
MONTHLY REPORT
TO THE GOVERNING BOARD
JANUARY 2016

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PUERTO RICO ELECTRIC POWER AUTHORITY

I. OPERATIONS HIGHLIGHTS

A. Production

	JANUARY		Increase (Decrease) %
	2015-16	2014-15	
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	999,227	1,025,802	(2.6)
PREPA - Hydro	2,329	2,418	(3.7)
Purchased power - gas	286,507	285,832	0.2
Purchased power - coal	300,971	300,647	0.1
Renewable Energy	23,721	21,562	10.0
Total	1,612,755	1,636,261	(1.4)
Fiscal year-to-date:			
PREPA - Steam and gas	8,532,086	7,833,813	8.9
PREPA - Hydro	40,928	53,954	(24.1)
Purchased power - gas	1,868,395	2,275,347	(17.9)
Purchased power - coal	1,777,594	2,117,666	(16.1)
Renewable Energy	186,923	141,462	32.1
Total	12,405,926	12,422,242	(0.1)
Twelve months:			
PREPA - Steam and gas	14,296,464	13,303,142	7.5
PREPA - Hydro	55,686	79,166	(29.7)
Purchased power - gas	2,935,179	3,751,843	(21.8)
Purchased power - coal	3,264,538	3,630,344	(10.1)
Renewable Energy	335,722	260,354	28.9
Total	20,887,589	21,024,849	(0.7)
2. Maximum hourly peak load (in MW)			
Month	2,617	2,667	(1.9)
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	1,368,303	1,361,683	0.5
Days billed	31.00	31.00	
Fiscal year-to-date:			
Billed	10,282,392	10,267,101	0.1
Days billed	213.00	214.00	(0.5)
Twelve months:			
Billed	17,241,521	17,276,784	(0.2)
Days billed	365.0	365.0	
4. System efficiency (%)			
Month	81.8	80.6	1.5
Fiscal year-to-date	82.7	83.0	(0.3)
Twelve months	82.5	82.5	0.1
5. Average cost per barrel (\$)			
Month	43.85	71.80	(38.9)
Fiscal year-to-date	56.39	96.86	(41.8)
Twelve months	61.64	102.55	(39.9)
6. kWh/Barrel			
Month	614.91	625.11	(1.6)
Fiscal year-to-date	594.49	605.91	(1.9)
Twelve months	607.46	613.05	(0.9)
7. Heat rate (BTU/kWh) *			
Month	10,771	10,820	(0.5)
Fiscal year-to-date	11,010	10,881	1.2
Twelve months	10,847	10,808	0.4

* Interim Operational and Financial Information subject to change.

8. Fuel consumption
(in thousands)

	2015-16		2014-15		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	889	35,017	1,278	88,316	(30.4)	(60.4)
Gas	281	15,150	68	6,870	*	*
Natural Gas	455	21,091	295	22,679	54.2	(7.0)
Total	<u>1,625</u>	<u>71,258</u>	<u>1,641</u>	<u>117,865</u>	(1.0)	(39.5)
Fiscal year-to-date:						
Steam	7,538	387,070	7,646	701,005	(1.4)	(44.8)
Gas	3,460	251,321	2,345	284,108	47.5	(11.5)
Natural Gas	3,354	170,885	2,938	267,218	14.2	(36.1)
Total	<u>14,352</u>	<u>809,276</u>	<u>12,929</u>	<u>1,252,331</u>	11.0	(35.4)
Twelve months:						
Steam	13,181	763,304	13,287	1,345,800	(0.8)	(43.3)
Gas	4,693	364,009	3,324	415,896	41.2	(12.5)
Natural Gas	5,661	323,438	5,089	463,563	11.2	(30.2)
Total	<u>23,535</u>	<u>1,450,751</u>	<u>21,700</u>	<u>2,225,259</u>	8.5	(34.8)

JANUARY

			Increase (Decrease) %	
	2016	2015		
B. Client Service				
1. Service complaints per thousand clients	2.12	5.88		(63.9)
2. Disconnections for nonpayment per thousand clients	10.22	10.40		(1.7)
C. Distribution System				
1. Interruption frequency index				
Total interruptions per thousand clients served	0.190	0.255		(25.3)
2. Interruption duration index				
Average interruption time per clients served (minutes)	33.26	42.45		(21.6)
3. Clients per interruption	184	195		(5.8)
4. Time per interruption (minutes)	316	303		4.1

*100% or over

D. Personnel

		JANUARY		Increase (Decrease)
		2016	2015	
Management Conf. / Carr.	Reg.	1,947	2,028	(81)
	Temp.	12	31	(19)
U.T.I.E.R.	Reg.	3,788	3,885	(97)
	Temp.	21	163	(142)
	Emerg.			
U.I.T.I.C.E.	Reg.	662	729	(67)
	Temp.			
U.E.P.I.	Reg.	318	326	(8)
	Temp.			
U.P.A.E.E.	Reg.	4	4	
	Temp.			
Total		<u>6,752</u>	<u>7,166</u>	<u>(414)</u>

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	JANUARY					
	Month			Fiscal Year-to-Date		
	2016	2015	Increase (Decrease) %	2015-16	2014-15	Increase (Decrease) %
kWh sales:						
Residential	513,531	483,931	6.1	3,844,568	3,758,822	2.3
Commercial	614,512	643,398	(4.5)	4,808,519	4,969,243	(3.2)
Industrial	158,369	161,469	(1.9)	1,385,825	1,369,188	1.2
Others	32,487	29,845	8.9	221,643	207,854	6.6
Total	<u>1,318,899</u>	<u>1,318,643</u>	0.0	<u>10,260,555</u>	<u>10,305,107</u>	(0.4)
Basic revenues:						
Residential	30,544	27,175	12.4	218,487	207,121	5.5
Commercial	43,984	41,782	5.3	317,860	338,068	(6.0)
Industrial	7,612	7,581	0.4	62,216	62,425	(0.3)
Others	5,330	4,904	8.7	36,315	33,668	7.9
Total	<u>87,470</u>	<u>81,442</u>	7.4	<u>634,878</u>	<u>641,282</u>	(1.0)
Fuel adjustment:						
Residential	31,619	49,970	(36.7)	345,405	530,732	(34.9)
Commercial	38,440	64,741	(40.6)	434,127	674,035	(35.6)
Industrial	8,442	14,718	(42.6)	112,223	172,671	(35.0)
Others	2,037	3,244	(37.2)	20,622	29,991	(31.2)
Total	<u>80,538</u>	<u>132,673</u>	(39.3)	<u>912,377</u>	<u>1,407,429</u>	(35.2)
Purchased power:						
Residential	23,920	27,354	(12.6)	169,705	203,228	(16.5)
Commercial	28,564	35,717	(20.0)	208,074	263,428	(21.0)
Industrial	6,738	8,286	(18.7)	55,062	66,216	(16.8)
Others	1,620	1,704	(4.9)	10,027	11,322	(11.4)
Total	<u>60,842</u>	<u>73,061</u>	(16.7)	<u>442,868</u>	<u>544,194</u>	(18.6)
Total revenues:						
Residential	86,083	104,499	(17.6)	733,597	941,081	(22.0)
Commercial	110,988	142,240	(22.0)	960,061	1,275,531	(24.7)
Industrial	22,792	30,585	(25.5)	229,501	301,312	(23.8)
Others	8,987	9,852	(8.8)	66,964	74,981	(10.7)
Total	<u>228,850</u>	<u>287,176</u>	(20.3)	<u>1,990,123</u>	<u>2,592,905</u>	(23.2)

JANUARY						
	Month			Fiscal Year-to-Date		
	2016	2015	Increase (Decrease) %	2015-16	2014-15	Increase (Decrease) %
2. Cents per kWh						
Basic revenues:						
Residential	5.95	5.62	5.9	5.68	5.51	3.1
Commercial	7.16	6.49	10.3	6.61	6.80	(2.8)
Industrial	4.81	4.70	2.3	4.49	4.56	(1.5)
Others	16.41	16.43	(0.1)	16.38	16.20	1.1
Total	6.63	6.18	7.3	6.19	6.22	(0.5)
Fuel adjustment:						
Residential	6.15	10.32	(40.4)	8.99	14.12	(36.3)
Commercial	6.25	10.07	(37.9)	9.03	13.57	(33.5)
Industrial	5.33	9.11	(41.5)	8.10	12.61	(35.8)
Others	6.26	10.87	(42.4)	9.31	14.42	(35.4)
Total	6.11	10.06	(39.3)	8.89	13.66	(34.9)
Purchased power:						
Residential	4.66	5.65	(17.5)	4.41	5.41	(18.5)
Commercial	4.65	5.55	(16.2)	4.33	5.30	(18.3)
Industrial	4.25	5.13	(17.2)	3.97	4.84	(18.0)
Others	4.99	5.71	(12.6)	4.52	5.45	(17.1)
Total	4.61	5.54	(16.8)	4.32	5.28	(18.2)
Total revenues:						
Residential	16.76	21.59	(22.4)	19.08	25.04	(23.8)
Commercial	18.06	22.11	(18.3)	19.97	25.67	(22.2)
Industrial	14.39	18.94	(24.0)	16.56	22.01	(24.8)
Others	27.66	33.01	(16.2)	30.21	36.07	(16.2)
Total	17.35	21.78	(20.3)	19.40	25.16	(22.9)
3. Clients:						
Residential	1,327,936	1,328,896	(0.1)	1,326,393	1,328,445	(0.2)
Commercial	123,696	124,449	(0.6)	123,821	124,707	(0.7)
Industrial	639	658	(2.9)	643	657	(2.1)
Others	3,363	3,381	(0.5)	3,370	3,704	(9.0)
Total	<u>1,455,634</u>	<u>1,457,384</u>	(0.1)	<u>1,454,227</u>	<u>1,457,513</u>	(0.2)
4. Average kWh per client:						
Residential	387	364	6.2	2,899	2,829	2.4
Commercial	4,968	5,170	(3.9)	38,834	39,847	(2.5)
Industrial	247,839	245,394	1.0	2,155,249	2,084,000	3.4
Others	9,660	8,827	9.4	65,769	56,116	17.2
Total	906	905	0.1	7,056	7,070	(0.2)

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	JANUARY					
	Month		Increase (Decrease) %	Fiscal Year-to-Date		Increase (Decrease) %
	2016	2015		2015-16	2014-15	
kWh sales:						
Residential	11	10	10.0	77	69	11.6
Commercial	192,160	209,244	(8.2)	1,421,050	1,544,152	(8.0)
Industrial						
Others	29,417	27,075	8.7	205,670	189,214	8.7
Total	221,588	236,329	(6.2)	1,626,797	1,733,435	(6.2)
Basic revenues:						
Residential	1	1		4	3	33.3
Commercial	14,225	14,194	0.2	91,471	114,282	(20.0)
Industrial						
Others	5,025	4,630	8.5	35,308	32,014	10.3
Total	19,251	18,825	2.3	126,783	146,299	(13.3)
Fuel adjustment:						
Residential	1	1		7	11	(36.4)
Commercial	15,630	22,425	(30.3)	133,471	207,740	(35.8)
Industrial						
Others	2,202	3,179	(30.7)	19,058	28,586	(33.3)
Total	17,833	25,605	(30.4)	152,536	236,337	(35.5)
Purchased power:						
Residential		1	(100.0)	3	4	(25.0)
Commercial	7,560	11,999	(37.0)	60,539	84,312	(28.2)
Industrial						
Others	1,232	1,648	(25.2)	9,344	10,971	(14.8)
Total	8,792	13,648	(35.6)	69,886	95,287	(26.7)
Total revenues:						
Residential	2	3	(50.0)	14	18	(22.2)
Commercial	37,415	48,618	(23.0)	285,481	406,334	(29.7)
Industrial						
Others	8,459	9,457	(10.6)	63,710	71,571	(11.0)
Total	45,876	58,078	(21.0)	349,205	477,923	(26.9)
2. Service Agreements:						
Residential	14	15	(6.7)	14	16	(12.5)
Commercial	23,908	23,608	1.3	24,736	23,693	4.4
Industrial						
Others	2,994	1,894	58.1	3,137	1,925	63.0
Total	26,916	25,517	5.5	27,887	25,634	8.8

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

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

	JANUARY 2016					
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	84.4	87.5	3.7	661.2	634.9	(4.0)
Fuel adjustment	178.9	80.5	(55.0)	1,468.4	912.4	(37.9)
Purchased power	84.0	60.8	(27.6)	588.6	442.8	(24.8)
Revenues from sales	347.3	228.8	(34.1)	2,718.2	1,990.1	(26.8)
Other	2.7	2.5	(7.4)	19.0	15.7	(17.4)
Total revenues	350.0	231.3	(33.9)	2,737.2	2,005.8	(26.7)
Fuel	158.9	71.2	(55.2)	1,303.5	809.3	(37.9)
Purchased power	74.8	53.8	(28.1)	523.9	395.2	(24.6)
Other expenses	57.0	51.8	(9.1)	399.0	383.8	(3.8)
Total current expenses	290.7	176.8	(39.2)	2,226.4	1,588.3	(28.7)
1974 - sinking fund appropriations	49.2	53.6	8.9	328.6	376.1	14.5
Reserve Account				(172.2)		*
Rate Stabilization Fund	5.2	(24.3)	*	41.1		*
Interest on notes	4.3	4.5	4.7	30.1	31.8	5.6
Internal funds	(21.7)	76.8	*	114.7		*
Contribution to municipalities	19.0	(61.4)	*	145.2	(11.4)	*
Other appropriations	3.3	5.3	60.6	23.3	21.0	(9.9)
Total	350.0	231.3	(33.9)	2,737.2	2,005.8	(26.7)

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 paid nor 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.
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)

	JANUARY					
	Month			Fiscal Year-to-Date		
	2016	2015	Increase (Decrease) %	2015-16	2014-15	Increase (Decrease) %
Basic charges	87.5	81.4	7.5	634.9	641.3	(1.0)
Fuel adjustment	80.5	132.7	(39.3)	912.4	1,407.4	(35.2)
Purchased power	60.8	73.1	(16.8)	442.8	544.2	(18.6)
Revenues from sales	228.8	287.2	(20.3)	1,990.1	2,592.9	(23.2)
Other	2.5	3.2	(21.9)	15.7	19.2	(18.2)
Total revenues	231.3	290.4	(20.4)	2,005.8	2,612.1	(23.2)
Fuel	71.3	117.9	(39.5)	809.3	1,252.3	(35.4)
Purchased power	53.8	65.5	(17.9)	395.2	485.8	(18.6)
Other expenses	51.7	58.1	(11.0)	383.8	388.1	(1.1)
Total current expenses	176.8	241.5	(26.8)	1,588.3	2,126.2	(25.3)
1974 - sinking fund appropriations	53.6	49.2	8.9	376.1	328.6	14.5
Reserve Account					(170.6)	*
Rate Stabilization Fund	(24.3)	4.1	*		39.3	*
Interest on notes	4.5	4.5		31.8	30.8	3.2
Internal funds	76.8	(31.3)	*		86.8	*
Contribution to municipalities	(61.4)	19.4	*	(11.4)	146.0	*
Other appropriations	5.3	3.0	76.7	21.0	25.0	(16.0)
Total	231.3	290.4	(20.4)	2,005.8	2,612.1	(23.2)

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 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)

JANUARY

<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 amount	<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			2. Fuel Financing (Scotiabank) :		
Aguirre Plant (AFICA):			Line of credit	550,000	550,000
Line of credit	17,560	17,560	Amount received	549,950	549,950
Amount received	0	0	Available amount	<u>50</u>	<u>50</u>
Available balance	<u>17,560</u>	<u>17,560</u>	Debt outstanding balance	549,950	549,950
Debt outstanding balance	0	0	Maturity Date	August 14, 2014	
Maturity Date	June 30, 2033				
3. State Revolving Fund Program			3. Fuel Financing (Citibank) :		
San Juan Plant (AFICA):			Line of credit	150,000	150,000
Line of credit	9,463	9,463	Amount received	146,042	146,042
Amount received	0	0	Available balance	<u>3,958</u>	<u>3,958</u>
Available balance	<u>9,463</u>	<u>9,463</u>	Debt outstanding balance	146,042	146,042
Debt outstanding balance	0	0	Maturity Date	January 10, 2014	
Maturity Date	June 30, 2033				
			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	Dec. 31, 2014	

E. Capital Improvements Program
(in thousand dollars)

JANUARY 2016						
	Month **			Fiscal Year-to-Date***		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Production	6,720	6,347	(5.6)	47,037	18,989	(59.6)
Transmission	4,307	1,165	(73.0)	30,151	12,829	(57.5)
Distribution	7,114	4,276	(39.9)	49,795	46,293	(7.0)
Other	2,252	248	(89.0)	15,762	2,735	(82.6)
Total	<u>20,393</u>	<u>12,036</u>	(41.0)	<u>142,745</u>	<u>80,846</u>	(43.4)
Internal Funds	(21,712)	76,780	****	114,689	0	(100.0)
Percentage of Internal Funds to Investment in Capital Improvements Programs*	-106%	638%		80%	0%	
Contribution AID for Construction		30			1,109	

	2016	2015
F. Highest debt coverage as of January 31	1.06	0.92

G. REA Projects

	Month	Fiscal Year-to-Date
Total investment	\$8,537	\$33,030
Families served	2	5

* 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.

****100% or over

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

	JANUARY		Increase (Decrease) %
	2016	2015	
General clients	\$ 587,898	\$ 662,633	(11.3)
Government	1,282,988	941,708	36.2
Less: Accrued Contribution in Lieu of Taxes	1,049,285	718,941	45.9
Total Government, Net	233,703	222,767	4.9
Subtotal	<u>\$ 821,601</u>	<u>\$ 885,400</u>	(7.2)
Sales of electric energy (12 months)			
Revenues from sales *	3,487,319	4,523,199	(22.9)
kWh (including subsidy)	17,235,525	17,337,724	(0.6)
Indicators:			
A. Ratio of accounts receivable to sales (%)	23.6	19.6	20.4
B. Ratio of accounts receivable to sales (%) (including subsidy)	23.4	19.5	20.2
C. Sales days in accounts receivable	86	71	20.4
D. Sales days in accounts receivable (including subsidy)	85	71	20.2
E. Ratio of collections to sales of electric energy:			
General clients:			
Sales	2,867,206	3,712,059	(22.8)
Collections	2,931,338	3,696,431	(20.7)
Percent	102.2	99.6	2.7
Government:			
Sales	620,113	811,140	(23.6)
Collections	405,982	546,209	(25.7)
Percent	65.5	67.3	(2.8)
Percent of total sales	95.7	93.8	2.0

* Excludes residential clients' subsidy of \$20,738 and \$21,768 for the 12 months ended January 2016 and January 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)

	January 31 2016	June 30 2015
Current assets:		
Cash and cash equivalents		
General fund	\$ 60,558	\$ 60,558
Reserve for current expenses	283,232	298,069
Revenue fund	13	13
Working funds	1,037	1,017
Total cash and cash equivalents	<u>344,840</u>	<u>359,657</u>
Accounts receivable (Exhibit A)	1,806,309	1,597,653
Fuel oil inventory	78,663	120,314
Materials and supplies inventory	174,107	183,809
Prepayments and other (Exhibit B)	13,677	3,793
Total current assets	<u>2,417,596</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	1,933	53,842
Non current restricted deposits held by trustees	2,214	332,336
Total investment held by trustees	<u>4,147</u>	<u>386,178</u>
Construction fund and other		
Construction fund	43,639	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>67,608</u>	<u>185,607</u>
Total restricted assets	<u>71,755</u>	<u>571,785</u>
Utility Plant		
Electric plant in service	12,625,305	12,495,368
Less: accumulated depreciation	6,930,725	6,730,621
Net electric plant in service	5,694,580	5,764,747
Construction work in progress, including preliminary surveys of 16,876 and 16,849	836,561	887,546
Total utility plant	<u>6,531,141</u>	<u>6,652,293</u>
Deferred debits:		
Unamortized debt expense	(5,654)	(3,627)
Other	35,216	34,078
Total deferred debits	<u>29,562</u>	<u>30,451</u>
Total assets	<u>9,159,013</u>	<u>9,628,714</u>
Deferred outflows of resources	<u>118,794</u>	<u>118,558</u>
Total Assets and Deferred Outflows	<u>\$ 9,277,807</u>	<u>\$ 9,747,272</u>

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

	January 31 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)	1,573,190	1,456,042
Customer deposits, including accrued interest	23,013	15,695
Total current liabilities	<u>2,328,041</u>	<u>2,203,575</u>
Current liabilities payable from restricted assets		
Current portion of long-term debt	236,695	452,119
Accrued interest payable on bonds and notes	41,580	211,192
Other current liabilities (Exhibit C)	37,777	42,255
Total current liabilities from restricted assets	<u>316,052</u>	<u>705,566</u>
Non current liabilities		
Power revenue bonds, net of unamortized debt discount of (46,256) and (46,493)	8,049,285	8,048,536
Non current portion, accounts payable and accrued sick leave	114,518	114,518
Accrued unfunded OPEB	131,587	127,016
Customer deposits - noncurrent	<u>168,855</u>	<u>168,855</u>
Total noncurrent liabilities	<u>8,464,245</u>	<u>8,458,925</u>
Total liabilities	<u>11,108,338</u>	<u>11,368,066</u>
Total net position (Deficit)	<u>(1,830,531)</u>	<u>(1,620,794)</u>
Total Liabilities and Net Position	<u>\$ 9,277,807</u>	<u>\$ 9,747,272</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget January 2016	Actual January 2016	Actual January 2015
Operating revenues:			
Sales of electric energy	\$ 347,328	\$ 228,850	\$ 287,176
Total operating revenues	<u>347,328</u>	<u>228,850</u>	<u>287,176</u>
Other income	<u>3,014</u>	<u>2,475</u>	<u>3,472</u>
Total revenues	<u>350,342</u>	<u>231,325</u>	<u>290,648</u>
Expenses:			
Fuel cost	158,878	71,258	117,865
Purchased power	74,789	53,828	65,478
Other production	4,734	4,130	4,729
Transmission and distribution	11,431	11,777	12,418
Maintenance	16,377	12,239	13,373
Customer accounting and collection	8,600	7,329	9,785
Administrative and general	<u>15,859</u>	<u>16,277</u>	<u>17,856</u>
Subtotal expenses by function	290,668	176,838	241,504
Other post - employment benefits	653	653	653
Depreciation	28,787	30,870	30,313
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	38,081	39,386	38,258
Contribution to municipalities	12,226	15,120	19,409
Other appropriations	3,334	5,331	3,070
Bond discount and defeasance amortization	<u>137</u>	<u>399</u>	<u>138</u>
Total expenses	<u>373,886</u>	<u>268,597</u>	<u>333,345</u>
Contributed capital	<u>2,165</u>	<u>194</u>	<u>5,494</u>
Changes in net position	<u>\$ (21,379)</u>	<u>\$ (37,078)</u>	<u>\$ (37,203)</u>

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

	FISCAL YEAR		
	Budget January 2016	Actual January 2016	Actual January 2015
Operating revenues:			
Sales of electric energy	\$ 2,718,209	\$ 1,990,124	\$ 2,592,905
Total operating revenues	<u>2,718,209</u>	<u>1,990,124</u>	<u>2,592,905</u>
Other income	<u>21,097</u>	<u>16,353</u>	<u>20,571</u>
Total revenues	<u>2,739,306</u>	<u>2,006,477</u>	<u>2,613,476</u>
Expenses:			
Fuel cost	1,303,449	809,276	1,252,331
Purchased power	523,919	395,231	485,822
Other production	33,142	33,833	34,145
Transmission and distribution	80,016	86,342	88,824
Maintenance	114,639	97,736	96,098
Customer accounting and collection	60,201	54,929	60,162
Administrative and general	<u>111,010</u>	<u>111,000</u>	<u>108,811</u>
Subtotal expenses by function	2,226,376	1,588,347	2,126,193
Other post - employment benefits	4,571	4,571	4,571
Depreciation	201,507	215,071	207,525
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	266,568	272,385	267,230
Contribution to municipalities	138,398	115,579	145,998
Other appropriations	23,338	20,986	25,025
Bond discount and defeasance amortization	<u>961</u>	<u>5,355</u>	<u>962</u>
Total expenses	<u>2,861,719</u>	<u>2,222,294</u>	<u>2,777,504</u>
Contributed capital	<u>15,155</u>	<u>6,081</u>	<u>16,585</u>
Changes in net position	<u>\$ (107,258)</u>	<u>\$ (209,736)</u>	<u>\$ (147,443)</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget January 2016	Actual January 2016	Actual January 2015
Revenues:			
Sales of electric energy (Exhibit D)	\$ 347,328	\$ 228,850	\$ 287,176
Total operating revenues	347,328	228,850	287,176
Other income	3,014	2,475	3,472
Total revenues	350,342	231,325	290,648
Less: 1974 construction fund investment income and gain on sale of properties	295	49	198
Revenues - net	350,047	231,276	290,450
Current expenses:			
Fuel cost	158,878	71,258	117,865
Purchased power	74,789	53,828	65,478
Other production	4,734	4,130	4,729
Transmission and distribution	11,431	11,777	12,418
Maintenance	16,377	12,239	13,373
Customer accounting and collection	8,600	7,329	9,785
Administrative and general	15,859	16,277	17,856
Total current expenses	290,668	176,838	241,504
Net revenues (as defined)	59,379	54,438	48,946
Contractual obligations:			
Sinking fund appropriations -			
Interest on power revenue bonds (1)	31,324	34,906	31,324
Bond redemption account (1)	17,868	18,670	17,868
Reserve Account -P.R.B. (1)	-	-	-
Rate Stabilization Account	5,260	(24,282)	4,115
Interest on notes	4,304	4,480	4,480
Capital Improvements fund	(21,712)	76,780	(31,320)
Total contractual obligations	37,044	110,554	26,467
Balance	22,335	(56,116)	22,479
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	19,001	(61,447)	19,409
Other	3,334	5,331	3,070
Total provision for contribution and other	22,335	(56,116)	22,479
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 January 2016	Actual January 2016	Actual January 2015	Budget June 2016	Actual January 2016	Actual January 2015
Revenues:						
Sales of electric energy (Exhibit D)	\$ 2,718,209	\$ 1,990,124	\$ 2,592,905	\$ 4,598,098	\$ 3,487,319	\$ 4,523,200
Total operating revenues	2,718,209	1,990,124	2,592,905	4,598,098	3,487,319	4,523,200
Other income	21,097	16,353	20,571	62,150	19,711	(174,730)
Total revenues	2,739,306	2,006,477	2,613,476	4,660,248	3,507,030	4,348,470
Less: 1974 construction fund investment income and gain on sale of properties	2,065	695	1,350	29,520	1,530	3,758
Revenues - net	2,737,241	2,005,782	2,612,126	4,630,728	3,505,500	4,344,712
Current expenses:						
Fuel cost	1,303,449	809,276	1,252,331	2,225,325	1,450,802	2,225,259
Purchased power	523,919	395,231	485,822	871,976	698,723	839,094
Other production	33,142	33,833	34,145	51,198	57,328	58,948
Transmission and distribution	80,016	86,342	88,824	130,305	144,552	154,867
Maintenance	114,639	97,736	96,098	194,345	164,045	170,532
Customer accounting and collection	60,201	54,929	60,162	101,581	92,659	103,141
Administrative and general	111,010	111,000	108,811	206,588	198,479	187,718
Interest charges	-	-	-	-	-	28
Total current expenses	2,226,376	1,588,347	2,126,193	3,781,318	2,806,588	3,739,587
Net revenues (as defined)	510,865	417,435	485,933	849,410	698,912	605,125
Contractual obligations:						
Sinking fund appropriations -						
Interest on power revenue bonds (1)	203,531	220,205	203,531	360,153	376,825	353,324
Bond redemption account (1)	125,073	155,885	125,073	214,410	245,223	210,200
Reserve Account Fund (1)	(172,207)	-	(170,560)	(172,207)	(236,785)	(212,041)
Rate Stabilization Account	41,140	-	39,309	69,733	21,248	39,309
Interest on notes	30,128	31,795	30,791	51,650	56,087	36,503
Capital Improvements fund	114,689	-	86,766	21,422	123,069	73,428
Total contractual obligations	342,354	407,885	314,910	545,161	585,667	500,723
Balance	168,511	9,550	171,023	304,249	113,245	104,402
Provision for Contribution in Lieu of Taxes and other appropriations						
Contribution to municipalities	145,173	(11,436)	145,998	264,235	76,316	58,566
Other	23,338	20,986	25,025	40,014	36,929	45,836
Total provision for contribution and other	168,511	9,550	171,023	304,249	113,245	104,402
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.

PUERTO RICO ELECTRIC POWER AUTHORITY

NET POSITION
(in thousands)

	January 2016	June 2015
Net Position		
Invested in utility plant, net related debt	\$ (654,818)	\$ (746,314)
Restricted for capital activity and debt service	(546,455)	(220,515)
Unrestricted	<u>(629,258)</u>	<u>(653,965)</u>
Total net position	<u>\$ (1,830,531)</u>	<u>\$ (1,620,794)</u>

ACCOUNTS RECEIVABLE
(in thousands)

Exhibit A

	January 2016	June 2015
Electric and related services:		
General clients	\$ 841,449	\$ 855,241
Recoveries under fuel adjustment and purchase power clause under or (over) billed	17,819	5,312
Unbilled services	144,964	176,611
Allowance for uncollectible accounts	<u>(416,334)</u>	<u>(410,738)</u>
Total General Clients	<u>587,898</u>	<u>626,426</u>
Government, including current and non current (1)	1,282,988	1,031,375
Claims Receivable from Insurance Companies & Other	29,819	29,819
Advances to Irrigation Systems - net	10,841	16,274
Accrued interest	2,052	2,639
Other	<u>1,670</u>	<u>79</u>
Total Accounts Receivable	<u>1,915,268</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>\$ 1,806,309</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

	January 2016	June 2015
Claims Outstanding Related to Property Damages	\$ 353	\$ 352
Prepayments and other	<u>13,324</u>	<u>3,441</u>
Total	<u>\$ 13,677</u>	<u>\$ 3,793</u>

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES
(in thousands)

Exhibit C

	January 2016	June 2015
Accounts payable - fuel oil and other	\$ 409,999	\$ 521,779
Accrued annual leave	52,302	55,329
Accrued sick leave	11,639	22,962
Accrued salaries and fringe benefits	2,096	4,175
Accrued Contribution in Lieu of Taxes (1)	1,049,285	806,692
Reserve for injuries and damages	8,201	6,704
Accrued Contributions Federal Social Security	133	1,526
Income tax withheld at source	(182)	872
Health plan	1,544	-
Pension & Benefits Deferred Employer Contribution	15,014	15,014
Other	23,159	20,989
Sub total current liabilities	<u>1,573,190</u>	<u>1,456,042</u>
Other current payables from restricted assets		
Retention on Contract Work	5,587	5,734
Vouchered A/P construction	1,372	6,316
Contribution aid to construction	<u>30,818</u>	<u>30,205</u>
Total other current payables from restricted assets	<u>37,777</u>	<u>42,255</u>
Total current Liabilities	<u>1,610,967</u>	<u>1,498,297</u>
NON-CURRENT LIABILITIES		
Accrued sick leave	114,518	114,518
Accrued Unfunded OPEB	<u>131,587</u>	<u>127,016</u>
Total non current liabilities	<u>246,105</u>	<u>241,534</u>
Total accounts payables and non current liabilities	<u>\$ 1,857,072</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

JANUARY 2016

Exhibit D

Class of Service	CLIENTS		KWHRS (in thousands)			
	Billed	Total	MONTHLY			Total
			Billed	Unbilled	Adjustment*	
Residential	1,327,936	1,327,936	521,308	338,607	(346,384)	513,531
Commercial	123,696	123,696	642,959	407,227	(435,675)	614,511
Industrial	639	639	172,295	114,943	(128,869)	158,369
Public lighting	2,166	2,166	26,563	9,841	(9,067)	27,337
Other public authorities	2	2	2,974	1,559	(1,661)	2,872
Agricultural	1,195	1,195	2,204	1,336	(1,261)	2,279
Subtotal	1,455,634	1,455,634	1,368,303	873,513	(922,917)	1,318,899
Fuel oil adjustment						
Purchased power						
Subtotal	1,455,634	1,455,634	1,368,303	873,513	(922,917)	1,318,899
Unrecovered fuel oil cost-net						
Unrecovered purchased power cost-net						
Total	1,455,634	1,455,634	1,368,303	873,513	(922,917)	1,318,899

FISCAL YEAR-TO-DATE					
Class of Service	Average Clients	Kwhrs. (thousands)	Revenue (thousand \$)	Kwhrs. per Client	Cents per Kwhr. Sold
Residential	1,326,393	3,844,568	218,487	2,899	5.68
Commercial	123,821	4,808,519	317,860	38,834	6.61
Industrial	643	1,385,825	62,216	2,155,249	4.49
Public lighting	2,174	183,574	34,345	84,441	18.71
Other public authorities	2	22,712	991	11,356,000	4.36
Agricultural	1,194	15,357	979	12,862	6.37
Subtotal	1,454,227	10,260,555	634,878	7,056	6.19
Fuel oil adjustment			897,102		8.89
Purchased Power			445,642		4.32
Subtotal	1,454,227	10,260,555	1,977,622	7,056	19.27
Unrecovered fuel oil cost-net			15,275		
Unrecovered purchased Power cost-net			(2,774)		
Total	1,454,227	10,260,555	1,990,123	7,056	19.40

*Unbilled previous month.

SALES OF ELECTRIC ENERGY

JANUARY 2016

Exhibit D

REVENUES (in thousand \$)						
Class of Service	MONTHLY				Kwhrs. per Client	Cents per Kwhr. Sold
	Billed	Unbilled	Adjustment*	Total		
Residential	30,815	13,875	(14,146)	30,544	387	5.95
Commercial	45,562	26,743	(28,321)	43,984	4,968	7.16
Industrial	8,056	5,330	(5,774)	7,612	247,839	4.81
Public lighting	4,920	1,714	(1,572)	5,062	12,621	18.52
Other public authorities	129	67	(70)	126	1,436,398	4.37
Agricultural	138	72	(68)	142	1,907	6.22
Subtotal	89,620	47,801	(49,951)	87,470	906	6.63
Fuel oil adjustment	99,932	56,345	(69,136)	87,141		6.11
Purchased power	54,664	40,818	(40,780)	54,702		4.61
Subtotal	244,216	144,964	(159,867)	229,313	906	17.39
Unrecovered fuel oil cost-net				(6,603)		
Unrecovered purchased power cost-net				6,140		
Total	244,216	144,964	(159,867)	228,850	906	17.35