Residential	6,898	0	*	21,766	0	*
Commercial	8,855	0	*	27,384	0	*
Industrial	2,384	0	*	7,323	0	*
Others	399	0	*	1,247	0	*
Total	<u>18,536</u>	<u>0</u>	*	<u>57,720</u>	<u>0</u>	*
Fuel adjustment:						
Residential	45,836	61,235	(25.1)	191,186	229,287	(16.6)
Commercial	57,361	75,376	(23.9)	227,627	279,114	(18.4)
Industrial	13,940	18,385	(24.2)	56,254	71,904	(21.8)
Others	2,973	3,519	(15.5)	10,897	13,316	(18.2)
Total	<u>120,110</u>	<u>158,515</u>	(24.2)	<u>485,964</u>	<u>593,621</u>	(18.1)
Purchased power:						
Residential	25,045	21,364	17.2	103,124	101,384	1.7
Commercial	31,087	26,252	18.4	123,461	121,171	1.9
Industrial	7,622	6,412	18.9	30,764	31,955	(3.7)
Others	1,612	1,463	10.2	6,133	5,968	2.8
Total	<u>65,366</u>	<u>55,491</u>	17.8	<u>263,482</u>	<u>260,478</u>	1.2
Total revenues:						
Residential	107,906	116,387	(7.3)	445,574	461,975	(3.6)
Commercial	144,400	152,392	(5.2)	565,029	581,872	(2.9)
Industrial	32,999	34,279	(3.7)	130,053	141,361	(8.0)
Others	10,575	10,538	0.4	39,504	40,132	(1.6)
Total	<u>295,880</u>	<u>313,596</u>	(5.6)	<u>1,180,160</u>	<u>1,225,340</u>	(3.7)

*100% or over

OCTOBER						
Month			Fiscal Year-to-Date			
2016	2015	Increase (Decrease) %	2016-17	2015-16	Increase (Decrease) %	
2. Cents per kWh						
Basic revenues:						
Residential	5.60	5.60	0.0	5.51	5.65	(2.5)
Commercial	7.02	6.74	4.2	6.62	6.39	3.6
Industrial	5.03	4.70	7.0	4.67	4.61	1.3
Others	17.32	15.22	13.8	16.29	15.99	1.9
Total	6.47	6.24	3.7	6.15	6.07	1.3
Provisional rate:						
Residential	1.28	0.00	*	0.93	0.00	*
Commercial	1.32	0.00	*	0.97	0.00	*
Industrial	1.33	0.00	*	0.96	0.00	*
Others	1.24	0.00	*	0.96	0.00	*
Total	1.30	0.00	*	0.95	0.00	*
Fuel adjustment:						
Residential	8.53	10.15	(16.0)	8.13	9.86	(17.5)
Commercial	8.54	10.00	(14.6)	8.09	9.83	(17.7)
Industrial	7.75	9.12	(15.0)	7.36	8.83	(16.6)
Others	9.20	9.64	(4.6)	8.35	10.22	(18.3)
Total	8.45	9.94	(15.0)	8.02	9.72	(17.5)
Purchased power:						
Residential	4.66	3.54	31.6	4.39	4.36	0.7
Commercial	4.63	3.48	33.0	4.38	4.26	2.8
Industrial	4.24	3.18	33.3	4.03	3.93	2.5
Others	4.99	4.01	24.4	4.71	4.58	2.8
Total	4.60	3.48	32.2	4.35	4.26	2.1
Total revenues:						
Residential	20.07	19.29	4.0	18.96	19.87	(4.6)
Commercial	21.51	20.22	6.4	20.06	20.48	(2.1)
Industrial	18.35	17.00	7.9	17.02	17.37	(2.0)
Others	32.75	28.87	13.4	30.31	30.79	(1.6)
Total	20.82	19.66	5.9	19.47	20.05	(2.9)
3. Clients:						
Residential	1,334,555	1,325,203	0.7	1,333,351	1,325,781	0.6
Commercial	123,858	123,638	0.2	123,813	123,897	(0.1)
Industrial	625	643	(2.8)	628	647	(2.9)
Others	3,364	3,365	(0.0)	3,372	3,376	(0.1)
Total	<u>1,462,402</u>	<u>1,452,849</u>	0.7	<u>1,461,164</u>	<u>1,453,701</u>	0.5
4. Average kWh per client:						
Residential	403	455	(11.5)	1,763	1,754	0.5
Commercial	5,419	6,095	(11.1)	22,747	22,936	(0.8)
Industrial	287,710	313,549	(8.2)	1,216,823	1,258,159	(3.3)
Others	9,598	10,848	(11.5)	38,653	38,608	0.1
Total	972	1,098	(11.5)	4,148	4,204	(1.3)

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	OCTOBER					
	Month		Increase (Decrease) %	Fiscal Year-to-Date		Increase (Decrease) %
	2016	2015		2016-17	2015-16	
kWh sales:						
Residential	11	11	0.0	47	47	0.0
Commercial	171,241	208,356	(17.8)	794,192	803,403	(1.1)
Industrial	-	-	-	-	-	-
Others	27,284	31,058	(12.2)	116,724	119,057	(2.0)
Total	198,536	239,425	(17.1)	910,963	922,507	(1.3)
Basic revenues:						
Residential	1	1	0.0	2	2	0.0
Commercial	14,275	14,107	1.2	50,685	47,933	5.7
Industrial	-	-	-	-	-	-
Others	4,991	5,088	(1.9)	19,932	20,216	(1.4)
Total	19,267	19,196	0.4	70,619	68,151	3.6
Provisional rate:						
Residential	0	0	0.0	0	0	0.0
Commercial	2,727	0	*	8,312	0	*
Industrial	-	-	-	-	-	-
Others	371	0	*	1,117	0	*
Total	3,098	0	*	9,429	0	*
Fuel adjustment:						
Residential	1	1	0.0	4	5	(20.0)
Commercial	16,567	21,475	(22.9)	63,389	77,567	(18.3)
Industrial	-	-	-	-	-	-
Others	2,419	3,267	(26.0)	9,530	11,508	(17.2)
Total	18,987	24,743	(23.3)	72,923	89,080	(18.1)
Purchased power:						
Residential	0	0	0.0	2	2	0.0
Commercial	8,738	6,820	28.1	34,485	33,610	2.6
Industrial	-	-	-	-	-	-
Others	1,278	1,095	16.7	5,207	5,329	(2.3)
Total	10,016	7,915	26.5	39,694	38,941	1.9
Total revenues:						
Residential	2	2	0.0	8	9	(11.1)
Commercial	42,307	42,402	(0.2)	156,871	159,110	(1.4)
Industrial	-	-	-	-	-	-
Others	9,059	9,450	(4.1)	35,786	37,053	(3.4)
Total	51,368	51,854	(0.9)	192,666	196,172	(1.8)
2. Service Agreements:						
Residential	14	14	0.0	18	14	28.6
Commercial	21,539	26,063	(17.4)	27,398	24,768	10.6
Industrial	-	-	-	-	-	-
Others	2,933	3,519	(16.7)	3,611	3,122	15.7
Total	24,486	29,596	(17.3)	31,027	27,904	11.2

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

*100% or Over.

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

	OCTOBER 2016					
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	97.6	91.9	(5.8)	385.8	373.0	(3.3)
Fuel adjustment	76.1	120.1	57.8	301.9	485.9	60.9
Purchased power	76.2	65.4	(14.2)	307.0	263.5	(14.2)
Provisional rate	0.0	18.5	*	0.0	57.7	*
Revenues from sales	249.9	295.9	18.4	994.7	1,180.1	18.6
Other	(1.9)	(2.8)	47.4	(7.9)	(8.9)	12.7
Total revenues	248.0	293.1	18.2	986.8	1,171.2	18.7
Fuel	57.4	106.4	85.4	227.7	430.7	89.2
Purchased power	67.9	58.9	(13.3)	273.3	236.0	(13.6)
Other expenses	52.2	58.2	11.5	208.8	223.3	6.9
Total current expenses	177.5	223.5	25.9	709.8	890.0	25.4
1974 - sinking fund appropriations	17.7	55.7	*	70.8	207.6	*
Reserve Account	0.0	0.0	0.0	0.0	0.0	0.0
Rate Stabilization Fund	0.0	0.0	0.0	0.0	0.0	0.0
Interest on notes	3.3	4.5	36.4	13.2	17.8	34.8
Internal funds	30.5	0.0	*	117.1	0.8	(99.3)
Contribution to municipalities	4.5	(1.7)	*	17.6	8.7	(50.6)
Other appropriations	14.5	11.1	(23.4)	58.3	46.3	(20.6)
Total	248.0	293.1	18.2	986.8	1,171.2	18.7

EXPLANATION OF MAJOR VARIATIONS

1. The increase in the fuel adjustment and expense for the fiscal year-to-date was due to higher 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. On July 24, 2016, the Energy Commission approved the provisional rate.
4. The other revenues for the fiscal year-to-date increased due to a higher non operating income than budgeted.
5. The 1974 Sinking Fund appropriation have been accrued but not paid nor transferred.
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 4-2016.

*100% or over

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

	OCTOBER					
	Month			Fiscal Year-to-Date		
	2016	2015	Increase (Decrease) %	2016-17	2015-16	Increase (Decrease) %
Basic charges	91.9	99.6	(7.7)	373.0	371.2	0.5 ¹
Fuel adjustment	120.1	158.5	(24.2)	485.9	593.6	(18.1) ²
Purchased power	65.4	55.5	17.8	263.5	260.5	1.2 ³
Provisional rate	18.5	0.0	*	57.7	0.0	*
Revenues from sales	295.9	313.6	(5.6)	1,180.1	1,225.3	(3.7) ⁴
Other	(2.8)	2.7	*	(8.9)	4.2	*
Total revenues	293.1	316.3	(7.3)	1,171.2	1,229.5	(4.7) ¹
Fuel	106.4	140.6	(24.3)	430.7	526.8	(18.2) ²
Purchased power	58.9	50.0	17.8	236.0	233.4	1.1
Other expenses	58.2	57.5	1.2	223.3	226.2	(1.3)
Total current expenses	223.5	248.1	(9.9)	890.0	986.4	(9.8) ⁵
1974 - sinking fund appropriations	55.7	54.8	1.6	207.6	212.9	(2.5)
Reserve Account	0.0	0.0	0.0	0.0	0.0	0.0 ⁶
Rate Stabilization Fund	0.0	4.3	*	0.0	17.1	*
Interest on notes	4.5	4.5	0.0	17.8	18.5	(3.8) ⁷
Internal funds	0.0	(16.1)	*	0.8	(82.0)	*
Contribution to municipalities	(1.7)	18.0	*	8.7	66.8	(87.0) ⁸
Other appropriations	11.1	2.7	*	46.3	9.8	*
Total	293.1	316.3	(7.3)	1,171.2	1,229.5	(4.7) ⁹

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. On July 24, 2016, the Energy Commission approved the provisional rate, which it is an increase to all classes of clients by 1.299 cents per kWh.
4. The other revenues for the fiscal year-to-date decreased due to a lower non operating income than prior year.
5. The 1974 Sinking Fund appropriation for current fiscal year have been accrued but not paid nor transferred.
6. Until December 31, 2015, PREPA was obligated to set aside 2% out of the 11% surcharge of fuel and purchase power to a Rate Stabilization Account. Such fund was accrued but not paid.
7. 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.
8. 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 4-2016.
9. Other appropriations for the fiscal year-to-date increased due a reclass of public lighting from Contribution to municipalities to other appropriation (subsidies) per Act 4-2016.

*100% or over

D. Notes Payable
(in thousand dollars)

OCTOBER

Construction Financing

	<u>2016</u>	<u>2015</u>
1. Rehabilitation Isabela Dam (GDB):		
Line of credit	25,354	25,354
Amount received	<u>713</u>	<u>713</u>
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 & San Juan Plant (AFICA):		
Line of credit	27,023	27,023
Amount received	<u>1,126</u>	<u>0</u>
Available balance	<u>25,897</u>	<u>27,023</u>
Debt outstanding balance	1,126	0
Maturity Date	June 30, 2033	

Operational Financing

	<u>2016</u>	<u>2015</u>
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 amount	<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	December 31, 2014	

E. Capital Improvements Program
(in thousand dollars)

OCTOBER 2016						
	Month **			Fiscal Year-to-Date***		
	Budget	Actual	Increase (Decrease)	Budget	Actual	Increase (Decrease)
			%			%
Production	6,936	6,645	(4.2)	27,745	16,240	(41.5)
Transmission	6,772	3,452	(49.0)	27,090	11,811	(56.4)
Distribution	6,161	3,088	(49.9)	24,645	10,701	(56.6)
Other	8,177	571	(93.0)	32,706	1,712	(94.8)
Total	<u>28,046</u>	<u>13,756</u>	(51.0)	<u>112,186</u>	<u>40,464</u>	(63.9)
Internal Funds	30,508	0	****	117,148	828	(99.3)
Percentage of Internal Funds to Investment in Capital Improvements Programs*	109%	0%		104%	2%	
Contribution AID for Construction		224			754	

	<u>2016</u>	<u>2015</u>
F. Highest debt coverage as of October 31	0.91	1.06

G. REA Projects

	<u>Month</u>	<u>Fiscal Year-to-Date</u>
Total investment	\$0	\$8,078
Families served	0	3

*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.

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	OCTOBER		Increase (Decrease) %
	2016	2015	
General clients	524,537	589,414	(11.0)
Government	1,247,381	980,206	27.3
Less: Accrued Contribution in Lieu of Taxes	474,178	425,785	11.4
Total Government, Net	773,203	554,421	39.5
Subtotal	1,297,740	1,143,835	13.5
Sales of electric energy (12 months)			
Revenues from sales *	3,167,779	3,674,798	(13.8)
kWh (including subsidy)	17,299,099	17,252,550	0.3
Indicators:			
A. Ratio of accounts receivable to sales (%)	41.0	31.1	31.6
B. Ratio of accounts receivable to sales (%) (including subsidy)	40.7	31.0	31.5
C. Sales days in accounts receivable	150	114	31.6
D. Sales days in accounts receivable (including subsidy)	149	113	31.5
E. Ratio of collections to sales of electric energy:			
General clients:			
Sales**	2,581,857	3,030,687	(14.8)
Collections	2,644,481	3,139,049	(15.8)
Percent	102.4	103.6	(1.1)
Government:			
Sales	585,922	644,111	(9.0)
Collections***	445,425	450,093	(1.0)
Percent	76.0	69.9	8.8
Percent of total sales	97.5	97.7	(0.1)

* Excludes residential clients' subsidy of \$19,427 and \$20,056 for the 12 months ended October 2016 and October 2015, respectively.

PUERTO RICO ELECTRIC POWER AUTHORITY

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PUERTO RICO ELECTRIC POWER AUTHORITY

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

	October 31 2016	June 30 2016
Current assets:		
Cash and cash equivalents		
General fund	\$ 112,466	\$ 60,558
Reserve for current expenses	431,707	353,841
Revenue fund	13	13
Working funds	1,048	1,033
Total cash and cash equivalents	<u>545,234</u>	<u>415,445</u>
Accounts receivable (Exhibit A)	1,686,909	1,676,390
Fuel oil inventory	98,676	71,473
Materials and supplies inventory	170,947	172,431
Prepayments and other (Exhibit B)	27,486	26,306
Total current assets	<u>2,529,252</u>	<u>2,362,045</u>
Non current receivables (Exhibit A)	<u>132,588</u>	<u>132,588</u>
Restricted Assets		
Investments held by trustees		
Sinking funds - Interest	25	1,934
Non current restricted deposits held by trustees	8,025	8,024
Total investment held by trustees	<u>8,050</u>	<u>9,958</u>
Construction fund and other		
Construction fund	95,388	122,357
Investment held by REA	1,110	1,108
Reserve maintenance fund	16,103	16,083
Other restricted fund	5,120	5,116
Total construction fund and other	<u>117,721</u>	<u>144,664</u>
Total restricted assets	<u>125,771</u>	<u>152,713</u>
Utility Plant		
Electric plant in service	12,704,655	12,654,565
Less: accumulated depreciation	7,201,057	7,080,339
Net electric plant in service	5,503,598	5,574,226
Construction work in progress, including preliminary surveys of 16,876 and 16,876	873,380	876,711
Total utility plant	<u>6,376,978</u>	<u>6,450,937</u>
Deferred debits:		
Unamortized debt expense	(311)	(310)
Other	38,040	37,273
Total deferred debits	<u>37,729</u>	<u>36,963</u>
Total assets	<u>9,202,318</u>	<u>9,135,246</u>
Deferred outflows of resources	<u>113,076</u>	<u>120,648</u>
Total Assets and Deferred Outflows	<u>\$ 9,315,394</u>	<u>\$ 9,255,894</u>

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

	October 31 2016	June 30 2016
Liabilities and net position		
Current Liabilities		
Notes payable to banks	\$ 731,838	\$ 731,838
Accounts payable and accrued liabilities (Exhibit C)	1,589,746	1,591,455
Customer deposits, including accrued interest	36,593	31,830
Total current liabilities	<u>2,358,177</u>	<u>2,355,123</u>
Current liabilities payable from restricted assets		
Current portion of long-term debt	249,332	234,394
Accrued interest payable on bonds and notes	143,301	11,881
Other current liabilities (Exhibit C)	40,903	44,203
Total current liabilities from restricted assets	<u>433,536</u>	<u>290,478</u>
Non current liabilities		
Power revenue bonds, net of unamortized debt discount of (43,306) and (46,259)	8,178,379	8,202,235
Net pension liability	1,704,640	1,704,640
Non current portion, accounts payable and accrued sick leave	114,518	114,518
Accrued unfunded OPEB	134,857	134,857
Customer deposits - noncurrent	171,396	171,396
Total noncurrent liabilities	<u>10,303,790</u>	<u>10,327,646</u>
Total liabilities	<u>13,095,503</u>	<u>12,973,247</u>
Deferred inflows of resources:		
Deferred gain on pension valuation	65,946	65,946
Total net position (Deficit)	<u>(3,846,055)</u>	<u>(3,783,299)</u>
Total Liabilities and Net Position	<u>\$ 9,315,394</u>	<u>\$ 9,255,894</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget October 2016	Actual October 2016	Actual October 2015
Operating revenues:			
Sales of electric energy	\$ 249,985	\$ 295,880	\$ 313,597
Total operating revenues	249,985	295,880	313,597
Other income	(1,897)	(2,753)	2,861
Total revenues	248,088	293,127	316,458
Expenses:			
Fuel cost	57,419	106,427	140,549
Purchased power	67,857	58,943	50,040
Other production	3,531	3,915	5,085
Transmission and distribution	10,979	13,064	11,571
Maintenance	14,298	15,343	13,867
Customer accounting and collection	8,342	8,134	7,767
Administrative and general	15,050	17,754	19,208
Subtotal expenses by function	177,476	223,580	248,087
Other post - employment benefits	-	-	653
Depreciation	29,742	30,745	30,750
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	11,858	40,375	40,892
Contribution to municipalities	4,474	6,055	17,970
Other appropriations	14,549	11,094	2,734
Bond discount and defeasance amortization	-	22	851
Total expenses	238,099	311,871	341,937
Contributed capital	792	2,913	3,676
Changes in net position	\$ 10,781	\$ (15,831)	\$ (21,803)

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

	FISCAL YEAR		
	Budget October 2016	Actual October 2016	Actual October 2015
Operating revenues:			
Sales of electric energy	\$ 994,721	\$ 1,180,160	\$ 1,225,341
Total operating revenues	994,721	1,180,160	1,225,341
Other income	(7,586)	(8,685)	4,701
Total revenues	987,135	1,171,475	1,230,042
Expenses:			
Fuel cost	227,688	430,666	526,786
Purchased power	273,261	235,997	233,394
Other production	14,125	17,442	20,255
Transmission and distribution	43,914	49,282	50,762
Maintenance	57,190	56,886	58,103
Customer accounting and collection	33,368	31,996	32,164
Administrative and general	60,201	67,690	64,934
Subtotal expenses by function	709,747	889,959	986,398
Other post - employment benefits	-	-	2,612
Depreciation	118,967	122,833	122,523
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	47,434	161,332	154,282
Contribution to municipalities	17,601	17,752	66,808
Other appropriations	58,313	46,360	9,874
Bond discount and defeasance amortization	-	87	3,253
Total expenses	952,062	1,238,323	1,345,750
Contributed capital	3,167	4,092	5,513
Changes in net position	\$ 38,240	\$ (62,756)	\$ (110,195)

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget October 2016	Actual October 2016	Actual October 2015
Revenues:			
Sales of electric energy (Exhibit D)	\$ 249,985	\$ 295,880	\$ 313,597
Total operating revenues	249,985	295,880	313,597
Other income	(1,897)	(2,753)	2,861
Total revenues	248,088	293,127	316,458
Less: 1974 construction fund investment income and gain on sale of properties	83	32	187
Revenues - net	248,005	293,095	316,271
Current expenses:			
Fuel cost	57,419	106,427	140,549
Purchased power	67,857	58,943	50,040
Other production	3,531	3,915	5,085
Transmission and distribution	10,979	13,064	11,571
Maintenance	14,298	15,343	13,867
Customer accounting and collection	8,342	8,134	7,767
Administrative and general	15,050	17,754	19,208
Total current expenses	177,476	223,580	248,087
Net revenues (as defined)	70,529	69,515	68,184
Contractual obligations:			
Sinking fund appropriations -			
Interest on power revenue bonds (1)	8,552	35,888	31,127
Int on Pow. Rev. Fund - CR Bal Serie RR		-	-
Bond redemption accoun (1)	9,139	19,780	23,705
Rate Stabilization Account	-	-	4,280
Interest on notes	3,306	4,487	4,479
Capital Improvements fund	30,509	-	(16,111)
Total contractual obligations	51,506	60,155	47,480
Balance	19,023	9,360	20,704
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	4,474	(1,734)	17,970
Other	14,549	11,094	2,734
Total provision for contribution and other	19,023	9,360	20,704
Remainder	\$ -	\$ -	\$ -

Footnotes:

(1) The 1974 Sinking Fund appropriation have been accrued but not transferred.

(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 October 2016	Actual October 2016	Actual October 2015	Budget June 2017	Actual October 2016	Actual October 2015
Revenues:						
Sales of electric energy (Exhibit D)	\$ 994,721	\$ 1,180,160	\$ 1,225,341	\$ 2,970,682	\$ 3,167,780	\$ 3,674,798
Total operating revenues	994,721	1,180,160	1,225,341	2,970,682	3,167,780	3,674,798
Other income	(7,586)	(8,685)	4,701	(22,759)	10,696	(8,756)
Total revenues	987,135	1,171,475	1,230,042	2,947,923	3,178,476	3,666,042
Less: 1974 construction fund investment income and gain on sale of properties	336	227	506	1,007	560	1,928
Revenues - net	986,799	1,171,248	1,229,536	2,946,916	3,177,916	3,664,114
Current expenses:						
Fuel cost	227,688	430,666	526,786	647,482	1,114,388	1,585,636
Purchased power	273,261	235,997	233,394	828,393	684,835	738,280
Other production	14,125	17,442	20,255	42,376	54,756	59,396
Transmission and distribution	43,914	49,282	50,762	131,741	146,871	150,460
Maintenance	57,190	56,886	58,103	171,571	160,593	170,407
Customer accounting and collection	33,368	31,996	32,164	100,103	93,170	99,311
Administrative and general	60,201	67,690	64,934	180,604	203,701	213,005
Total current expenses	709,747	889,959	986,398	2,102,270	2,458,314	3,016,495
Net revenues (as defined)	277,052	281,289	243,138	844,646	719,602	647,619
Contractual obligations:						
Sinking fund appropriations -						
Interest on power revenue bonds (1)	34,209	143,551	123,135	102,626	412,744	368,484
Bond redemption account (1)	36,556	64,030	89,751	109,669	223,512	232,691
Reserve Account Fund (1)	-	-	-	-	-	(305,010)
Rate Stabilization Account	-	-	17,081	-	(17,082)	52,224
Interest on notes	13,225	17,781	18,501	39,675	52,843	56,087
Capital Improvements fund	117,148	828	(82,012)	366,779	82,840	(152,232)
Total contractual obligations	201,138	226,190	166,456	618,749	754,857	252,244
Balance	75,914	55,099	76,682	225,897	(35,255)	395,375
Provision for Contribution in Lieu of Taxes and other appropriations						
Contribution to municipalities	17,601	8,739	66,808	51,784	(118,344)	356,046
Other	58,313	46,360	9,874	174,113	83,089	39,329
Total provision for contribution and other	75,914	55,099	76,682	225,897	(35,255)	395,375
Remainder	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Footnotes:

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

(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.

PUERTO RICO ELECTRIC POWER AUTHORITY

NET POSITION
(in thousands)

	October 2016	June 2016
Net Position		
Invested in utility plant, net related debt	\$ (943,038)	\$ (686,519)
Restricted for capital activity and debt service	(597,286)	(633,700)
Unrestricted	<u>(2,305,731)</u>	<u>(2,463,080)</u>
Total net position	<u>\$ (3,846,055)</u>	<u>\$ (3,783,299)</u>

ACCOUNTS RECEIVABLE
(in thousands)

Exhibit A

	October 2016	June 2016
Electric and related services:		
General clients	\$ 823,388	\$ 829,406
Recoveries under fuel adjustment and purchase power clause under or (over) billed	12,768	(14,191)
Unbilled services	174,177	167,574
Allowance for uncollectible accounts	<u>(485,796)</u>	<u>(493,252)</u>
Total General Clients	<u>524,537</u>	<u>489,537</u>
Government, including current and non current (1)	1,247,381	1,249,267
Claims Receivable from Insurance Companies & Other	30,227	29,964
Advances to Irrigation Systems - net	7,932	9,095
Accrued interest	2,054	2,052
Other	<u>7,366</u>	<u>29,063</u>
Total Accounts Receivable	<u>1,819,497</u>	<u>1,808,978</u>
Less: Government Account Receivable, non current portion	<u>132,588</u>	<u>132,588</u>
Total Accounts Receivable, current portion	<u>\$ 1,686,909</u>	<u>\$ 1,676,390</u>

(1) Excludes CILT set aside during fiscal year 2016-2017 and 2015-2016.

PREPAYMENTS AND OTHER
(in thousands)

Exhibit B

	October 2016	June 2016
Claims Outstanding Related to Property Damages	\$ 353	\$ 353
Prepayments and other	<u>27,133</u>	<u>25,953</u>
Total	<u>\$ 27,486</u>	<u>\$ 26,306</u>

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES
(in thousands)

Exhibit C

	October 2016	June 2016
Accounts payable - fuel oil and other	\$ 471,974	\$ 530,072
Accrued annual leave	49,123	50,302
Accrued sick leave	1,589	4,682
Accrued salaries and fringe benefits	5,361	3,867
Accrued Contribution in Lieu of Taxes	1,028,752	977,388
Accrued Actuarial Retirement	2,193	2,193
Reserve for injuries and damages	5,421	4,557
Accrued Contributions Federal Social Security	1,324	-
Income tax withheld at source	844	-
Health plan	(2,761)	1,797
Pension & Benefits Deferred Employer Contribution	9,342	9,342
Other	28,461	22,454
Sub total current liabilities	<u>1,589,746</u>	<u>1,591,455</u>
Other current payables from restricted assets		
Retention on Contract Work	5,847	5,672
Vouchered A/P construction	2,204	5,548
Contribution aid to construction	<u>32,852</u>	<u>32,983</u>
Total other current payables from restricted assets	<u>40,903</u>	<u>44,203</u>
Total current Liabilities	<u>1,630,649</u>	<u>1,635,658</u>
NON-CURRENT LIABILITIES		
Net Pension Liability	1,704,640	1,704,640
Accrued sick leave	114,518	114,518
Accrued Unfunded OPEB	<u>134,857</u>	<u>134,857</u>
Total non current liabilities	<u>1,954,015</u>	<u>1,954,015</u>
Total accounts payables and non current liabilities	<u>\$ 3,584,664</u>	<u>\$ 3,589,673</u>

(1) Excludes CILT set aside during fiscal year 2016-2017 and 2015-2016.

PUERTO RICO ELECTRIC POWER AUTHORITY

SALES OF ELECTRIC ENERGY

OCTOBER 2016

Exhibit D

Class of Service	CLIENTS		KWHRS			
	Billed	Total	MONTHLY			Total
			Billed	Unbilled	Adjustment*	
Residential	1,334,555	1,334,555	553,586	397,909	(413,846)	537,649
Commercial	123,858	123,858	679,354	473,899	(482,025)	671,228
Industrial	625	625	183,571	127,017	(130,769)	179,819
Public lighting	2,169	2,169	26,283	11,623	(10,019)	27,887
Other public authorities	2	2	2,407	1,565	(1,671)	2,301
Agricultural	1,193	1,193	2,147	1,426	(1,473)	2,100
Subtotal	1,462,402	1,462,402	1,447,348	1,013,439	(1,039,803)	1,420,984
Fuel oil adjustment						
Purchased power						
Subtotal	1,462,402	1,462,402	1,447,348	1,013,439	(1,039,803)	1,420,984
Unrecovered fuel oil cost-net						
Unrecovered purchased power cost-net						
Total	1,462,402	1,462,402	1,447,348	1,013,439	(1,039,803)	1,420,984

FISCAL YEAR-TO-DATE					
Class of Service	Average Clients	Kwhrs. (thousands)	Revenue (thousand \$)	Kwhrs. per Client	Cents per Kwhr. Sold
Residential	1,333,351	2,350,247	151,264	1,763	6.44
Commercial	123,813	2,816,336	213,941	22,747	7.60
Industrial	628	764,165	43,035	1,216,823	5.63
Public lighting	2,177	109,938	21,199	50,500	19.28
Other public authorities	2	11,341	621	5,670,500	5.48
Agricultural	1,193	9,059	654	7,593	7.22
Subtotal	1,461,164	6,061,086	430,714	4,148	7.11
Fuel oil adjustment			468,705		8.02
Purchased Power			253,782		4.35
Subtotal	1,461,164	6,061,086	1,153,201	4148	19.03
Unrecovered fuel oil cost-net			17,259		
Unrecovered purchased Power cost-net			9,700		
Total	1,461,164	6,061,086	1,180,160	4148	19.47

*Unbilled previous month.

SALES OF ELECTRIC ENERGY

OCTOBER 2016

Exhibit D

Class of Service	REVENUES (in thousand \$)				Kwhrs. per Client	Cents per Kwhr. Sold
	MONTHLY					
	Billed	Unbilled	Adjustment*	Total		
Residential	37,822	16,428	(17,225)	37,025	403	6.89
Commercial	56,206	30,722	(30,976)	55,952	5,419	8.34
Industrial	11,304	5,971	(5,839)	11,436	287,710	6.36
Public lighting	5,245	2,060	(1,617)	5,688	12,857	20.41
Other public authorities	147	74	(73)	148	1,150,311	6.43
Agricultural	157	78	(80)	155	1,760	7.35
Subtotal	110,881	55,333	(55,810)	110,404	972	7.77
Fuel oil adjustment	116,984	73,720	(78,575)	112,129		8.45
Purchased power	61,788	45,123	(47,297)	59,614		4.60
Subtotal	289,653	174,176	(181,682)	282,147	972	19.86
Unrecovered fuel oil cost-net				7,981		
Unrecovered purchased power cost-net				5,752		
Total	289,653	174,176	(181,682)	295,880	972	20.82