
MONTHLY REPORT
TO THE GOVERNING BOARD
AUGUST 2016

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PUERTO RICO ELECTRIC POWER AUTHORITY

I. OPERATIONS HIGHLIGHTS

A. Production

	AUGUST		Increase (Decrease) %
	2016-17	2015-16	
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	1,257,689	1,284,068	(2.1)
PREPA - Hydro	5,569	3,898	42.9
Purchased power - gas	299,069	270,060	10.7
Purchased power - coal	292,262	272,786	7.1
Renewable Energy	28,333	33,918	(16.5)
Total	1,882,922	1,864,730	1.0
Fiscal year-to-date:			
PREPA - Steam and gas	2,484,157	2,477,832	0.3
PREPA - Hydro	12,651	7,448	69.9
Purchased power - gas	618,658	572,070	8.1
Purchased power - coal	524,107	594,246	(11.8)
Renewable Energy	64,083	72,757	(11.9)
Total	3,703,656	3,724,353	(0.6)
Twelve months:			
PREPA - Steam and gas	14,083,750	13,774,772	2.2
PREPA - Hydro	59,829	61,897	(3.3)
Purchased power - gas	3,274,035	3,231,299	1.3
Purchased power - coal	3,144,569	3,518,322	(10.6)
Renewable Energy	316,947	302,563	4.8
Total	20,879,130	20,888,853	(0.0)
2. Maximum hourly peak load (in MW)			
Month	3,087	3,023	2.1
Fiscal year-to-date	3,087	3,023	2.1
Twelve months	3,087	3,030	1.9
3. Sales (kWh in thousands)			
Month:			
Billed	1,496,473	1,527,958	(2.1)
Days billed	31.00	31.00	0.0
Fiscal year-to-date:			
Billed	3,017,914	3,017,169	0.0
Days billed	61.00	61.00	0.0
Twelve months:			
Billed	17,274,122	17,205,468	0.4
Days billed	364.0	365.0	(0.3)
4. System efficiency (%)			
Month	81.1	82.9	(2.2)
Fiscal year-to-date	84.0	83.1	1.1
Twelve months	83.2	82.7	0.6
5. Average cost per barrel (\$)			
Month	52.88	60.35	(12.4)
Fiscal year-to-date	53.93	62.57	(13.8)
Twelve months	50.68	77.64	(34.7)
6. kWh/Barrel			
Month	601.19	613.21	(2.0)
Fiscal year-to-date	598.74	611.06	(2.0)
Twelve months	604.56	618.67	(2.3)
7. Heat rate (BTU/kWh)*			
Month	10,819	10,798	0.2
Fiscal year-to-date	10,800	10,827	(0.2)
Twelve months	10,757	10,715	0.4

* Revised prior year

8. Fuel consumption
(in thousands)

	2016-17		2015-16		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	898	\$ 43,213	1,286	\$ 74,135	(30.2)	(41.7)
Gas	660	43,615	308	25,463	*	71.3
Natural Gas	534	23,755	500	26,751	6.8	(11.2)
Total	<u>2,092</u>	<u>\$ 110,583</u>	<u>2,094</u>	<u>\$ 126,349</u>	<u>(0.1)</u>	<u>(12.5)</u>
Fiscal year-to-date:						
Steam	1,695	\$ 82,118	2,426	\$ 146,506	(30.1)	(43.9)
Gas	1,478	97,805	635	53,963	*	81.2
Natural Gas	976	43,861	994	53,214	(1.8)	(17.6)
Total	<u>4,149</u>	<u>\$ 223,784</u>	<u>4,055</u>	<u>\$ 253,683</u>	<u>2.3</u>	<u>(11.8)</u>
Twelve months:						
Steam	11,319	\$ 502,093	13,570	\$ 999,126	(16.6)	(49.7)
Gas	6,104	407,824	3,466	352,900	76.1	15.6
Natural Gas	5,873	270,692	5,229	376,617	12.3	(28.1)
Total	<u>23,296</u>	<u>\$ 1,180,609</u>	<u>22,265</u>	<u>\$ 1,728,643</u>	<u>4.6</u>	<u>(31.7)</u>

AUGUST

			Increase (Decrease) %	
	2016	2015		
B. Client Service				
1. Service complaints per thousand clients	3.36	5.76	(41.7)	
2. Disconnections for nonpayment per thousand clients	10.73	10.03	7.0	
C. Distribution System				
1. Interruption frequency index				
Total interruptions per thousand clients served	0.43	0.40	8.8	
2. Interruption duration index				
Average interruption time per clients served (minutes)	79.96	69.57	14.9	
3. Clients per interruption	184	217	(15.4)	
4. Time per interruption (minutes)	369	340	8.7	

*100% or over

D. Personnel

		AUGUST		Increase (Decrease)
		2016	2015	
Management Conf. / Carr.	Reg.	1,906	1,968	(62)
	Temp.	2	31	
U.T.I.E.R.	Reg.	3,639	3,724	(85)
	Temp.	7	161	(154)
	Emerg.			
U.I.T.I.C.E.	Reg.	632	692	(60)
	Temp.			
U.E.P.I.	Reg.	309	319	(10)
	Temp.			
U.P.A.E.E.	Reg.	4	4	0
	Temp.	1	0	1
Total		<u>6,500</u>	<u>6,899</u>	<u>(399)</u>

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	AUGUST					
	Month			Fiscal Year-to-Date		
	2016	2015	Increase (Decrease) %	2016-17	2015-16	Increase (Decrease) %
kWh sales:						
Residential	601,647	590,030	2.0	1,220,619	1,173,910	4.0
Commercial	687,114	720,228	(4.6)	1,425,757	1,447,904	(1.5)
Industrial	204,526	203,070	0.7	397,258	408,876	(2.8)
Others	33,539	31,924	5.1	67,147	63,061	6.5
Total	<u>1,526,826</u>	<u>1,545,252</u>	(1.2)	<u>3,110,781</u>	<u>3,093,751</u>	0.6
Basic revenues:						
Residential	\$ 33,518	\$ 33,491	0.1	\$ 66,356	\$ 67,018	(1.0)
Commercial	46,585	41,585	12.0	95,837	88,911	7.8
Industrial	9,443	9,203	2.6	18,163	18,840	(3.6)
Others	5,336	5,212	2.4	10,829	10,252	5.6
Total	<u>94,882</u>	<u>89,491</u>	6.0	<u>191,185</u>	<u>185,021</u>	3.3
Provisional rate:						
Residential	7,332	0	*	7,332	0	*
Commercial	9,085	0	*	9,085	0	*
Industrial	2,444	0	*	2,444	0	*
Others	422	0	*	422	0	*
Total	<u>19,283</u>	<u>0</u>	*	<u>19,283</u>	<u>0</u>	*
Fuel adjustment:						
Residential	49,214	55,329	(11.1)	100,546	109,808	(8.4)
Commercial	56,997	67,463	(15.5)	112,669	135,847	(17.1)
Industrial	15,363	16,613	(7.5)	29,460	33,974	(13.3)
Others	3,238	2,828	*	9,885	6,010	64.5
Total	<u>124,812</u>	<u>142,233</u>	(12.2)	<u>252,560</u>	<u>285,639</u>	(11.6)
Purchased power:						
Residential	27,217	26,544	2.5	53,027	54,576	(2.8)
Commercial	30,909	31,231	(1.0)	61,948	65,731	(5.8)
Industrial	8,377	8,020	4.5	15,909	16,940	(6.1)
Others	1,523	1,261	20.8	3,163	2,917	8.4
Total	<u>68,026</u>	<u>67,056</u>	1.4	<u>134,047</u>	<u>140,164</u>	(4.4)
Total revenues:						
Residential	117,281	115,364	1.7	227,261	231,402	(1.8)
Commercial	143,576	140,279	2.4	279,539	290,489	(3.8)
Industrial	35,627	33,836	5.3	65,976	69,754	(5.4)
Others	10,519	9,301	13.1	24,299	19,179	26.7
Total	<u>\$ 307,003</u>	<u>\$ 298,780</u>	2.8	<u>\$ 597,075</u>	<u>\$ 610,824</u>	(2.3)

*100% or over

AUGUST						
	Month			Fiscal Year-to-Date		
	2016	2015	Increase (Decrease) %	2016-17	2015-16	Increase (Decrease) %
2. Cents per kWh						
Basic revenues:						
Residential	5.57	5.68	(1.9)	5.44	5.71	(4.7)
Commercial	6.78	5.77	17.5	6.72	6.14	9.4
Industrial	4.62	4.53	2.0	4.57	4.61	(0.9)
Others	15.91	16.33	(2.6)	16.13	16.26	(0.8)
Total	6.21	5.79	7.3	6.15	5.98	2.8
Fuel adjustment:						
Residential	9.40	9.37	0.3	8.84	9.35	(5.5)
Commercial	9.62	9.37	2.7	8.55	9.38	(8.8)
Industrial	8.70	8.18	6.4	8.04	8.31	(3.2)
Others	10.91	8.85	*	15.35	9.52	61.2
Total	8.17	9.21	(11.3)	8.73	9.23	(5.4)
Purchased power:						
Residential	4.52	4.50	0.4	4.34	4.65	(6.7)
Commercial	4.50	4.34	3.7	4.34	4.54	(4.4)
Industrial	4.10	3.95	3.8	4.00	4.14	(3.4)
Others	4.54	3.95	14.9	4.71	4.63	1.7
Total	4.46	4.34	2.8	4.31	4.53	(4.9)
Provisional rate:						
Residential	1.22	0.00	*	0.60	0.00	*
Commercial	1.32	0.00	*	0.64	0.00	*
Industrial	1.19	0.00	*	0.62	0.00	*
Others	1.26	0.00	*	0.63	0.00	*
Total	1.26	0.00	*	0.62	0.00	*
Total revenues:						
Residential	19.49	19.55	(0.3)	18.62	19.71	(5.5)
Commercial	20.90	19.48	7.3	19.61	20.06	(2.2)
Industrial	17.42	16.66	4.6	16.61	17.06	(2.6)
Others	31.36	29.13	7.7	36.19	30.41	19.0
Total	20.10	19.34	3.9	19.19	19.74	(2.8)
3. Clients:						
Residential	1,333,858	1,326,488	0.6	1,333,765	1,326,660	0.5
Commercial	123,845	123,788	0.0	123,895	123,818	0.1
Industrial	630	649	(2.9)	631	650	(2.9)
Others	3,374	3,369	0.1	3,379	3,368	0.3
Total	1,461,707	1,454,294	0.5	1,461,670	1,454,496	0.5
4. Average kWh per client:						
Residential	451	445	1.4	915	885	3.4
Commercial	5,548	5,818	(4.6)	11,508	11,694	(1.6)
Industrial	324,644	312,897	3.8	629,569	629,040	0.1
Others	9,940	9,476	4.9	19,872	18,724	6.1
Total	1,045	1,063	(1.7)	2,128	2,127	0.1

*100% or over

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	AUGUST					
	Month		Increase (Decrease) %	Fiscal Year-to-Date		Increase (Decrease) %
	2016	2015		2016-17	2015-16	
kWh sales:						
Residential	12	12	0.0	25	24	4.2
Commercial	190,766	207,245	(8.0)	408,350	418,756	(2.5)
Industrial						
Others	<u>30,128</u>	<u>29,314</u>	2.8	<u>59,181</u>	<u>58,878</u>	0.5
Total	<u>220,906</u>	<u>236,571</u>	(6.6)	<u>467,556</u>	<u>477,658</u>	(2.1)
Basic revenues:						
Residential	\$ 1	\$ 1	0.0	\$ 1	\$ 1	0.0
Commercial	13,255	11,312	17.2	27,428	24,026	14.2
Industrial						
Others	<u>5,028</u>	<u>5,031</u>	(0.1)	<u>9,917.0</u>	<u>10,114.0</u>	(1.9)
Total	<u>18,284</u>	<u>16,344</u>	11.9	<u>37,346</u>	<u>34,141</u>	9.4
Fuel adjustment:						
Residential	1	1	0.0	2	2	0.0
Commercial	11,686	22,560	(48.2)	28,665	41,497	(30.9)
Industrial						
Others	<u>2,009</u>	<u>3,008</u>	(33.2)	<u>4,400</u>	<u>5,641</u>	(22.0)
Total	<u>13,696</u>	<u>25,569</u>	(46.4)	<u>33,067</u>	<u>47,140</u>	(29.9)
Purchased power:						
Residential	1	1	0.0	1	1	0.0
Commercial	8,338	10,339	(19.4)	16,758	19,320	(13.3)
Industrial						
Others	<u>1,388</u>	<u>1,550</u>	(10.5)	<u>2,584.0</u>	<u>2,890.0</u>	(10.6)
Total	<u>9,727</u>	<u>11,890</u>	(18.2)	<u>19,343</u>	<u>22,211</u>	(12.9)
Provisional rate:						
Residential	0	0	0.0	0	0	0.0
Commercial	2,709	0	*	2,709	0	*
Industrial						
Others	<u>352</u>	<u>0</u>	*	<u>352</u>	<u>0</u>	*
Total	<u>3,061</u>	<u>0</u>	*	<u>3,061</u>	<u>0</u>	*
Total revenues:						
Residential	3	3	0.0	4	4	0.0
Commercial	35,988	44,211	(18.6)	75,560	84,843	(10.9)
Industrial						
Others	<u>8,777</u>	<u>9,589</u>	(8.5)	<u>17,253</u>	<u>18,645</u>	(7.5)
Total	<u>\$ 44,768</u>	<u>\$ 53,803</u>	(16.8)	<u>\$ 92,817</u>	<u>\$ 103,492</u>	(10.3)
2. Service Agreements:						
Residential	28	14	*	21	15	40.0
Commercial	44,719	24,055	85.9	33,219	23,980	38.5
Industrial						
Others	<u>5,719</u>	<u>2,882</u>	98.4	<u>4,284</u>	<u>2,907</u>	47.4
Total	<u>50,466</u>	<u>26,951</u>	87.3	<u>37,524</u>	<u>26,902</u>	39.5

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)

	AUGUST 2016					
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	96.2	94.9	(1.4)	193.5	191.2	(1.2)
Fuel adjustment	74.8	124.8	66.8	145.2	252.6	74.0
Purchased power	81.2	68.0	(16.3)	160.0	134.0	(16.3)
Provisional rate		19.3	*		19.3	*
Revenues from sales	252.2	307.0	21.7	498.7	597.1	19.7
Other	(2.0)	(0.6)	(70.0)	(4.0)	(3.6)	(10.0)
Total revenues	<u>250.2</u>	<u>306.4</u>	22.5	<u>494.7</u>	<u>593.5</u>	20.0
Fuel	56.5	110.6	95.8	109.5	223.8	*
Purchased power	72.2	60.2	(16.6)	142.4	119.2	(16.3)
Other expenses	52.2	59.3	13.6	104.4	109.7	5.1
Total current expenses	180.9	230.1	27.2	356.3	452.7	27.1
1974 - sinking fund appropriations	17.7	55.7	*	35.4	96.3	*
Reserve Account						
Rate Stabilization Fund						
Interest on notes	3.3	4.5	36.4	6.6	9.0	36.4
Internal funds	29.3	0.8	(97.3)	58.5	0.8	(98.6)
Contribution to municipalities	4.3	5.1	18.6	8.7	11.1	27.6
Other appropriations	14.7	10.2	(30.6)	29.2	23.6	(19.2)
Total	<u>250.2</u>	<u>306.4</u>	22.5	<u>494.7</u>	<u>593.5</u>	20.0

EXPLANATION OF MAJOR VARIATIONS

1. The increase in the fuel adjustment and expense for the month was due to higher cost of fuel than budgeted.
2. Purchased power revenue and expenses decreased for the month due to a lower availability from cogenerators than budgeted.
3. The other revenues for the month decreased due to a lower non operating income than budgeted.
4. The 1974 Sinking Fund appropriation have been accrued but not transferred.
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 month increased 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)

	AUGUST					
	Month			Fiscal Year-to-Date		
	2016	2015	Increase (Decrease) %	2016-17	2015-16	Increase (Decrease) %
Basic charges	94.9	89.5	6.0	191.2	185.0	3.4
Fuel adjustment	124.8	142.2	(12.2)	252.6	285.6	(11.6)
Purchased power	68.0	67.1	1.3	134.0	140.2	(4.4)
Provisional rate	19.3	0.0	*	19.3	0.0	*
Revenues from sales	307.0	298.8	2.7	597.1	610.8	(2.2)
Other	(0.6)	1.6	*	(3.6)	0.2	*
Total revenues	<u>306.4</u>	<u>300.4</u>	2.0	<u>593.5</u>	<u>611.0</u>	(2.9)
Fuel	110.6	126.3	(12.4)	223.8	253.7	(11.8)
Purchased power	60.2	60.0	0.3	119.2	125.1	(4.7)
Other expenses	<u>59.3</u>	<u>54.1</u>	9.6	<u>109.7</u>	<u>112.3</u>	(2.3)
Total current expenses	230.1	240.4	(4.3)	452.7	491.1	(7.8)
1974 - sinking fund appropriations	55.7	49.1	13.4	96.3	98.1	(1.8)
Reserve Account						
Rate Stabilization Fund	0.0	4.2	*	0.0	8.5	*
Interest on notes	4.5	5.2	(13.5)	9.0	9.7	(7.2)
Internal funds	0.8	(18.7)	*	0.8	(35.1)	*
Contribution to municipalities	5.1	17.5	(70.9)	11.1	33.9	(67.3)
Other appropriations	<u>10.2</u>	<u>2.7</u>	*	<u>23.6</u>	<u>4.8</u>	*
Total	<u>306.4</u>	<u>300.4</u>	2.0	<u>593.5</u>	<u>611.0</u>	(2.9)

EXPLANATION OF MAJOR VARIATIONS

1. The decrease in the fuel adjustment and expense for the month was due to lower cost of fuel than prior year.
2. Purchased power revenue and expenses decreased for the month due to a lower availability from cogenerators than prior year.
3. The other revenues for the month 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. 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.
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 month decreased due to the application of ceiling limits and the annual saving of 5% in accordance with Act 4-2016.
8. Other appropriations for the month 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)

AUGUST

<u>Construction Financing</u>			<u>Operational Financing</u>		
	<u>2016</u>	<u>2015</u>		<u>2016</u>	<u>2015</u>
1. Rehabilitation Isabela Dam (GDB):			1. Municipalities Settlement Agreement :		
Line of credit	25,354	25,354	Line of credit	64,208	64,208
Amount received	713	713	Amount received	64,208	64,208
Available balance	<u>24,641</u>	<u>24,641</u>	Available balance	<u>0</u>	<u>0</u>
Debt outstanding balance	713	713	Debt outstanding balance	0	0
Maturity Date	June 30, 2018		Maturity Date	June 30, 2014	
2. State Revolving Fund Program Aguirre & San Juan Plants (AFICA):			2. Fuel Financing (Scotiabank) :		
Line of credit	27,023	27,023	Line of credit	550,000	550,000
Amount received	1,126	0	Amount received	549,950	549,950
Available balance	<u>25,897</u>	<u>27,023</u>	Available balance	<u>50</u>	<u>50</u>
Debt outstanding balance	1,126	0	Debt outstanding balance	549,950	549,950
Maturity Date	June 30, 2033		Maturity Date	August 14, 2014	
			3. Fuel Financing (Citibank) :		
			Line of credit	150,000	150,000
			Amount received	146,042	146,042
			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	35,133	35,133
			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)

AUGUST 2016						
	Month **			Fiscal Year-to-Date***		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Production	6,936	6,084	(12.3)	13,873	6,903	(50.2)
Transmission	6,772	2,657	(60.8)	13,545	5,617	(58.5)
Distribution	6,161	3,036	(50.7)	12,323	5,690	(53.8)
Other	8,177	390	(95.2)	16,353	575	(96.5)
Total	<u>28,046</u>	<u>12,167</u>	(56.6)	<u>56,094</u>	<u>18,785</u>	(66.5)
Internal Funds	29,321	828	(97.2)	58,508	828	(98.6)
Percentage of Internal Funds to Investment in Capital Improvements Programs*	1.0	0.1		1.0	0.0	
Contribution AID for Construction		225			344	

	<u>2016</u>	<u>2015</u>
F. Highest debt coverage as of August 31	0.89	1.10

G. REA Projects

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

*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.

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

	AUGUST		Increase (Decrease) %
	2016	2015	
General clients	607,779	641,571	(5.3)
Government	1,344,537	1,061,398	26.7
Less: Accrued Contribution in Lieu of Taxes	1,147,881	840,617	36.6
Total Government, Net	196,656	220,781	(10.9)
Subtotal	804,435	862,352	(6.7)
Sales of electric energy (12 months)			
Revenues from Sales	3,199,211	3,869,531	(17.3)
kWh (including subsidy)	17,366,097	17,277,772	0.5
Indicators:			
A. Ratio of accounts receivable to sales (%)	25.1	22.3	12.8
B. Ratio of accounts receivable to sales (%) (including subsidy)	25.0	22.2	12.7
C. Sales days in accounts receivable	92	81	12.8
D. Sales days in accounts receivable (including subsidy)	91	81	12.7
E. Ratio of collections to sales of electric energy:			
General clients:			
Sales*	2,620,458	3,170,858	(17.4)
Collections	2,638,419	3,330,297	(20.8)
Percent	100.7	105.0	(4.1)
Government:			
Sales	578,753	698,673	(17.2)
Collections	421,735	464,089	(9.1)
Percent	72.9	66.4	9.7
Percent of total sales	95.7	98.1	(2.5)

* Excludes residential clients' subsidy of \$19,454 and \$20,699, for the 12 months ended August 2016 and August 2015, respectively.

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	August 31 2016	June 30 2016
Current assets:		
Cash and cash equivalents		
General fund	\$ 60,558	\$ 60,558
Reserve for current expenses	352,765	355,770
Revenue fund	13	13
Working funds	1,033	1,033
Total cash and cash equivalents	<u>414,369</u>	<u>417,374</u>
Accounts receivable (Exhibit A)	1,913,904	1,871,365
Fuel oil inventory	88,331	71,473
Materials and supplies inventory	171,778	172,431
Prepayments and other (Exhibit B)	28,620	26,306
Total current assets	<u>2,617,002</u>	<u>2,558,949</u>
Non current receivables (Exhibit A)	<u>108,959</u>	<u>108,959</u>
Restricted Assets		
Investments held by trustees		
Sinking funds - Interest	26	26
Non current restricted deposits held by trustees	2,217	2,217
Total investment held by trustees	<u>2,243</u>	<u>2,243</u>
Construction fund and other		
Construction fund	111,179	127,012
Investment held by REA	1,110	1,108
Reserve maintenance fund	16,083	16,083
Other restricted fund	5,091	5,087
Total construction fund and other	<u>133,463</u>	<u>149,290</u>
Total restricted assets	<u>135,706</u>	<u>151,533</u>
Utility Plant		
Electric plant in service	12,674,677	12,654,565
Less: accumulated depreciation	<u>7,140,536</u>	<u>7,080,339</u>
Net electric plant in service	5,534,141	5,574,226
Construction work in progress, including preliminary surveys of 16,876 and 16,876	879,338	880,662
Total utility plant	<u>6,413,479</u>	<u>6,454,888</u>
Deferred debits:		
Unamortized debt expense	(3,322)	(3,938)
Other	36,061	35,204
Total deferred debits	<u>32,739</u>	<u>31,266</u>
Total assets	<u>9,307,885</u>	<u>9,305,595</u>
Deferred outflows of resources	<u>112,455</u>	<u>120,027</u>
Total Assets and Deferred Outflows	<u>\$ 9,420,340</u>	<u>\$ 9,425,622</u>

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

	August 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)	1,721,401	1,747,918
Customer deposits, including accrued interest	32,878	34,371
Total current liabilities	<u>2,486,117</u>	<u>2,514,127</u>
Current liabilities payable from restricted assets		
Current portion of long-term debt	251,241	235,630
Accrued interest payable on bonds and notes	82,161	11,881
Other current liabilities (Exhibit C)	39,872	44,203
Total current liabilities from restricted assets	<u>373,274</u>	<u>291,714</u>
Non current liabilities		
Power revenue bonds, net of unamortized debt discount of (42,070) and (45,023)	8,176,048	8,199,904
Non current portion, accounts payable and accrued sick leave	114,518	114,518
Accrued unfunded OPEB	134,857	134,857
Customer deposits - noncurrent	<u>168,855</u>	<u>168,855</u>
Total noncurrent liabilities	<u>8,594,278</u>	<u>8,618,134</u>
Total liabilities	<u>11,453,669</u>	<u>11,423,975</u>
Total net position (Deficit)	<u>(2,033,329)</u>	<u>(1,998,353)</u>
Total Liabilities and Net Position	<u>\$ 9,420,340</u>	<u>\$ 9,425,622</u>

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

	MONTH		
	Budget August 2016	Actual August 2016	Actual August 2015
Operating revenues:			
Sales of electric energy	\$ 252,220	\$ 307,004	\$ 298,780
Total operating revenues	252,220	307,004	298,780
Other income	(1,897)	(516)	1,801
Total revenues	250,323	306,488	300,581
Expenses:			
Fuel cost	56,455	110,583	126,348
Purchased power	72,239	60,206	60,010
Other production	3,531	5,077	4,786
Transmission and distribution	10,978	13,082	11,700
Maintenance	14,298	14,471	13,953
Customer accounting and collection	8,342	8,190	7,916
Administrative and general	15,050	18,444	15,681
Subtotal expenses by function	180,893	230,053	240,394
Other post - employment benefits	-	-	653
Depreciation	29,742	30,674	30,662
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	11,859	40,367	38,057
Contribution to municipalities	4,342	5,131	17,534
Other appropriations	14,685	10,245	2,720
Bond discount and defeasance amortization	-	22	800
Total expenses	241,521	316,492	330,820
Contributed capital	792	636	258
Changes in net position	\$ 9,594	\$ (9,368)	\$ (29,981)

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

	FISCAL YEAR		
	Budget August 2016	Actual August 2016	Actual August 2015
Operating revenues:			
Sales of electric energy	\$ 498,661	\$ 597,075	\$ 610,824
Total operating revenues	498,661	597,075	610,824
Other income	(3,793)	(3,461)	380
Total revenues	494,868	593,614	611,204
Expenses:			
Fuel cost	109,516	223,784	253,682
Purchased power	142,404	119,230	125,120
Other production	7,063	9,207	9,908
Transmission and distribution	21,956	24,341	25,660
Maintenance	28,596	26,492	28,200
Customer accounting and collection	16,684	15,679	16,618
Administrative and general	30,101	34,004	31,943
Subtotal expenses by function	356,320	452,737	491,131
Other post - employment benefits	-	-	1,306
Depreciation	59,483	61,361	61,094
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	23,717	80,735	75,387
Contribution to municipalities	8,647	11,121	33,925
Other appropriations	29,230	23,583	4,762
Bond discount and defeasance amortization	-	44	1,601
Total expenses	477,397	629,581	669,206
Contributed capital	1,583	990	1,124
Changes in net position	\$ 19,054	\$ (34,977)	\$ (56,878)

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

	MONTH		
	Budget August 2016	Actual August 2016	Actual August 2015
Revenues:			
Sales of electric energy (Exhibit D)	\$ 252,220	\$ 307,004	\$ 298,780
Total operating revenues	252,220	307,004	298,780
Other income	(1,897)	(516)	1,801
Total revenues	250,323	306,488	300,581
Less: 1974 construction fund investment income and gain on sale of properties	84	84	142
Revenues - net	250,239	306,404	300,439
Current expenses:			
Fuel cost	56,455	110,583	126,349
Purchased power	72,239	60,206	60,010
Other production	3,531	5,077	4,786
Transmission and distribution	10,978	13,082	11,699
Maintenance	14,298	14,471	13,953
Customer accounting and collection	8,342	8,190	7,916
Administrative and general	15,050	18,444	15,681
Total current expenses	180,893	230,053	240,394
Net revenues (as defined)	69,346	76,351	60,045
Contractual obligations:			
Sinking fund appropriations -			
Interest on power revenue bonds (1)	8,552	35,888	34,267
Int on Pow. Rev. Fund - CR Bal Serie RR	-	-	(3,870)
Bond redemption accoun (1)	9,139	19,780	18,670
Rate Stabilization Account	-	-	4,186
Interest on notes	3,307	4,479	5,206
Capital Improvements fund	29,321	828	(18,668)
Total contractual obligations	50,319	60,975	39,791
Balance	19,027	15,376	20,254
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	4,342	5,131	17,534
Other	14,685	10,245	2,720
Total provision for contribution and other	19,027	15,376	20,254
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 August 2016	Actual August 2016	Actual August 2015	Budget June 2017	Actual August 2016	Actual August 2015
Revenues:						
Sales of electric energy (Exhibit D)	\$ 498,661	\$ 597,075	\$ 610,824	\$ 2,970,682	\$ 3,199,211	\$ 3,869,531
Total operating revenues	498,661	597,075	610,824	2,970,682	3,199,211	3,869,531
Other income	(3,793)	(3,461)	380	(22,759)	20,241	18,749
Total revenues	494,868	593,614	611,204	2,947,923	3,219,452	3,888,280
Less: 1974 construction fund investment income and gain on sale of properties	168	141	208	1,007	770	1,853
Revenues - net	494,700	593,473	610,996	2,946,916	3,218,682	3,886,427
Current expenses:						
Fuel cost	109,516	223,784	253,682	647,482	1,180,609	1,728,694
Purchased power	142,404	119,230	125,120	828,393	676,342	764,946
Other production	7,062	9,207	9,908	42,376	56,868	57,612
Transmission and distribution	21,957	24,341	25,660	131,741	147,033	146,162
Maintenance	28,595	26,492	28,200	171,571	160,101	163,243
Customer accounting and collection	16,684	15,679	16,618	100,103	92,400	97,510
Administrative and general	30,101	34,004	31,943	180,604	203,007	197,825
Total current expenses	356,319	452,737	491,131	2,102,270	2,516,360	3,155,992
Net revenues (as defined)	138,381	140,736	119,865	844,646	702,322	730,435
Contractual obligations:						
Sinking fund appropriations -						
Interest on power revenue bonds (1)	17,104	71,776	60,795	102,626	403,308	363,545
Bond redemption account (1)	18,278	24,469	37,339	109,669	236,363	216,014
Reserve Account Fund (1)	-	-	-	-	-	(407,346)
Rate Stabilization Account	-	-	8,516	-	(8,516)	56,022
Interest on notes	6,613	8,959	9,686	39,675	52,836	53,928
Capital Improvements fund	58,509	828	(35,157)	366,779	35,985	171,678
Total contractual obligations	100,504	106,032	81,179	618,749	719,976	453,841
Balance	37,877	34,704	38,686	225,897	(17,654)	276,594
Provision for Contribution in Lieu of Taxes and other appropriations						
Contribution to municipalities	8,647	11,121	33,925	51,784	(83,079)	236,975
Other	29,230	23,583	4,761	174,113	65,425	39,619
Total provision for contribution and other	37,877	34,704	38,686	225,897	(17,654)	276,594
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)

	August 2016	June 2016
Net Position		
Invested in utility plant, net related debt	\$ (911,456)	\$ (687,432)
Restricted for capital activity and debt service	(525,180)	(634,881)
Unrestricted	<u>(596,693)</u>	<u>(676,040)</u>
Total net position	<u>\$ (2,033,329)</u>	<u>\$ (1,998,353)</u>

ACCOUNTS RECEIVABLE
(in thousands)

Exhibit A

	August 2016	June 2016
Electric and related services:		
General clients	\$ 828,304	\$ 829,406
Recoveries under fuel adjustment and purchase power clause under or (over) billed	21,988	(14,191)
Unbilled services	182,453	167,574
Allowance for uncollectible accounts	<u>(424,966)</u>	<u>(419,365)</u>
Total General Clients	<u>607,779</u>	<u>563,424</u>
Government, including current and non current	1,344,537 (1)	1,347,402
Claims Receivable from Insurance Companies & Other	30,140	29,964
Advances to Irrigation Systems - net	8,358	9,058
Accrued interest	2,058	2,048
Other	<u>29,991</u>	<u>28,428</u>
Total Accounts Receivable	<u>2,022,863</u>	<u>1,980,324</u>
Less: Government Account Receivable, non current portion	<u>108,959</u>	<u>108,959</u>
Total Accounts Receivable, current portion	<u><u>\$ 1,913,904</u></u>	<u><u>\$ 1,871,365</u></u>

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

PREPAYMENTS AND OTHER
(in thousands)

Exhibit B

	August 2016	June 2016
Claims Outstanding Related to Property Damages	\$ 353	\$ 353
Prepayments and other	<u>28,267</u>	<u>25,953</u>
Total	<u>\$ 28,620</u>	<u>\$ 26,306</u>

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (in thousands)

Exhibit C

	August 2016	June 2016
Accounts payable - fuel oil and other	\$ 472,264	\$ 524,759
Accrued annual leave	49,923	50,302
Accrued sick leave	3,628	4,682
Accrued salaries and fringe benefits	4,591	3,867
Accrued Contribution in Lieu of Taxes	1,147,881	1,120,570
Reserve for injuries and damages	4,850	4,557
Accrued Contributions Federal Social Security	579	-
Income tax withheld at source	464	-
Health plan	-	1,713
Pension & Benefits Deferred Employer Contribution	15,014	15,014
Other	22,207	22,454
Sub total current liabilities	<u>1,721,401</u>	<u>1,747,918</u>
Other current payables from restricted assets		
Retention on Contract Work	5,813	5,672
Vouchered A/P construction	1,619	5,548
Contribution aid to construction	<u>32,440</u>	<u>32,983</u>
Total other current payables from restricted assets	<u>39,872</u>	<u>44,203</u>
Total current Liabilities	<u>1,761,273</u>	<u>1,792,121</u>
NON-CURRENT LIABILITIES		
Accrued sick leave	114,518	114,518
Accrued Unfunded OPEB	<u>134,857</u>	<u>134,857</u>
Total non current liabilities	<u>249,375</u>	<u>249,375</u>
Total accounts payables and non current liabilities	<u>\$ 2,010,648</u>	<u>\$ 2,041,496</u>

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

SALES OF ELECTRIC ENERGY

AUGUST 2016

Exhibit D

Class of Service	CLIENTS		KWHRS (in thousands)			
	Billed	Total	MONTHLY			Total
			Billed	Unbilled	Adjustment*	
Residential	1,333,858	1,333,858	585,199	426,061	(409,613)	601,647
Commercial	123,845	123,845	681,222	486,874	(480,982)	687,114
Industrial	630	630	197,589	135,786	(128,849)	204,526
Public lighting	2,180	2,180	27,334	11,972	(10,971)	28,335
Other public authorities	2	2	2,948	1,680	(1,644)	2,984
Agricultural	1,192	1,192	2,181	1,534	(1,495)	2,220
Subtotal	1,461,707	1,461,707	1,496,473	1,063,907	(1,033,554)	1,526,826
Fuel oil adjustment						
Purchased power						
Subtotal	1,461,707	1,461,707	1,496,473	1,063,907	(1,033,554)	1,526,826
Unrecovered fuel oil cost-net						
Unrecovered purchased power cost-net						
Total	1,461,707	1,461,707	1,496,473	1,063,907	(1,033,554)	1,526,826

FISCAL YEAR-TO-DATE

Class of Service	Average Clients	Kwhrs. (thousands)	Revenue (thousand \$)	Kwhrs. per Client	Cents per Kwhr. Sold
Residential	1,333,765	1,220,619	73,689	915	6.04
Commercial	123,895	1,425,757	104,922	11,508	7.36
Industrial	631	397,258	20,606	628,600	5.19
Public lighting	2,183	56,610	10,638	25,932	18.79
Other public authorities	2	6,100	305	3,050,000	5.00
Agricultural	1,194	4,437	308	3,716	6.94
Subtotal	1,461,670	3,110,781	210,468	2,128	6.77
Fuel oil adjustment			220,717		8.12
Purchased Power			129,713		4.31
Subtotal	1,461,670	3,110,781	560,898	2,128	17.97
Unrecovered fuel oil cost-net			31,843		
Unrecovered purchased Power cost-net			4,334		
Total	1,461,670	3,110,781	597,075	2,128	19.19

*Unbilled previous month.

SALES OF ELECTRIC ENERGY

AUGUST 2016

Exhibit D

REVENUES (in thousand \$)						
Class of Service	MONTHLY			Total	Kwhrs. per Client	Cents per Kwhr. Sold
	Billed	Unbilled	Adjustment*			
Residential	40,154	17,714	(17,018)	40,850	451	6.79
Commercial	55,156	31,310	(30,796)	55,670	5,548	8.10
Industrial	11,540	6,142	(5,795)	11,887	324,644	5.81
Public lighting	5,277	2,016	(1,873)	5,420	12,998	19.13
Other public authorities	168	73	(70)	171	1,491,970	5.73
Agricultural	165	83	(81)	167	1,862	7.52
Subtotal	112,460	57,338	(55,633)	114,165	1,045	7.48
Fuel oil adjustment	95,089	76,306	(73,351)	98,044		8.17
Purchased power	65,760	48,808	(46,797)	67,771		4.46
Subtotal	273,309	182,452	(175,781)	279,980	1,045	18.34
Unrecovered fuel oil cost-net				26,769		
Unrecovered purchased power cost-net				255		
Total	273,309	182,452	(175,781)	307,004	1,045	20.11

Footnote:

⁽¹⁾ El aumento en la tarifa básica se debe a la tarifa provisional aprobada por la Comisión de Energía Según las disposiciones de la Ley 57 de 2014