



**Government of Puerto Rico**  
Puerto Rico Electric Power Authority

June 22, 2017

Governing Board

Ricardo L. Ramos Rodríguez  
Chief Executive Officer

**OPERATIONS REPORT – MAY 2017**

Enclosed is the report on the operations of the Puerto Rico Electric Power Authority for May 2017.

Enclosure

**Chief Executive Officer**

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PUERTO RICO ELECTRIC POWER AUTHORITY

I. OPERATIONS HIGHLIGHTS

A. Production

	MAY		Increase (Decrease) %
	2016-17	2015-16	
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	1,144,893	1,240,724	(7.7)
PREPA - Hydro	7,918	2,352	*
Purchased power - gas	234,377	287,485	(18.5)
Purchased power - coal	319,993	236,808	35.1
Renewable Energy	39,336	30,258	30.0
Total	1,746,517	1,797,627	(2.8)
Fiscal year-to-date:			
PREPA - Steam and gas	11,875,188	12,868,510	(7.7)
PREPA - Hydro	82,016	50,375	62.8
Purchased power - gas	3,051,912	2,991,673	2.0
Purchased power - coal	3,124,934	2,887,648	8.2
Renewable Energy	334,883	295,131	13.5
Total	18,468,933	19,093,337	(3.3)
Twelve months:			
PREPA - Steam and gas	13,084,417	14,017,480	(6.7)
PREPA - Hydro	86,267	53,604	60.9
Purchased power - gas	3,287,686	3,288,082	(0.0)
Purchased power - coal	3,451,993	3,202,471	7.8
Renewable Energy	365,372	330,941	10.4
Total	20,275,735	20,892,578	(3.0)
2. Maximum hourly peak load (in MW)			
Month	2,887	2,958	(2.4)
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	1,409,699	1,417,977	(0.6)
Days billed	28.0	30.0	(6.7)
Fiscal year-to-date:			
Billed	15,590,300	15,780,368	(1.2)
Days billed	332.0	334.0	(0.6)
Twelve months:			
Billed	17,083,310	17,244,606	(0.9)
Days billed	362.0	364.0	(0.5)
4. System efficiency (%)			
Month	80.2	83.5	(4.0)
Fiscal year-to-date	84.0	82.8	1.4
Twelve months	84.0	82.8	1.5
5. Average cost per barrel (\$)			
Month	60.55	46.18	31.1
Fiscal year-to-date	57.37	52.35	9.6
Twelve months	56.72	53.37	6.3
6. kWh/Barrel			
Month	632.89	624.11	1.4
Fiscal year-to-date	614.34	605.69	1.4
Twelve months	614.70	606.50	1.4
7. Heat rate (BTU/kWh) **			
Month	10,371	10,460	(0.9)
Fiscal year-to-date	10,702	10,680	0.2
Twelve months	10,698	10,813	(1.1)

\*100% or over

\*\* Revised prior year

## PUERTO RICO ELECTRIC POWER AUTHORITY

## MAY

8. Fuel consumption  
(in thousands)

	2016-17		2015-16		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	998	57,541	926	37,013	7.8	55.5
Gas	421	31,317	497	31,034	(15.3)	0.9
Natural Gas	390	20,645	565	23,769	(31.0)	(13.1)
Total	<u>1,809</u>	<u>109,503</u>	<u>1,988</u>	<u>91,816</u>	<u>(9.0)</u>	<u>19.3</u>
Fiscal year-to-date:						
Steam	9,682	528,472	10,966	516,131	(11.7)	2.4
Gas	4,795	342,354	4,856	335,537	(1.3)	2.0
Natural Gas	4,853	238,152	5,424	260,446	(10.5)	(8.6)
Total	<u>19,330</u>	<u>1,108,978</u>	<u>21,246</u>	<u>1,112,114</u>	<u>(9.0)</u>	<u>(0.3)</u>
Twelve months:						
Steam	10,765	578,822	12,059	586,423	(10.7)	(1.3)
Gas	5,201	370,800	5,159	362,832	0.8	2.2
Natural Gas	5,320	257,750	5,894	288,837	(9.7)	(10.8)
Total	<u>21,286</u>	<u>1,207,372</u>	<u>23,112</u>	<u>1,238,092</u>	<u>(7.9)</u>	<u>(2.5)</u>

## MAY

			Increase (Decrease) %	
	2017	2016		
B. Client Service				
1. Service complaints per thousand clients	2.09	2.98		(30.0)
2. Disconnections for nonpayment per thousand clients	8.18	7.64		7.1
C. Distribution System*				
1. Interruption frequency index				
Total interruptions per thousand clients served	0.503	0.435		15.5
2. Interruption duration index				
Average interruption time per clients served (minutes)	90.73	74.11		22.4
3. Clients per interruption	256	212		20.8
4. Time per interruption (minutes)	437	326		34.0

D. Personnel

		MAY		Increase (Decrease)
		2017	2016	
Management Conf. / Carr.	Reg.	1,810	1,916	(106)
	Temp.	27	6	21
U.T.I.E.R.	Reg.	3,537	3,702	(165)
	Temp.	13	12	1
	Emerg.			
U.I.T.I.C.E.	Reg.	607	644	(37)
	Temp.			
U.E.P.I.	Reg.	306	314	(8)
	Temp.			
U.P.A.E.E.	Reg.	4	4	0
	Temp.	1		
Total		<u>6,305</u>	<u>6,598</u>	<u>(293)</u>

## II. FINANCIAL HIGHLIGHTS

## A. Revenue data

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

	MAY					
	Month			Fiscal Year-to-Date		
	2017	2016	Increase (Decrease) %	2016-17	2015-16	Increase (Decrease) %
kWh sales:						
Residential	521,523	554,392	(5.9)	5,799,309	5,846,325	(0.8)
Commercial	665,985	711,535	(6.4)	7,356,178	7,474,125	(1.6)
Industrial	182,333	201,696	(9.6)	2,002,617	2,147,000	(6.7)
Others	30,082	33,528	(10.3)	346,651	347,249	(0.2)
Total	<u>1,399,923</u>	<u>1,501,151</u>	(6.7)	<u>15,504,755</u>	<u>15,814,699</u>	(2.0)
Basic revenues:						
Residential	28,133	29,223	(3.7)	321,805	333,939	(3.6)
Commercial	45,114	47,383	(4.8)	491,293	498,894	(1.5)
Industrial	8,255	9,169	(10.0)	93,347	97,262	(4.0)
Others	5,005	5,467	(8.5)	56,873	57,131	(0.5)
Total	<u>86,507</u>	<u>91,242</u>	(5.2)	<u>963,318</u>	<u>987,226</u>	(2.4)
Provisional rate:						
Residential	6,424	0	*	65,334	0	*
Commercial	8,766	0	*	86,877	0	*
Industrial	2,419	0	*	23,497	0	*
Others	409	0	*	4,108	0	*
Total	<u>18,018</u>	<u>0</u>	*	<u>179,816</u>	<u>0</u>	*
Fuel adjustment:						
Residential	46,800	37,216	25.8	473,544	466,077	1.6
Commercial	59,041	51,730	14.1	598,498	606,564	(1.3)
Industrial	15,137	12,333	22.7	150,095	154,097	(2.6)
Others	2,554	2,466	3.6	29,070	28,125	3.4
Total	<u>123,532</u>	<u>103,745</u>	19.1	<u>1,251,207</u>	<u>1,254,863</u>	(0.3)
Purchased power:						
Residential	25,842	24,003	7.7	278,298	262,875	5.9
Commercial	33,829	30,310	11.6	353,987	331,028	6.9
Industrial	8,389	7,967	5.3	88,962	87,312	1.9
Others	1,894	1,468	29.0	17,711	16,116	9.9
Total	<u>69,954</u>	<u>63,748</u>	9.7	<u>738,958</u>	<u>697,331</u>	6.0
Total revenues:						
Residential	107,199	90,442	18.5	1,138,981	1,062,891	7.2
Commercial	146,750	129,423	13.4	1,530,655	1,436,486	6.6
Industrial	34,200	29,469	16.1	355,901	338,671	5.1
Others	9,862	9,401	4.9	107,762	101,372	6.3
Total	<u>298,011</u>	<u>258,735</u>	15.2	<u>3,133,299</u>	<u>2,939,420</u>	6.6

MAY						
Month			Fiscal Year-to-Date			
2017	2016	Increase (Decrease) %	2016-17	2015-16	Increase (Decrease) %	
2. Cents per kWh						
Basic revenues:						
Residential	5.39	5.27	2.3	5.55	5.71	(2.8)
Commercial	6.77	6.66	1.7	6.68	6.67	0.1
Industrial	4.53	4.55	(0.4)	4.66	4.53	2.9
Others	16.64	16.31	2.0	16.41	16.45	(0.2)
Total	6.18	6.08	1.6	6.21	6.24	(0.5)
Provisional rate:						
Residential	1.23	0.00	*	1.13	0.00	*
Commercial	1.32	0.00	*	1.18	0.00	*
Industrial	1.33	0.00	*	1.17	0.00	*
Others	1.36	0.00	*	1.19	0.00	*
Total	1.29	0.00	*	1.16	0.00	*
Fuel adjustment:						
Residential	8.97	6.71	33.7	8.16	7.97	2.4
Commercial	8.87	7.27	22.0	8.14	8.12	0.2
Industrial	8.30	6.11	35.8	7.50	7.17	4.6
Others	8.48	7.35	15.4	8.38	8.10	3.5
Total	8.82	6.91	27.6	8.07	7.94	1.6
Purchased power:						
Residential	4.96	4.33	14.5	4.80	4.50	6.7
Commercial	5.08	4.26	19.2	4.81	4.43	8.6
Industrial	4.60	3.95	16.5	4.44	4.07	9.1
Others	6.30	4.38	43.8	5.11	4.64	10.1
Total	5.00	4.25	17.6	4.77	4.41	8.2
Total revenues:						
Residential	20.55	16.31	26.0	19.64	18.18	8.0
Commercial	22.04	18.19	21.2	20.81	19.22	8.3
Industrial	18.76	14.61	28.4	17.77	15.77	12.7
Others	32.78	28.04	16.9	31.09	29.19	6.5
Total	21.29	17.24	23.5	20.21	18.59	8.7
3. Clients:						
Residential	1,337,941	1,332,103	0.4	1,335,305	1,327,783	0.6
Commercial	123,701	123,885	(0.1)	123,821	123,815	0.0
Industrial	617	635	(2.8)	625	640	(2.3)
Others	3,346	3,380	(1.0)	3,361	3,370	(0.3)
Total	<u>1,465,605</u>	<u>1,460,003</u>	0.4	<u>1,463,112</u>	<u>1,455,608</u>	0.5
4. Average kWh per client:						
Residential	390	416	(6.3)	4,343	4,403	(1.4)
Commercial	5,384	5,744	(6.3)	59,410	60,365	(1.6)
Industrial	295,515	317,631	(7.0)	3,204,187	3,354,688	(4.5)
Others	8,990	9,920	(9.4)	103,139	103,041	0.1
Total	955	1,028	(7.1)	10,597	10,865	(2.5)

\*100% or over

## II. FINANCIAL HIGHLIGHTS

## A. Revenue data

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

	MAY					
	Month		Increase (Decrease) %	Fiscal Year-to-Date		Increase (Decrease) %
	2017	2016		2016-17	2015-16	
kWh sales:						
Residential	12	9	33.3	124	114	8.8
Commercial	202,520	274,037	(26.1)	2,256,415	2,304,912	(2.1)
Industrial						
Others	29,175	28,335	3.0	322,267	321,137	0.4
Total	231,707	302,381	(23.4)	2,578,806	2,626,163	(1.8)
Basic revenues:						
Residential	1	1	0.0	6	6	0.0
Commercial	14,416	13,580	6.2	145,806	145,551	0.2
Industrial						
Others	5,064	4,758	6.4	55,129	55,288	(0.3)
Total	19,481	18,339	6.2	200,941	200,845	0.0
Provisional rate:						
Residential		0	*	1	0	*
Commercial	2,635	0	*	26,734	0	*
Industrial						
Others	379	0	*	3,772	0	*
Total	3,014	0	*	30,507	0	*
Fuel adjustment:						
Residential	1	1	0.0	10	10	0.0
Commercial	18,238	16,741	8.9	178,111	199,837	(10.9)
Industrial						
Others	2,738	1,818	50.6	26,905	26,808	0.4
Total	20,977	18,560	13.0	205,026	226,655	(9.5)
Purchased power:						
Residential	1	0	*	6	5	20.0
Commercial	8,227	8,996	(8.5)	103,046	96,998	6.2
Industrial						
Others	1,259	1,263	(0.3)	15,576	14,771	5.4
Total	9,487	10,259	(7.5)	118,628	111,774	6.1
Total revenues:						
Residential	3	2	50.0	23	21	9.5
Commercial	43,516	39,317	10.7	453,697	442,386	2.6
Industrial						
Others	9,440	7,839	20.4	101,382	96,867	4.7
Total	52,959	47,158	12.3	555,102	539,274	2.9
2. Clients:						
Residential	14	14	0.0	15	14	7.1
Commercial	21,377	27,519	(22.3)	23,625	24,745	(4.5)
Industrial						
Others	2,922	3,001	(2.6)	3,172	5,204	(39.0)
Total	24,313	30,534	(20.4)	26,812	29,963	(10.5)

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)

	MAY 2017					
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	93.2	86.5	(7.2)	994.9	963.3	(3.2)
Fuel adjustment	81.5	123.5	51.5	767.6	1,251.2	63.0
Purchased power	82.1	70.0	(14.7)	847.1	739.0	(12.8)
Provisional rate	11.8	18.0	52.5	82.8	179.8	*
Revenues from sales	268.6	298.0	10.9	2,692.4	3,133.3	16.4
Other	(2.0)	(1.4)	(30.0)	(21.8)	(27.6)	26.6
Total revenues	266.6	296.6	11.3	2,670.6	3,105.7	16.3
Fuel	61.6	109.5	77.8	579.0	1,109.0	91.5
Purchased power	73.0	62.4	(14.5)	753.9	661.3	(12.3)
Other expenses	52.2	46.0	(11.9)	574.2	585.6	2.0
Total current expenses	186.8	217.9	16.6	1,907.1	2,355.9	23.5
1974 - sinking fund appropriations	17.8	55.7	*	194.6	597.4	*
Reserve Account						
Rate Stabilization Fund						
Interest on notes	3.3	4.5	36.4	36.4	48.4	33.0
Internal funds	40.3	0.5	(98.8)	331.6	1.3	(99.6)
Contribution to municipalities	4.2	6.8	61.9	47.3	(23.6)	*
Other appropriations	14.2	11.2	(21.1)	153.6	126.3	(17.8)
Total	266.6	296.6	11.3	2,670.6	3,105.7	16.3

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)

	MAY					
	Month			Fiscal Year-to-Date		
	2017	2016	Increase (Decrease) %	2016-17	2015-16	Increase (Decrease) %
Basic charges	86.5	91.2	(5.2)	963.3	987.2	(2.4)
Fuel adjustment	123.5	103.7	19.1	1,251.2	1,254.9	(0.3)
Purchased power	70.0	63.8	9.7	739.0	697.3	6.0
Provisional rate	18.0		*	179.8		*
Revenues from sales	298.0	258.7	15.2	3,133.3	2,939.4	6.6
Other	(1.4)	1.7	*	(27.6)	24.0	*
Total revenues	296.6	260.4	13.9	3,105.7	2,963.4	4.8
Fuel	109.5	91.8	19.3	1,109.0	1,112.1	(0.3)
Purchased power	62.4	56.9	14.5	661.3	622.7	6.2
Other expenses	46.0	54.5	(15.6)	585.6	602.8	(2.9)
Total current expenses	217.9	203.2	7.2	2,355.9	2,337.6	0.8
1974 - sinking fund appropriations	55.7	52.9	5.3	597.4	587.8	1.6
Reserve Account						
Rate Stabilization Fund						
Interest on notes	4.5	4.5	0.0	48.4	49.3	(1.8)
Internal funds	0.5		*	1.3		*
Contribution to municipalities	6.8	(9.8)	*	(23.6)	(48.9)	(51.7)
Other appropriations	11.2	9.6	16.7	126.3	37.6	*
Total	296.6	260.4	13.9	3,105.7	2,963.4	4.8

## 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 increased for the fiscal year-to-date due to a higher 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. 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.
8. 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)

MAY

<u>Construction Financing</u>			<u>Operational Financing</u>		
	2017	2016		2017	2016
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 Plant (AFICA):			2. Fuel Financing (Scotiabank) :		
Line of credit	27,023	27,023	Line of credit	550,000	550,000
Amount received	4,939	0	Amount received	549,950	549,950
Available balance	<u>22,084</u>	<u>27,023</u>	Available balance	<u>50</u>	<u>50</u>
Debt outstanding balance	4,939	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 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	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)

MAY 2017						
	Month **			Fiscal Year-to-Date***		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Production	6,936	5,447	(21.5)	76,299	61,977	(18.8)
Transmission	6,772	3,131	(53.8)	74,497	32,496	(56.4)
Distribution	6,161	4,491	(27.1)	67,774	41,718	(38.4)
Other	8,177	1,413	(82.7)	89,942	13,652	(84.8)
Total	28,046	14,482	(48.4)	308,512	149,843	(51.4)
Internal Funds	40,305	493	(98.8)	331,559	1,330	(99.6)
Percentage of Internal Funds to Investment in Capital Improvements Programs*	144%	3%		107%	1%	
Contribution AID for Construction		145			2,134	

	2017	2016
F. Highest debt coverage as of May 31	1.02	1.03

G. REA Projects

	Month	Fiscal Year-to-Date
Total investment	\$13,787	\$56,641
Families served	5	18

\*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)

	MAY		Increase (Decrease) %
	2017	2016	
General clients	868,913	824,235	5.4
Government (State and federal agencies and public corporations)	216,704	273,001	(20.6)
Total Accounts Receivable	<u>1,085,617</u>	<u>1,097,236</u>	(1.1)
Uncollectibles Reserve	<u>(518,789)</u>	<u>(492,316)</u>	5.4
Accounts Receivable after Reserve	<u>566,828</u>	<u>604,920</u>	(6.3)
Sales of electric energy (12 months)			
Revenues from sales	3,209,614	3,185,941	0.7
Indicators:			
A/R to Sales	17.7%	19.0%	(7.0)
Sales Days in A/R	64	69	(7.0)
Ratio of collections to sales:			
General clients:			
Sales	2,801,581	2,657,008	5.4
Collections	2,714,651	2,721,129	(0.2)
%Collection to Sales	96.9	102.4	(5.4)
Government:			
Sales net of municipalities, public lightning and exclusions	408,033	528,933	(22.9)
Collections	464,555	395,944	17.3
% Collection to Sales	113.85	74.86	52.1
Total:			
Sales net of municipalities, public lightning and exclusions	3,209,614	3,185,941	0.7
Collections	3,179,206	3,117,073	2.0
%Collection to Sales	99.1	97.8	1.2

## PUERTO RICO ELECTRIC POWER AUTHORITY

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

	May 31 2017	June 30 2016
Current assets:		
Cash and cash equivalents		
General fund	\$ 60,558	\$ 60,558
Reserve for current expenses	343,907	235,221
Revenue fund	13	13
Working funds	1,120	1,033
Total cash and cash equivalents	<u>405,598</u>	<u>296,825</u>
Accounts receivable (Exhibit A)	1,994,756	1,845,977
Fuel oil inventory	102,804	71,473
Materials and supplies inventory	171,329	172,431
Prepayments and other (Exhibit B)	26,589	26,306
Total current assets	<u>2,701,076</u>	<u>2,413,012</u>
Non current receivables (Exhibit A)	<u>132,588</u>	<u>132,588</u>
Restricted Assets		
Cash held by trustees	<u>2</u>	<u>(1,908)</u>
Investments held by trustees		
Sinking funds - Interest	30	1,934
Non current restricted deposits held by trustees	8,028	8,024
Total investment held by trustees	<u>8,058</u>	<u>9,958</u>
Construction fund and other		
Construction fund	27,959	96,712
Investment held by REA	1,113	1,108
Reserve maintenance fund	16,151	16,082
Other restricted fund	5,127	5,116
Total construction fund and other	<u>50,350</u>	<u>119,018</u>
Total restricted assets	<u>58,410</u>	<u>127,068</u>
Utility Plant		
Electric plant in service	12,846,904	12,750,472
Less: accumulated depreciation	<u>7,406,542</u>	<u>7,076,126</u>
Net electric plant in service	5,440,362	5,674,346
Construction work in progress, including preliminary surveys of 16,990 and 16,876	837,102	776,948
Total utility plant	<u>6,277,464</u>	<u>6,451,294</u>
Deferred debits:		
Unamortized debt expense	(1,332)	(309)
Other	39,848	37,273
Total deferred debits	<u>38,516</u>	<u>36,964</u>
Total assets	<u>9,208,054</u>	<u>9,160,926</u>
Deferred outflows of resources	<u>113,076</u>	<u>120,648</u>
Total Assets and Deferred Outflows	<u>\$ 9,321,130</u>	<u>\$ 9,281,574</u>

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

	May 31 2017	June 30 2016
Liabilities and net position		
Current Liabilities		
Notes payable to banks	\$ 736,777	\$ 731,838
Accounts payable and accrued liabilities (Exhibit C)	1,853,453	1,775,067
Customer deposits, including accrued interest	44,543	31,830
Total current liabilities	<u>2,634,773</u>	<u>2,538,735</u>
Current liabilities payable from restricted assets		
Current portion of long-term debt	247,925	234,394
Accrued interest payable on bonds and notes	185,955	11,881
Other current liabilities (Exhibit C)	40,521	44,203
Total current liabilities from restricted assets	<u>474,401</u>	<u>290,478</u>
Non current liabilities		
Power revenue bonds, net of unamortized debt discount of (43,306) and (46,259)	8,178,380	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>10,303,791</u>	<u>10,327,646</u>
Total liabilities	<u>13,412,965</u>	<u>13,156,859</u>
Deferred inflows of resources:		
Deferred gain on pension valuation	65,946	65,946
Total net position (Deficit)	<u>(4,157,781)</u>	<u>(3,941,231)</u>
Total Liabilities and Net Position	<u>\$ 9,321,130</u>	<u>\$ 9,281,574</u>



## PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget May 2017	Actual May 2017	Actual May 2016
Operating revenues:			
Sales of electric energy	\$ 268,601	\$ 298,012	\$ 258,735
Total operating revenues	268,601	298,012	258,735
Other income	(1,897)	(1,368)	1,709
Total revenues	266,704	296,644	260,444
Expenses:			
Fuel cost	61,584	109,503	91,816
Purchased power	73,055	62,411	56,908
Other production	3,531	4,502	4,878
Transmission and distribution	10,979	11,145	12,980
Maintenance	14,298	11,207	13,018
Customer accounting and collection	8,342	5,635	6,701
Administrative and general	15,050	13,560	16,923
Subtotal expenses by function	186,839	217,963	203,224
Other post - employment benefits	-	-	653
Depreciation	29,742	31,091	30,836
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	11,858	40,367	38,747
Contribution to municipalities	4,244	6,842	5,368
Other appropriations	14,234	11,167	9,576
Bond discount and defeasance amortization	-	136	(958)
Total expenses	246,917	307,566	287,446
Contributed capital	791	1,090	113
Changes in net position	\$ 20,578	\$ (9,832)	\$ (26,889)

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

	FISCAL YEAR		
	Budget May 2017	Actual May 2017	Actual May 2016
Operating revenues:			
Sales of electric energy	\$ 2,692,360	\$ 3,133,299	\$ 2,939,421
Total operating revenues	<u>2,692,360</u>	<u>3,133,299</u>	<u>2,939,421</u>
Other income	<u>(20,863)</u>	<u>(27,139)</u>	<u>24,791</u>
Total revenues	<u>2,671,497</u>	<u>3,106,160</u>	<u>2,964,212</u>
Expenses:			
Fuel cost	579,057	1,108,978	1,112,114
Purchased power	753,901	661,320	622,715
Other production	38,844	50,837	52,241
Transmission and distribution	120,763	132,712	135,958
Maintenance	157,273	141,761	148,295
Customer accounting and collection	91,761	85,836	84,730
Administrative and general	<u>165,554</u>	<u>174,450</u>	<u>181,535</u>
Subtotal expenses by function	1,907,153	2,355,894	2,337,588
Other post - employment benefits	-	-	7,183
Depreciation	327,158	337,344	338,485
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	130,443	443,192	426,940
Contribution to municipalities	47,272	66,214	166,241
Other appropriations	153,618	126,323	37,551
Bond discount and defeasance amortization	<u>-</u>	<u>1,040</u>	<u>5,595</u>
Total expenses	<u>2,565,644</u>	<u>3,330,007</u>	<u>3,319,583</u>
Contributed capital	<u>8,709</u>	<u>7,240</u>	<u>7,665</u>
Changes in net position	<u>\$ 114,562</u>	<u>\$ (216,607)</u>	<u>\$ (347,706)</u>

## PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget May 2017	Actual May 2017	Actual May 2016
Revenues:			
Sales of electric energy (Exhibit D)	\$ 268,601	\$ 298,012	\$ 258,735
Total operating revenues	268,601	298,012	258,735
Other income	(1,897)	(1,368)	1,709
Total revenues	266,704	296,644	260,444
Less: 1974 construction fund investment income and gain on sale of properties	84	32	27
Revenues - net	266,620	296,612	260,417
Current expenses:			
Fuel cost	61,584	109,503	91,816
Purchased power	73,055	62,411	56,908
Other production	3,531	4,502	4,878
Transmission and distribution	10,979	11,145	12,980
Maintenance	14,298	11,207	13,018
Customer accounting and collection	8,342	5,635	6,701
Administrative and general	15,050	13,560	16,923
Total current expenses	186,839	217,963	203,224
Net revenues (as defined)	79,781	78,649	57,193
Contractual obligations:			
Sinking fund appropriations -			
Interest on power revenue bonds (1)	8,552	35,888	34,267
Bond redemption accoun (1)	9,139	19,780	18,669
Interest on notes	3,306	4,480	4,480
Capital Improvements fund	40,306	493	-
Total contractual obligations	61,303	60,641	57,416
Balance	18,478	18,008	(223)
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	4,244	6,842	(9,799)
Other	14,234	11,166	9,576
Total provision for contribution and other	18,478	18,008	(223)
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 May 2017	Actual May 2017	Actual May 2016	Budget June 2017	Actual May 2017	Actual May 2016
Revenues:						
Sales of electric energy (Exhibit D)	\$ 2,692,360	\$ 3,133,299	\$ 2,939,421	\$ 2,970,682	\$ 3,406,838	\$ 3,246,121
Total operating revenues	2,692,360	3,133,299	2,939,421	2,970,682	3,406,838	3,246,121
Other income	(20,863)	(27,139)	24,791	(22,759)	(27,847)	(147,966)
Total revenues	2,671,497	3,106,160	2,964,212	2,947,923	3,378,991	3,098,155
Less: 1974 construction fund investment income and gain on sale of properties	923	504	808	1,007	533	969
Revenues - net	2,670,574	3,105,656	2,963,404	2,946,916	3,378,458	3,097,186
Current expenses:						
Fuel cost	579,057	1,108,978	1,112,114	647,482	1,207,372	1,238,092
Purchased power	753,901	661,320	622,715	828,393	720,837	689,360
Other production	38,844	50,837	52,241	42,376	56,166	60,166
Transmission and distribution	120,763	132,712	135,958	131,741	145,106	156,031
Maintenance	157,273	141,761	148,295	171,571	155,276	174,237
Customer accounting and collection	91,761	85,836	84,730	100,103	94,443	93,310
Administrative and general	165,554	174,450	181,535	180,604	193,860	217,838
Total current expenses	1,907,153	2,355,894	2,337,588	2,102,270	2,573,060	2,629,034
Net revenues (as defined)	763,421	749,762	625,816	844,646	805,398	468,152
Contractual obligations:						
Sinking fund appropriations -						
Interest on power revenue bonds (1)	94,074	394,765	357,274	102,626	429,819	388,598
Bond redemption account (1)	100,529	202,493	230,563	109,669	221,163	248,431
Reserve Account Fund (1)	-	-	-	-	-	(236,785)
Rate Stabilization Account	-	-	-	-	-	4,291
Interest on notes	36,369	48,427	49,280	39,675	52,710	53,615
Capital Improvements fund	331,559	1,330	-	366,779	1,330	20,577
Total contractual obligations	562,531	647,015	637,117	618,749	705,022	478,727
Balance	200,890	102,747	(11,301)	225,897	100,376	(10,575)
Provision for Contribution in Lieu of Taxes and other appropriations						
Contribution to municipalities	47,272	(23,576)	(48,852)	51,784	(35,000)	(56,280)
Other	153,618	126,323	37,551	174,113	135,376	45,705
Total provision for contribution and other	200,890	102,747	(11,301)	225,897	100,376	(10,575)
Remainder	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Footnotes:

<sup>(1)</sup> The 1974 Sinking Fund Appropriation have been accrued but not transferred.

<sup>(2)</sup> 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)

	May 2017	June 2016
Net Position		
Invested in utility plant, net related debt	\$ (1,042,166)	\$ (686,162)
Restricted for capital activity and debt service	(768,733)	(721,159)
Unrestricted	<u>(2,346,882)</u>	<u>(2,533,910)</u>
Total net position	<u>\$ (4,157,781)</u>	<u>\$ (3,941,231)</u>

ACCOUNTS RECEIVABLE  
(in thousands)

Exhibit A

	May 2017	June 2016
Electric and related services:		
General clients	\$ 868,913	\$ 829,406
Recoveries under fuel adjustment and purchase power clause under or (over) billed	20,653	(14,191)
Unbilled services	161,227	167,574
Allowance for uncollectible accounts- General Client	<u>(460,292)</u>	<u>(434,755)</u>
Total General Clients	<u>590,501</u>	<u>548,034</u>
Government, including current and non current	1,549,444 <sup>(1)</sup>	1,418,851
Allowance for uncollectible accounts- Government	<u>(58,497)</u>	<u>(58,497)</u>
Total Government	1,490,947	1,360,354
Claims Receivable from Insurance Companies & Other	30,400	29,964
Advances to Irrigation Systems - net	5,687	9,098
Accrued interest	2,066	2,052
Other	<u>7,743</u>	<u>29,063</u>
Total Accounts Receivable	2,127,344	1,978,565
Less: Government Account Receivable, non current portion	<u>132,588</u>	<u>132,588</u>
Total Accounts Receivable, current portion	<u><u>\$ 1,994,756</u></u>	<u><u>\$ 1,845,977</u></u>

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

PREPAYMENTS AND OTHER  
(in thousands)

Exhibit B

	May 2017	June 2016
Claims Outstanding Related to Property Damages	\$ 353	\$ 353
Prepayments and other	<u>26,236</u>	<u>25,953</u>
Total	<u>\$ 26,589</u>	<u>\$ 26,306</u>

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands)

	May 2017	June 2016
Exhibit C		
Accounts payable - fuel oil and other	\$ 457,682	\$ 530,136
Accrued annual leave	47,124	50,302
Accrued sick leave	-	4,682
Accrued salaries and fringe benefits	3,171	3,867
Accrued Contribution in Lieu of Taxes	1,308,190	1,146,973
Accrued Actuarial Retirement	2,193	2,193
Reserve for injuries and damages	1,897	258
Accrued Contributions Federal Social Security	1,662	-
Income tax withheld at source	550	-
Health plan	9,331	20,060
Pension & Benefits Deferred Employer Contribution	9,342	9,342
Other	12,311	7,254
Sub total current liabilities	<u>1,853,453</u>	<u>1,775,067</u>
Other current payables from restricted assets		
Retention on Contract Work	5,914	5,672
Vouchered A/P construction	663	5,548
Contribution aid to construction	33,944	32,983
Total other current payables from restricted assets	<u>40,521</u>	<u>44,203</u>
Total current Liabilities	<u>1,893,974</u>	<u>1,819,270</u>
NON-CURRENT LIABILITIES		
Net Pension Liability	1,704,640	1,704,640
Accrued sick leave	114,518	114,518
Accrued Unfunded OPEB	134,857	134,857
Total non current liabilities	<u>1,954,015</u>	<u>1,954,015</u>
Total accounts payables and non current liabilities	<u>\$ 3,847,989</u>	<u>\$ 3,773,285</u>

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



## PUERTO RICO ELECTRIC POWER AUTHORITY

## SALES OF ELECTRIC ENERGY

MAY 2017

Exhibit D

Class of Service	CENTS		KWHRS			
	Billed	Total	Billed	MONTHLY		Total
				Unbilled	Adjustment*	
Residential	1,337,941	1,337,941	516,607	335,816	(330,900)	521,523
Commercial	123,701	123,701	675,364	417,676	(427,055)	665,985
Industrial	617	617	186,261	121,179	(125,107)	182,333
Public lighting	2,155	2,155	26,247	8,167	(9,245)	25,169
Other public authorities	2	2	3,088	1,360	(1,528)	2,920
Agricultural	1,189	1,189	2,132	1,296	(1,435)	1,993
Subtotal	1,465,605	1,465,605	1,409,699	885,494	(895,270)	1,399,923
Fuel oil adjustment						
Purchased power						
Subtotal	1,465,605	1,465,605	1,409,699	885,494	(895,270)	1,399,923
Unrecovered fuel oil cost-net						
Unrecovered purchased power cost-net						
Total	1,465,605	1,465,605	1,409,699	885,494	(895,270)	1,399,923

## FISCAL YEAR-TO-DATE

Class of Service	Average Clients	Kwhrs. (thousands)	Revenue (thousand \$)	Kwhrs. per Client	Cents Cents per Kwhr. Sold
Residential	1,335,305	5,799,309	387,139	4,343	6.68
Commercial	123,821	7,356,178	578,170	59,410	7.86
Industrial	625	2,002,617	116,844	3,204,187	5.83
Public lighting	2,167	291,999	57,466	134,748	19.68
Other public authorities	2	31,045	1,756	15,522,500	5.66
Agricultural	1,192	23,607	1,759	19,805	7.45
Subtotal	1,463,112	15,504,755	1,143,134	10,597	7.37
Fuel oil adjustment			1,242,838		8.08
Purchased Power			712,484		4.77
Subtotal	1,463,112	15,504,755	3,098,456	10,597	20.21
Unrecovered fuel oil cost-net			8,369		
Unrecovered purchased Power cost-net			26,474		
Total	1,463,112	15,504,755	3,133,299	10,597	20.21

SALES OF ELECTRIC ENERGY

MAY 2017

Exhibit D

Class of Service	REVENUE (in thousands)					per Kwhr. Sold
	Billed	Unbilled	MONTHLY Adjustment*	Total	Kwhrs. per Client	
Residential	34,303	13,661	(13,407)	34,557	390	6.62
Commercial	54,579	27,216	(27,915)	53,880	5,384	8.09
Industrial	10,875	5,412	(5,613)	10,674	295,515	5.86
Public lighting	5,291	1,430	(1,632)	5,089	11,679	20.22
Other public authorities	179	61	(70)	170	1,459,927	5.82
Agricultural	162	70	(77)	155	1,676	7.77
Subtotal	105,389	47,850	(48,714)	104,525	955	7.47
Fuel oil adjustment	126,763	72,655	(68,244)	131,174		8.82
Purchased power	58,191	40,722	(45,718)	53,195		5.00
Subtotal	290,343	161,227	(162,676)	288,894	955	21.29
Unrecovered fuel oil cost-net				(7,642)		
Unrecovered purchased power cost-net				16,759		
Total	290,343	161,227	(162,676)	298,011	955	21.29