



Government of Puerto Rico
Puerto Rico Electric Power Authority

November 22, 2017

Governing Board



Justo L. González Torres
Acting Chief Executive Officer

OPERATIONS REPORT – SEPTEMBER 2017

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

Enclosure

Chief Executive Officer

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MONTHLY REPORT
TO THE GOVERNING BOARD
SEPTEMBER 2017

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PUERTO RICO ELECTRIC POWER AUTHORITY

I. OPERATIONS HIGHLIGHTS

A. Production

	SEPTEMBER		Increase (Decrease) %
	2017-18	2016-17	
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	671,798	1,121,246	(40.1)
PREPA - Hydro	5,928	5,379	*
Purchased power - gas	151,669	277,709	(45.4)
Purchased power - coal	83,621	285,765	(70.7)
Renewable Energy	12,258	24,335	(49.6)
Total	925,274	1,714,434	(46.0)
Fiscal year-to-date:			
PREPA - Steam and gas	3,100,299	3,605,403	(14.0)
PREPA - Hydro	14,959	18,030	(17.0)
Purchased power - gas	769,708	896,367	(14.1)
Purchased power - coal	602,966	809,873	(25.5)
Renewable Energy	94,165	88,418	6.5
Total	4,582,097	5,418,091	(15.4)
Twelve months:			
PREPA - Steam and gas	12,439,560	13,930,151	(10.7)
PREPA - Hydro	84,152	57,842	45.5
Purchased power - gas	3,210,204	3,373,227	(4.8)
Purchased power - coal	3,244,674	3,098,604	4.7
Renewable Energy	385,418	321,011	20.1
Total	19,364,008	20,780,835	(6.8)
2. Maximum hourly peak load (in MW)			
Month	0 **	2,992	(100.0)
Fiscal year-to-date	3,087	3,087	0.0
Twelve months	3,087	3,087	0.0
3. Sales (kWh in thousands)			
Month:			
Billed	1,031,126	1,553,423	(33.6)
Days billed	30.0	30.0	0.0
Fiscal year-to-date:			
Billed	4,109,559	4,571,337	(10.1)
Days billed	92.0	92.0	0.0
Twelve months:			
Billed	16,465,295	17,352,163	(5.1)
Days billed	365.0	364.0	0.3
4. System efficiency (%)			
Month ***	n/a ***	89.2	(100.0)
Fiscal year-to-date	89.7	85.6	4.8
Twelve months	85.0	84.1	1.1
5. Average cost per barrel (\$)			
Month	62.53	53.92	16.0
Fiscal year-to-date	61.35	53.93	13.8
Twelve months	59.67	50.00	19.3
6. kWh/Barrel			
Month	583.66	601.85	(3.0)
Fiscal year-to-date	1.13	599.70	(99.8)
Twelve months	612.54	606.45	1.0
7. Heat rate (BTU/kWh) ****			
Month	10,689	10,890	(1.8)
Fiscal year-to-date	10,965	10,824	1.3
Twelve months	10,715	10,786	(0.7)

*100% or over

** Energy Production Report for Generation Directorate not available for month.

*** Efficiency not available for month, due to disruptions on generation and sales due to Hurricanes Irma and María.

**** Revised prior year

SEPTEMBER

8. Fuel consumption
(in thousands)

	2017-18		2016-17		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	618	36,046	890	43,213	(30.6)	(16.6)
Gas	320	24,860	526	43,615	(39.2)	(43.0)
Natural Gas	213	11,100	447	23,755	(52.3)	(53.3)
Total	<u>1,151</u>	<u>72,006</u>	<u>1,863</u>	<u>110,583</u>	<u>(38.2)</u>	<u>(34.9)</u>
Fiscal year-to-date:						
Steam	2,206	124,699	2,585	82,118	(14.7)	51.9
Gas	1,776	131,009	2,004	97,805	(11.4)	33.9
Natural Gas	1,270	66,465	1,423	43,861	(10.8)	51.5
Total	<u>5,252</u>	<u>322,173</u>	<u>6,012</u>	<u>223,784</u>	<u>(12.6)</u>	<u>44.0</u>
Twelve months:						
Steam	9,973	564,407	11,185	502,093	(10.8)	12.4
Gas	5,130	379,940	5,952	407,824	(13.8)	(6.8)
Natural Gas	5,205	267,480	5,833	270,692	(10.8)	(1.2)
Total	<u>20,308</u>	<u>1,211,827</u>	<u>22,970</u>	<u>1,180,609</u>	<u>(11.6)</u>	<u>2.6</u>

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	2017		2016		Increase (Decrease) %
B. Client Service					
1. Service complaints per thousand clients	0.00	*	3.03		(100.0)
2. Disconnections for nonpayment per thousand clients	0.00	*	8.57		(100.0)
C. Distribution System*					
1. Interruption frequency index					
Total interruptions per thousand clients served	0.000	**	0.438		(100.0)
2. Interruption duration index					
Average interruption time per clients served (minutes)	0.00	**	78.44		(100.0)
3. Clients per interruption	0	**	200		(100.0)
4. Time per interruption (minutes)	0	**	370		(100.0)

* Performance Indicator for Customer Services not available for this month.

** Services Interruption for Transmission & Distribution not available for this month.

D. Personnel

		SEPTEMBER		Increase (Decrease)
		2017	2016	
Management Conf. / Carr.	Reg.	1,764	1,927	(163)
	Temp.	26	29	(3)
U.T.I.E.R.	Reg.	3,450	3,642	(192)
	Temp.	14	15	(1)
	Emerg.	24		
U.I.T.I.C.E.	Reg.	599	631	(32)
	Temp.			
U.E.P.I.	Reg.	296	306	(10)
	Temp.			
U.P.A.E.E.	Reg.	4	4	0
	Temp.	1	1	0
Total		<u>6,178</u>	<u>6,555</u>	<u>(377)</u>

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	SEPTEMBER					
	Month			Fiscal Year-to-Date		
	2017	2016	Increase (Decrease) %	2017-18	2016-17	Increase (Decrease) %
kWh sales:						
Residential	519,600	591,979	(12.2)	1,737,334	1,812,598	(4.2)
Commercial	354,477	719,351	(50.7)	1,764,145	2,145,108	(17.8)
Industrial	127,589	187,088	(31.8)	515,864	584,346	(11.7)
Others	29,460	30,902	(4.7)	92,216	98,050	(6.0)
Total	<u>1,031,126</u>	<u>1,529,320</u>	(32.6)	<u>4,109,559</u>	<u>4,640,102</u>	(11.4)
Basic revenues:						
Residential	27,157	\$ 33,015	(17.7)	92,133	\$ 99,371	(7.3)
Commercial	25,779	43,623	(40.9)	120,473	139,460	(13.6)
Industrial	6,259	8,496	(26.3)	23,558	26,659	(11.6)
Others	5,213	4,807	8.4	15,539	15,636	(0.6)
Total	<u>64,408</u>	<u>89,941</u>	(28.4)	<u>251,703</u>	<u>281,126</u>	(10.5)
Provisional rate:						
Residential	6,740	7,536	(10.6)	21,327	14,868	43.4
Commercial	5,976	9,445	(36.7)	23,872	18,529	28.8
Industrial	1,942	2,495	(22.2)	6,830	4,939	38.3
Others	353	425	(16.9)	1,175	848	38.6
Total	<u>15,011</u>	<u>19,901</u>	(24.6)	<u>53,204</u>	<u>39,184</u>	35.8
Fuel adjustment:						
Residential	43,058	44,804	(3.9)	156,138	145,350	7.4
Commercial	26,575	53,687	(50.5)	158,181	170,267	(7.1)
Industrial	9,393	12,854	(26.9)	42,811	42,314	1.2
Others	2,116	1,948	8.6	8,442	7,922	6.6
Total	<u>81,142</u>	<u>113,293</u>	(28.4)	<u>365,572</u>	<u>365,853</u>	(0.1)
Purchased power:						
Residential	14,328	25,052	(42.8)	67,671	78,079	(13.3)
Commercial	7,333	30,426	(75.9)	68,773	92,374	(25.5)
Industrial	2,974	7,234	(58.9)	18,790	23,143	(18.8)
Others	559	1,357	(58.8)	3,380	4,521	(25.2)
Total	<u>25,194</u>	<u>64,069</u>	(60.7)	<u>158,614</u>	<u>198,117</u>	(19.9)
Total revenues:						
Residential	91,283	110,407	(17.3)	337,269	337,668	(0.1)
Commercial	65,663	137,181	(52.1)	371,299	420,630	(11.7)
Industrial	20,568	31,079	(33.8)	91,989	97,055	(5.2)
Others	8,241	8,537	(3.5)	28,536	28,927	(1.4)
Total	<u>185,755</u>	<u>\$ 287,204</u>	(35.3)	<u>829,093</u>	<u>\$ 884,280</u>	(6.2)

SEPTEMBER						
	Month			Fiscal Year-to-Date		
	2017	2016	Increase (Decrease) %	2017-18	2016-17	Increase (Decrease) %
2. Cents per kWh						
Basic revenues:						
Residential	5.23	5.58	(6.3)	5.30	5.48	(3.3)
Commercial	7.27	6.06	20.0	6.83	6.50	5.1
Industrial	4.91	4.54	8.1	4.57	4.56	0.2
Others	17.70	15.56	13.8	16.85	15.95	5.6
Total	6.25	5.88	6.3	6.12	6.06	1.0
Provisional rate:						
Residential	1.30	1.27	2.4	1.23	0.82	50.0
Commercial	1.69	1.31	29.0	1.35	0.86	57.0
Industrial	1.52	1.33	14.3	1.32	0.85	55.3
Others	1.20	1.38	(13.0)	1.27	0.86	47.7
Total	1.46	1.30	12.3	1.29	0.84	53.6
Fuel adjustment:						
Residential	8.28	8.84	(6.3)	8.98	8.02	12.0
Commercial	7.49	8.78	(14.7)	8.97	7.94	13.0
Industrial	7.36	8.20	(10.2)	8.30	7.24	14.6
Others	7.17	7.68	(6.6)	9.15	8.08	13.2
Total	7.86	8.71	(9.8)	8.90	7.89	12.8
Purchased power:						
Residential	2.76	4.23	(34.8)	3.90	4.31	(9.5)
Commercial	2.07	4.23	(51.1)	3.90	4.31	(9.5)
Industrial	2.33	3.87	(39.8)	3.64	3.96	(8.1)
Others	1.90	4.39	(56.7)	3.67	4.61	(20.4)
Total	2.44	4.19	(41.8)	3.86	4.27	(9.6)
Total revenues:						
Residential	17.57	18.65	(5.8)	19.41	18.63	4.2
Commercial	18.52	19.07	(2.9)	21.05	19.61	7.3
Industrial	16.12	16.61	(3.0)	17.83	16.61	7.3
Others	27.97	27.63	1.2	30.94	29.50	4.9
Total	18.01	18.78	(4.1)	20.17	19.06	5.8
3. Clients:						
Residential	1,338,958	1,331,317	0.6	1,337,037	1,332,949	0.3
Commercial	123,702	123,605	0.1	123,789	123,798	(0.0)
Industrial	614	626	(1.9)	620	629	(1.4)
Others	3,353	3,363	(0.3)	3,356	3,374	(0.5)
Total	<u>1,466,627</u>	<u>1,458,911</u>	0.5	<u>1,464,802</u>	<u>1,460,750</u>	0.3
4. Average kWh per client:						
Residential	388	445	(12.7)	1,299	1,360	(4.4)
Commercial	2,866	5,820	(50.8)	14,251	17,327	(17.8)
Industrial	207,800	298,863	(30.5)	832,039	929,008	(10.4)
Others	8,786	9,189	(4.4)	27,478	29,060	(5.4)
Total	703	1,048	(32.9)	2,806	3,177	(11.7)

*100% or over

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	SEPTEMBER					
	Month		Increase (Decrease) %	Fiscal Year-to-Date		Increase (Decrease) %
	2017	2016		2017-18	2016-17	
kWh sales:						
Residential	11	11	0.0	33	36	(8.3)
Commercial	72,904	214,600	(66.0)	483,656	622,950	(22.4)
Industrial						
Others	25,132	30,260	(16.9)	83,313	89,441	(6.9)
Total	98,047	244,871	(60.0)	567,002	712,427	(20.4)
Basic revenues:						
Residential	1	1	*	2	2	0.0
Commercial	5,413	8,982	(39.7)	33,439	36,411	(8.2)
Industrial						
Others	4,496	5,023	(10.5)	14,595	14,939	(2.3)
Total	9,910	14,006	(29.2)	48,036	51,352	(6.5)
Provisional rate:						
Residential	0	0	*	0	0	*
Commercial	947	2,876	*	6,268	5,585	*
Industrial						
Others	327	394	*	1,083	746	*
Total	1,274	3,270	*	7,351	6,331	*
Fuel adjustment:						
Residential	1	1	0.0	3	3	0.0
Commercial	7,201	18,158	(60.3)	40,547	46,822	(13.4)
Industrial						
Others	2,576	2,711	(5.0)	7,529	7,112	5.9
Total	9,778	20,870	(53.1)	48,079	53,937	(10.9)
Purchased power:						
Residential	0	1	*	2	2	0.0
Commercial	3,369	8,990	(62.5)	22,655	25,747	(12.0)
Industrial						
Others	1,211	1,344	(9.9)	4,086	3,929	4.0
Total	4,580	10,335	(55.7)	26,743	29,678	(9.9)
Total revenues:						
Residential	2	3	(33.3)	7	7	0.0
Commercial	16,930	39,006	(56.6)	102,909	114,565	(10.2)
Industrial						
Others	8,610	9,472	(9.1)	27,293	26,726	2.1
Total	25,542	48,481	(47.3)	130,209	141,298	(7.8)
2. Clients:						
Residential	11	14	(21.4)	13	19	(31.6)
Commercial	13,728	21,615	(36.5)	18,784	29,351	(36.0)
Industrial						
Others	2,233	2,942	(24.1)	2,684	3,836	(30.0)
Total	15,972	24,571	(35.0)	21,481	33,206	(35.3)

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)

	SEPTEMBER 2017					
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	90.3	64.4	(28.7)	275.4	251.7	(8.6)
Fuel adjustment	101.3	81.2	(19.8)	293.8	365.6	24.4
Purchased power	76.5	25.2	(67.1)	242.4	158.6	(34.6)
CILT	0.0	0.0	0.0	0.0	0.0	0.0
Subsidies	0.0	0.0	0.0	0.0	0.0	0.0
Provisional rate	18.7	15.0	(19.8)	57.0	53.2	(6.7)
Revenues from sales	286.8	185.8	(35.2)	868.6	829.1	(4.5)
Other	0.5	(3.0)	(700.0)	1.7	(8.6)	(605.9)
Total revenues	287.3	182.8	(36.4)	870.3	820.5	(5.7)
Fuel	89.6	72.0	(19.6)	260.0	322.2	23.9
Purchased power	68.0	25.7	(62.2)	215.7	151.8	(29.6)
Other expenses	62.4	47.9	(23.2)	187.0	150.5	(19.5)
Total current expenses	220.0	145.6	(33.8)	662.7	624.5	(5.8)
1974 - sinking fund appropriations	0.0	63.5	*	0.0	190.6	*
Reserve Account						
Rate Stabilization Fund						
Interest on notes	15.8	4.3	(72.8)	52.1	13.3	(74.5)
Internal funds	30.0	0.0	(100.0)	90.1	0.0	(100.0)
Contribution to municipalities	6.3	(41.3)	(755.6)	18.5	(43.4)	(334.6)
Other appropriations	15.2	10.7	(29.6)	46.9	35.5	(24.3)
Total	287.3	182.8	(36.4)	870.3	820.5	(5.7)

EXPLANATION OF MAJOR VARIATIONS

1. The increase in the fuel adjustment and expense for the fiscal year-to-date was due to higher cost of fuel than budgeted.
2. Purchased power revenue and expenses decreased for the fiscal year-to-date due to a lower availability from cogenerators than budgeted.
3. On July 24, 2016, the Energy Commission approved the provisional rate.
4. The other revenues for the fiscal year-to-date increased due to a higher non operating income than budgeted.
5. The 1974 Sinking Fund appropriation have been accrued but not paid nor transferred.
6. Internal funds have been accrued but not paid nor transferred to the Construction Fund. Actual amounts are maintained as part of the General Fund, to provide a reserve for current expenses.
7. Contribution to municipalities for the fiscal year-to-date decreased due to the application of ceiling limits and the annual saving of 5% in accordance with Act 4-2016.

* 100% or Over

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

	SEPTEMBER 2017					
	Month			Fiscal Year-to-Date		
	2017	2016	Increase (Decrease) %	2017-18	2016-17	Increase (Decrease) %
Basic charges	64.4	89.9	(28.4)	275.4	281.1	(2.0)
Fuel adjustment	81.2	113.3	(28.3)	293.8	365.9	(19.7)
Purchased power	25.2	64.1	(60.7)	242.4	198.1	22.4
CILT	0.0	0.0	0.0	0.0	0.0	0.0
Subsidies	0.0	0.0	0.0	0.0	0.0	0.0
Provisional rate	15.0	19.9	(24.6)	57.0	39.2	45.4
Revenues from sales	185.8	287.2	(35.3)	868.6	884.3	(1.8)
Other	(3.0)	(2.5)	*	1.7	(6.1)	*
Total revenues	182.8	284.7	(35.8)	870.3	878.2	(0.9)
Fuel	72.0	100.4	(28.3)	260.0	324.2	(19.8)
Purchased power	25.7	57.8	(53.6)	215.7	177.1	30.6
Other expenses	47.9	55.4	(13.5)	187.0	165.1	13.3
Total current expenses	145.6	213.6	(31.8)	662.7	666.4	(0.6)
1974 - sinking fund appropriations	63.5	55.7	14.0	0.0	151.9	(100.0)
Reserve Account						
Rate Stabilization Fund						
Interest on notes	4.3	4.3	0.0	52.1	13.3	291.7
Internal funds	0.0	0.0	*	90.1	0.8	*
Contribution to municipalities	(41.3)	(0.6)	*	18.5	10.5	*
Other appropriations	10.7	11.7	(8.5)	46.9	35.3	32.9
Total	182.8	284.7	(35.8)	870.3	878.2	(0.9)

EXPLANATION OF MAJOR VARIATIONS

1. The decrease in the fuel adjustment and expense for the fiscal year-to-date was due to lower cost of fuel than prior year.
2. Purchased power revenue and expenses 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.

D. Notes Payable
(in thousand dollars)

SEPTEMBER

Construction Financing

	<u>2017</u>	<u>2016</u>
1. Rehabilitation Isabela Dam (GDB):		
Line of credit	25,354	25,354
Amount received	<u>713</u>	<u>713</u>
Available balance	<u>24,641</u>	<u>24,641</u>
Debt outstanding balance	713	713
Maturity Date	June 30, 2018	
2. State Revolving Fund Program Aguirre & San Juan Plant (AFICA):		
Line of credit	27,023	27,023
Amount received	<u>5,750</u>	<u>0</u>
Available balance	<u>21,273</u>	<u>27,023</u>
Debt outstanding balance	4,939	0
Maturity Date	June 30, 2033	

Operational Financing

	<u>2017</u>	<u>2016</u>
1. Municipalities Settlement Agreement :		
Line of credit	64,208	64,208
Amount received	<u>64,208</u>	<u>64,208</u>
Available balance	<u>0</u>	<u>0</u>
Debt outstanding balance	0	0
Maturity Date	June 30, 2014	
2. Fuel Financing (Scotiabank) :		
Line of credit	550,000	550,000
Amount received	<u>549,950</u>	<u>549,950</u>
Available balance	<u>50</u>	<u>50</u>
Debt outstanding balance	549,950	549,950
Maturity Date	August 14, 2014	
3. Fuel Financing (Citibank) :		
Line of credit	150,000	150,000
Amount received	<u>146,042</u>	<u>146,042</u>
Available amount	<u>3,958</u>	<u>3,958</u>
Debt outstanding balance	146,042	146,042
Maturity Date	January 10, 2014	
4. Collateral SWAP - (GDB) :		
Line of credit	100,000	100,000
Amount received	<u>35,133</u>	<u>35,133</u>
Available balance	<u>64,867</u>	<u>64,867</u>
Debt outstanding balance	35,133	35,133
Maturity Date	December 31, 2014	

E. Necessary Maintenance Expenses *
(in thousand dollars)

SEPTEMBER 2017						
	Month ***			Fiscal Year-to-Date****		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Production	6,936	661	(90.5)	20,809	2,244	(89.2)
Transmission	6,772	205	(97.0)	20,317	5,960	(70.7)
Distribution	6,161	6,664	8.2	18,484	15,455	(16.4)
Other	8,177	(38)	(100.5)	24,530	1,221	(95.0)
Total	28,046	7,492	(73.3)	84,140	24,880	(70.4)
Internal Funds	30,020	0	(100.0)	90,059	0	(100.0)
Percentage of Internal Funds to Investment in Capital Improvements Programs**	107%	0%				
Contribution AID for Construction		0				

	2017	2016
F. Highest debt coverage as of June 30	1.02	1.04

G. REA Projects

	Month	Fiscal Year-to-Date
Total investment	\$0	\$0
Families served	0	0

* Necessary maintenance expenses.

**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)

	SEPTEMBER		Increase (Decrease) %
	2017	2016	
General clients	989,168	832,748	18.8
Government (State and federal agencies and public corporations)	219,437	209,805	4.6
Total Accounts Receivable	1,208,605	1,042,553	15.9
Uncollectibles Reserve	(713,788)	(484,050)	47.5
Accounts Receivable after Reserve	494,817	558,503	(11.4)
Sales of electric energy (12 months)			
Revenues from sales	3,378,643	3,185,495	6.1
Indicators:			
A/R to Sales	14.6%	17.5%	(16.5)
Sales Days in A/R	53	64	(16.5)
Ratio of collections to sales:			
General clients:			
Sales	2,779,858	2,599,087	7.0
Collections	2,859,350	2,630,654	8.7
%Collection to Sales	102.9	101.2	1.6
Government:			
Sales net of municipalities, public lightning and exclusions	396,057	467,005	(15.2)
Collections	598,785	586,408	2.1
% Collection to Sales	151.19	125.57	20.4
Total:			
Sales net of municipalities, public lightning and exclusions	3,175,915	3,066,092	3.6
Collections	3,458,135	3,217,062	7.5
%Collection to Sales	108.9	104.9	3.8

PUERTO RICO ELECTRIC POWER AUTHORITY

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PUERTO RICO ELECTRIC POWER AUTHORITY

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

	September 30 2017	June 30 2017
Current assets:		
Cash and cash equivalents		
General fund	\$ 60,558	\$ 63,455
Reserve for current expenses	447,992	455,578
Revenue fund	13	13
Working funds	1,190	1,170
Total cash and cash equivalents	<u>509,753</u>	<u>520,216</u>
Accounts receivable (Exhibit A)	1,921,618	1,834,418
Fuel oil inventory	103,017	104,887
Materials and supplies inventory	170,026	171,099
Prepayments and other (Exhibit B)	41,694	26,394
Total current assets	<u>2,746,108</u>	<u>2,657,014</u>
Non current receivables (Exhibit A)	<u>132,588</u>	<u>132,588</u>
Restricted Assets		
Cash held by trustees	<u>1</u>	<u>1</u>
Investments held by trustees		
Sinking funds - Interest	30	30
Non current restricted deposits held by trustees	8,030	8,029
Total investment held by trustees	<u>8,060</u>	<u>8,059</u>
Construction fund and other		
Construction fund	14,967	22,855
Investment held by REA	1,116	1,113
Reserve maintenance fund	16,191	16,151
Other restricted fund	5,137	5,128
Total construction fund and other	<u>37,411</u>	<u>45,247</u>
Total restricted assets	<u>45,472</u>	<u>53,307</u>
Utility Plant		
Electric plant in service	12,878,780	12,851,524
Less: accumulated depreciation	<u>7,527,676</u>	<u>7,436,782</u>
Net electric plant in service	5,351,104	5,414,742
Construction work in progress, including preliminary surveys of 17,133 and 17,133	849,974	854,058
Total utility plant	<u>6,201,078</u>	<u>6,268,800</u>
Deferred debits:		
Unamortized debt expense	(2,688)	(1,668)
Other	<u>130,517</u>	<u>131,000</u>
Total deferred debits	<u>127,829</u>	<u>129,332</u>
Total assets	<u>9,253,075</u>	<u>9,241,041</u>
Deferred outflows of resources	<u>101,088</u>	<u>101,088</u>
Total Assets and Deferred Outflows	<u>\$ 9,354,163</u>	<u>\$ 9,342,129</u>

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

	September 30 2017	June 30 2017
Liabilities and net position		
Current Liabilities		
Notes payable to banks	\$ 737,587	\$ 737,587
Accounts payable and accrued liabilities (Exhibit C)	1,904,712	1,951,076
Customer deposits, including accrued interest	54,568	47,892
Total current liabilities	<u>2,696,867</u>	<u>2,736,555</u>
Current liabilities payable from restricted assets		
Current portion of long-term debt	235,067	235,737
Accrued interest payable on bonds and notes	337,973	220,223
Other current liabilities (Exhibit C)	42,904	42,552
Total current liabilities from restricted assets	<u>615,944</u>	<u>498,512</u>
Non current liabilities		
Power revenue bonds, net of unamortized debt discount of (55,294) and (55,294)	8,178,379	8,178,379
Net pension liability	1,704,640	1,704,640
Non current portion, accounts payable and accrued sick leave	114,518	114,518
Accrued unfunded OPEB	134,857	134,857
Customer deposits - noncurrent	171,396	171,396
Total noncurrent liabilities	<u>10,303,790</u>	<u>10,303,790</u>
Total liabilities	<u>13,616,601</u>	<u>13,538,857</u>
Deferred inflows of resources:		
Deferred gain on pension valuation	65,946	65,946
Total net position (Deficit)	<u>(4,328,384)</u>	<u>(4,262,674)</u>
Total Liabilities and Net Position	<u>\$ 9,354,163</u>	<u>\$ 9,342,129</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget September 2017	Actual September 2017	Actual September 2016
Operating revenues:			
Sales of electric energy	\$ 286,752	\$ 185,755	\$ 287,204
Total operating revenues	286,752	185,755	287,204
Other income	613	(2,957)	(2,470)
Total revenues	287,365	182,798	284,734
Expenses:			
Fuel cost	89,633	72,006	100,455
Purchased power	68,035	25,652	57,824
Other production	4,805	3,674	4,319
Transmission and distribution	12,625	11,311	11,877
Maintenance	16,443	13,744	15,052
Customer accounting and collection	8,974	6,838	8,182
Administrative and general	19,500	12,306	15,932
Subtotal expenses by function	220,015	145,531	213,641
Other post - employment benefits	-	-	-
Depreciation	30,728	30,429	30,728
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	15,830	39,157	40,223
Contribution to municipalities	6,291	3,206	575
Other appropriations	15,162	10,748	11,683
Bond discount and defeasance amortization	-	117	22
Total expenses	288,026	229,188	296,872
Contributed capital	708	-	190
Changes in net position	\$ 47	\$ (46,390)	\$ (11,948)

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

	FISCAL YEAR		
	Budget September 2017	Actual September 2017	Actual September 2016
Operating revenues:			
Sales of electric energy	\$ 868,565	\$ 829,092	\$ 884,280
Total operating revenues	868,565	829,092	884,280
Other income	1,839	(8,546)	(5,932)
Total revenues	870,404	820,546	878,348
Expenses:			
Fuel cost	259,992	322,173	324,239
Purchased power	215,737	151,766	177,054
Other production	14,415	13,144	13,526
Transmission and distribution	37,874	33,848	36,218
Maintenance	49,328	41,014	41,543
Customer accounting and collection	26,922	21,048	23,862
Administrative and general	58,500	41,524	49,936
Subtotal expenses by function	662,768	624,517	666,378
Other post - employment benefits	-	-	-
Depreciation	92,184	91,372	92,089
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	52,103	117,750	120,957
Contribution to municipalities	18,404	17,072	11,697
Other appropriations	46,928	35,563	35,266
Bond discount and defeasance amortization	-	350	66
Total expenses	872,387	886,624	926,453
Contributed capital	2,125	368	1,180
Changes in net position	\$ 142	\$ (65,710)	\$ (46,925)

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget September 2017	Actual September 2017	Actual September 2016
Revenues:			
Sales of electric energy (Exhibit D)	\$ 286,752	\$ 185,755	\$ 287,204
Total operating revenues	286,752	185,755	287,204
Other income	613	(2,957)	(2,470)
Total revenues	287,365	182,798	284,734
Less: 1974 construction fund investment income and gain on sale of properties	47	2	55
Revenues - net	287,318	182,796	284,679
Current expenses:			
Fuel cost	89,633	72,006	100,455
Purchased power	68,035	25,652	57,824
Other production	4,805	3,674	4,319
Transmission and distribution	12,625	11,311	11,877
Maintenance	16,443	13,744	15,052
Customer accounting and collection	8,974	6,838	8,182
Administrative and general	19,500	12,306	15,932
Total current expenses	220,015	145,531	213,641
Net revenues (as defined)	67,303	37,265	71,038
Contractual obligations:			
Sinking fund appropriations -			
Interest on power revenue bonds (1)	-	34,815	35,888
Bond redemption account (1)	-	28,711	19,780
Interest on notes	15,830	4,343	4,335
Capital Improvements fund	30,020	-	-
Total contractual obligations	45,850	67,869	60,003
Balance	21,453	(30,604)	11,035
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	6,291	(41,352)	(648)
Other	15,162	10,748	11,683
Total provision for contribution and other	21,453	(30,604)	11,035
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 September 2017	Actual September 2017	Actual September 2016	Budget June 2018	Actual September 2017	Actual September 2016
Revenues:						
Sales of electric energy (Exhibit D)	\$ 868,565	\$ 829,092	\$ 884,280	\$ 2,970,682	\$ 3,378,643	\$ 3,185,496
Total operating revenues	868,565	829,092	884,280	2,970,682	3,378,643	3,185,496
Other income	1,839	(8,546)	(5,932)	(22,759)	(32,873)	16,311
Total revenues	870,404	820,546	878,348	2,947,923	3,345,770	3,201,807
Less: 1974 construction fund investment income and gain on sale of properties	142	5	196	1,007	262	715
Revenues - net	870,262	820,541	878,152	2,946,916	3,345,508	3,201,092
Current expenses:						
Fuel cost	259,992	322,173	324,239	647,482	1,211,827	1,148,509
Purchased power	215,737	151,766	177,054	828,393	702,101	675,932
Other production	14,415	13,144	13,526	42,376	54,362	55,925
Transmission and distribution	37,874	33,848	36,218	131,741	141,205	145,379
Maintenance	49,328	41,014	41,543	171,571	152,595	159,117
Customer accounting and collection	26,922	21,048	23,862	100,103	90,819	92,803
Administrative and general	58,500	41,524	49,936	180,604	184,430	205,156
Total current expenses	662,768	624,517	666,378	2,102,270	2,537,339	2,482,821
Net revenues (as defined)	207,494	196,024	211,774	844,646	808,169	718,271
Contractual obligations:						
Sinking fund appropriations -						
Interest on power revenue bonds (1)	-	104,445	107,663	102,626	427,435	407,983
Bond redemption account (1)	-	86,134	44,250	109,669	264,157	227,437
Rate Stabilization Account	-	-	-	-	-	(12,801)
Interest on notes	52,103	13,305	13,294	39,675	52,743	52,835
Capital Improvements fund	90,059	-	828	366,779	502	66,728
Total contractual obligations	142,162	203,884	166,035	618,749	744,837	742,182
Balance	65,332	(7,860)	45,739	225,897	63,332	(23,911)
Provision for Contribution in Lieu of Taxes and other appropriations						
Contribution to municipalities	18,404	(43,423)	10,473	51,784	(74,265)	(98,640)
Other	46,928	35,563	35,266	174,113	137,594	74,729
Total provision for contribution and other	65,332	(7,860)	45,739	225,897	63,329	(23,911)
Remainder	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ -

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)

	September 2017	June 2017
Net Position		
Invested in utility plant, net related debt	\$ (1,107,050)	\$ (1,038,979)
Restricted for capital activity and debt service	(936,071)	(810,135)
Unrestricted	<u>(2,285,263)</u>	<u>(2,413,560)</u>
Total net position	<u>\$ (4,328,384)</u>	<u>\$ (4,262,674)</u>

ACCOUNTS RECEIVABLE
(in thousands)

Exhibit A

	September 2017	June 2017
Electric and related services:		
General clients	\$ 989,168	\$ 884,378
Recoveries under fuel adjustment and purchase power clause under or (over) billed	(19,150)	4,480
Unbilled services	153,672	165,079
Allowance for uncollectible accounts- General Client	<u>(646,328)</u>	<u>(632,481)</u>
Total General Clients	<u>477,362</u>	<u>421,456</u>
Government, including current and non current	1,603,587 ⁽¹⁾	1,568,933
Allowance for uncollectible accounts- Government	<u>(67,460)</u>	<u>(67,460)</u>
Total Government	1,536,127	1,501,473
Claims Receivable from Insurance Companies & Other	30,400	30,400
Advances to Irrigation Systems - net	2,334	5,534
Accrued interest	2,090	2,082
Other	<u>5,893</u>	<u>6,061</u>
Total Accounts Receivable	2,054,206	1,967,006
Less: Government Account Receivable, non current portion	<u>132,588</u>	<u>132,588</u>
Total Accounts Receivable, current portion	<u><u>\$ 1,921,618</u></u>	<u><u>\$ 1,834,418</u></u>

(1) Excludes CILT set aside during fiscal year 2017-2018 and 2016-2017.

PREPAYMENTS AND OTHER
(in thousands)

Exhibit B

	September 2017	June 2017
Claims Outstanding Related to Property Damages	\$ 3,843	\$ 353
Prepayments and other	<u>37,851</u>	<u>26,041</u>
Total	<u>\$ 41,694</u>	<u>\$ 26,394</u>

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands)

	September 2017	June 2017
Exhibit C		
Accounts payable - fuel oil and other	\$ 396,921	\$ 497,751
Accrued annual leave	51,499	52,159
Accrued salaries and fringe benefits	4,539	3,538
Accrued Contribution in Lieu of Taxes	1,367,550	1,324,976
Accrued Actuarial Retirement	2,192	2,193
Reserve for injuries and damages	48,017	46,644
Accrued Contributions Federal Social Security	1,483	408
Income tax withheld at source	662	122
Health plan	13,093	12,511
Pension & Benefits Deferred Employer Contribution	9,342	9,342
Other	9,414	1,432
Sub total current liabilities	<u>1,904,712</u>	<u>1,951,076</u>
Other current payables from restricted assets		
Retention on Contract Work	5,915	5,914
Vouchered A/P construction	2,209	2,550
Contribution aid to construction	<u>34,780</u>	<u>34,088</u>
Total other current payables from restricted assets	<u>42,904</u>	<u>42,552</u>
Total current Liabilities	<u>1,947,616</u>	<u>1,993,628</u>
NON-CURRENT LIABILITIES		
Net Pension Liability	1,704,640	1,704,640
Accrued sick leave	114,518	114,518
Accrued Unfunded OPEB	<u>134,857</u>	<u>134,857</u>
Total non current liabilities	<u>1,954,015</u>	<u>1,954,015</u>
Total accounts payables and non current liabilities	<u>\$ 3,901,631</u>	<u>\$ 3,947,643</u>

(1) Excludes CILT set aside during fiscal year 2017-2018 and 2016-2017.