



Government of Puerto Rico
Puerto Rico Electric Power Authority

October 20, 2017

Governing Board

Ricardo L. Ramos Rodríguez
Chief Executive Officer

OPERATIONS REPORT – AUGUST 2017

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

Enclosure

Chief Executive Officer

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MONTHLY REPORT
TO THE GOVERNING BOARD
AUGUST 2017

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PUERTO RICO ELECTRIC POWER AUTHORITY

I. OPERATIONS HIGHLIGHTS

A. Production

	AUGUST		Increase (Decrease) %
	2017-18	2016-17	
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	1,279,670	1,257,689	1.7
PREPA - Hydro	4,808	5,569	*
Purchased power - gas	314,015	299,069	5.0
Purchased power - coal	223,734	292,262	(23.4)
Renewable Energy	39,794	28,333	40.5
Total	1,862,021	1,882,922	(1.1)
Fiscal year-to-date:			
PREPA - Steam and gas	242,851	2,484,157	(90.2)
PREPA - Hydro	9,031	12,651	(28.6)
Purchased power - gas	618,039	618,658	(0.1)
Purchased power - coal	519,345	524,107	(0.9)
Renewable Energy	81,270	64,083	26.8
Total	1,470,536	3,703,656	(60.3)
Twelve months:			
PREPA - Steam and gas	12,889,007	14,083,750	(8.5)
PREPA - Hydro	83,603	59,829	39.7
Purchased power - gas	3,336,244	3,274,035	1.9
Purchased power - coal	3,446,818	3,144,569	9.6
Renewable Energy	396,853	316,947	25.2
Total	20,152,525	20,879,130	(3.5)
2. Maximum hourly peak load (in MW)			
Month***	0	3,087	(100.0)
Fiscal year-to-date	2,931	3,087	(5.1)
Twelve months	3,080	3,087	(0.2)
3. Sales (kWh in thousands)			
Month:			
Billed	1,557,648	1,496,473	4.1
Days billed	31.0	31.0	0.0
Fiscal year-to-date:			
Billed	3,078,033	3,017,914	2.0
Days billed	61.0	61.0	0.0
Twelve months:			
Billed	16,963,090	17,274,122	(1.8)
Days billed	365.0	364.0	0.3
4. System efficiency (%)			
Month	83.7	81.1	3.2
Fiscal year-to-date	84.2	84.0	0.2
Twelve months	84.1	83.2	1.1
5. Average cost per barrel (\$)			
Month	61.96	52.88	17.2
Fiscal year-to-date	61.02	53.93	13.1
Twelve months	59.01	50.68	16.4
6. kWh/Barrel			
Month	586.20	601.19	(2.5)
Fiscal year-to-date	1.17	598.74	(99.8)
Twelve months	613.18	604.56	1.4
7. Heat rate (BTU/kWh) **			
Month	10,930	10,819	1.0
Fiscal year-to-date	10,874	10,800	0.7
Twelve months	10,627	10,757	(1.2)

*100% or over

** Revised prior year

*** Report was not provided for month due to emergencies caused by Hurricanes Irma and María.

PUERTO RICO ELECTRIC POWER AUTHORITY

AUGUST

8. Fuel consumption
(in thousands)

	2017-18		2016-17		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	881	50,098	898	43,213	(1.9)	15.9
Gas	787	58,303	660	43,615	19.2	33.7
Natural Gas	515	26,885	534	23,755	(3.6)	13.2
Total	<u>2,183</u>	<u>135,286</u>	<u>2,092</u>	<u>110,583</u>	4.3	22.3
Fiscal year-to-date:						
Steam	1,587	88,653	1,695	82,118	(6.4)	8.0
Gas	1,455	106,149	1,478	97,805	(1.6)	8.5
Natural Gas	1,057	55,366	976	43,861	8.3	26.2
Total	<u>4,099</u>	<u>250,168</u>	<u>4,149</u>	<u>223,784</u>	(1.2)	11.8
Twelve months:						
Steam	10,245	572,803	11,319	502,093	(9.5)	14.1
Gas	5,336	390,910	6,104	407,824	(12.6)	(4.1)
Natural Gas	5,439	276,563	5,873	270,692	(7.4)	2.2
Total	<u>21,020</u>	<u>1,240,276</u>	<u>23,296</u>	<u>1,180,609</u>	(9.8)	5.1

AUGUST

			Increase (Decrease) %	
	2017	2016		
B. Client Service				
1. Service complaints per thousand clients*	0.00	3.36		(100.0)
2. Disconnections for nonpayment per thousand clients*	0.00	10.73		(100.0)
C. Distribution System*				
1. Interruption frequency index				
Total interruptions per thousand clients served	0.518	0.430		20.5
2. Interruption duration index				
Average interruption time per clients served (minutes)	90.97	79.96		13.8
3. Clients per interruption	223	184		21.2
4. Time per interruption (minutes)	398	369		7.9

* Report was not provided for month due to emergencies caused by Hurricanes Irma and María.

D. Personnel

		AUGUST		Increase (Decrease)
		2017	2016	
Management Conf. / Carr.	Reg.	1,772	1,906	(134)
	Temp.	26	2	24
U.T.I.E.R.	Reg.	3,461	3,639	(178)
	Temp.	13	7	6
	Emerg.	20		
U.I.T.I.C.E.	Reg.	600	632	(32)
	Temp.			
U.E.P.I.	Reg.	296	309	(13)
	Temp.			
U.P.A.E.E.	Reg.	4	4	0
	Temp.	1	1	0
Total		<u>6,193</u>	<u>6,500</u>	<u>(307)</u>

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	AUGUST					
	Month			Fiscal Year-to-Date		
	2017	2016	Increase (Decrease) %	2017-18	2016-17	Increase (Decrease) %
kWh sales:						
Residential	629,648	601,647	4.7	1,217,733	1,220,619	(0.2)
Commercial	715,170	687,114	4.1	1,409,268	1,425,757	(1.2)
Industrial	187,488	204,526	(8.3)	388,275	397,258	(2.3)
Others	25,742	33,539	(23.2)	62,757	67,147	(6.5)
Total	<u>1,558,048</u>	<u>1,526,826</u>	2.0	<u>3,078,033</u>	<u>3,110,781</u>	(1.1)
Basic revenues:						
Residential	33,826	\$ 33,518	0.9	64,976	\$ 66,356	(2.1)
Commercial	47,826	46,585	2.7	94,694	95,837	(1.2)
Industrial	8,271	9,443	(12.4)	17,299	18,163	(4.8)
Others	4,632	5,336	(13.2)	10,327	10,829	(4.6)
Total	<u>94,555</u>	<u>94,882</u>	(0.3)	<u>187,296</u>	<u>191,185</u>	(2.0)
Provisional rate:						
Residential	7,517	7,332	*	14,587	7,332	98.9
Commercial	9,078	9,085	*	17,896	9,085	97.0
Industrial	2,448	2,444	*	4,888	2,444	100.0
Others	385	422	*	821	422	94.5
Total	<u>19,428</u>	<u>19,283</u>	*	<u>38,192</u>	<u>19,283</u>	98.1
Fuel adjustment:						
Residential	62,620	49,214	27.2	113,081	100,546	12.5
Commercial	71,802	56,997	26.0	131,607	116,579	12.9
Industrial	17,480	15,363	13.8	33,418	29,460	13.4
Others	2,928	3,238	(9.6)	6,324	5,975	5.8
Total	<u>154,830</u>	<u>124,812</u>	24.1	<u>284,430</u>	<u>252,560</u>	12.6
Purchased power:						
Residential	24,895	27,217	(8.5)	53,342	53,027	0.6
Commercial	28,203	30,909	(8.8)	61,440	61,948	(0.8)
Industrial	6,747	8,377	(19.5)	15,816	15,909	(0.6)
Others	1,075	1,523	(29.4)	2,821	3,163	(10.8)
Total	<u>60,920</u>	<u>68,026</u>	(10.4)	<u>133,419</u>	<u>134,047</u>	(0.5)
Total revenues:						
Residential	128,858	117,281	9.9	245,986	227,261	8.2
Commercial	156,909	143,576	9.3	305,637	283,449	7.8
Industrial	34,946	35,627	(1.9)	71,421	65,976	8.3
Others	9,020	10,519	(14.3)	20,293	20,389	(0.5)
Total	<u>329,733</u>	<u>\$ 307,003</u>	7.4	<u>643,337</u>	<u>\$ 597,075</u>	7.7

AUGUST						
	Month			Fiscal Year-to-Date		
	2017	2016	Increase (Decrease) %	2017-18	2016-17	Increase (Decrease) %
2. Cents per kWh						
Basic revenues:						
Residential	5.37	5.57	(3.6)	5.34	5.44	(1.8)
Commercial	6.69	6.78	(1.3)	6.72	6.72	0.0
Industrial	4.41	4.62	(4.5)	4.46	4.57	(2.4)
Others	17.99	15.91	13.1	16.46	16.13	2.0
Total	6.07	6.21	(2.3)	6.08	6.15	(1.1)
Provisional rate:						
Residential	1.19	1.22	*	1.20	0.60	100.0
Commercial	1.27	1.32	*	1.27	0.64	98.4
Industrial	1.31	1.19	*	1.26	0.62	103.2
Others	1.50	1.26	*	1.31	0.63	107.9
Total	1.25	1.26	*	1.24	0.62	100.0
Fuel adjustment:						
Residential	9.96	9.40	6.0	9.28	8.24	12.6
Commercial	10.04	9.62	4.4	9.34	8.18	14.2
Industrial	9.32	8.70	7.1	8.60	7.42	15.9
Others	11.37	10.91	4.2	10.07	8.89	13.3
Total	9.93	9.44	5.2	9.25	8.11	14.1
Purchased power:						
Residential	3.95	4.52	(12.6)	4.38	4.34	0.9
Commercial	3.94	4.50	(12.4)	4.36	4.34	0.5
Industrial	3.60	4.10	(12.2)	4.07	4.00	1.8
Others	4.18	4.54	(7.9)	4.50	4.71	(4.5)
Total	3.91	4.46	(12.3)	4.33	4.31	0.5
Total revenues:						
Residential	20.47	19.49	5.0	20.20	18.62	8.5
Commercial	21.94	20.90	5.0	21.69	19.88	9.1
Industrial	18.64	17.42	7.0	18.39	16.61	10.7
Others	35.04	31.36	11.7	32.34	30.36	6.5
Total	21.16	20.11	5.2	20.90	19.19	8.9
3. Clients:						
Residential	1,337,473	1,333,858	0.3	1,338,310	1,333,765	0.3
Commercial	123,673	123,845	(0.1)	123,685	123,895	(0.2)
Industrial	614	630	(2.5)	614	631	(2.7)
Others	3,622	3,374	7.4	3,351	3,379	(0.8)
Total	<u>1,465,382</u>	<u>1,461,707</u>	0.3	<u>1,465,960</u>	<u>1,461,670</u>	0.3
4. Average kWh per client:						
Residential	471	451	4.4	910	915	(0.6)
Commercial	5,783	5,548	4.2	11,394	11,508	(1.0)
Industrial	305,355	324,644	(5.9)	632,370	629,569	0.4
Others	7,107	9,940	(28.5)	18,728	19,872	(5.8)
Total	1,063	1,045	1.8	2,100	2,128	(1.3)

*100% or over

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	AUGUST					
	Month		Increase (Decrease) %	Fiscal Year-to-Date		Increase (Decrease) %
	2017	2016		2017-18	2016-17	
kWh sales:						
Residential	13	12	8.3	22	25	(12.0)
Commercial	207,273	190,766	8.7	410,752	408,350	0.6
Industrial						
Others	27,137	30,128	(9.9)	58,181	59,181	(1.7)
Total	<u>234,423</u>	<u>220,906</u>	6.1	<u>468,955</u>	<u>467,556</u>	0.3
Basic revenues:						
Residential	1	1	*	1	1	0.0
Commercial	14,071	13,255	6.2	28,026	27,428	2.2
Industrial						
Others	4,991	5,028	(0.7)	10,099	9,917	1.8
Total	<u>19,063</u>	<u>18,284</u>	4.3	<u>38,126</u>	<u>37,346</u>	2.1
Provisional rate:						
Residential	0	0	*	0	0	*
Commercial	2,677	2,709	*	5,321	2,709	*
Industrial						
Others	353	352	*	756	352	*
Total	<u>3,030</u>	<u>3,061</u>	*	<u>6,077</u>	<u>3,061</u>	*
Fuel adjustment:						
Residential	1	1	0.0	2	2	0.0
Commercial	17,213	11,686	47.3	33,346	28,665	16.3
Industrial						
Others	2,380	2,009	18.5	4,953	4,400	12.6
Total	<u>19,594</u>	<u>13,696</u>	43.1	<u>38,301</u>	<u>33,067</u>	15.8
Purchased power:						
Residential	1	1	*	1	1	0.0
Commercial	8,443	8,338	1.3	19,286	16,758	15.1
Industrial						
Others	1,148	1,388	(17.3)	2,877	2,584	11.3
Total	<u>9,592</u>	<u>9,727</u>	(1.4)	<u>22,164</u>	<u>19,343</u>	14.6
Total revenues:						
Residential	3	3	0.0	4	4	0.0
Commercial	42,404	35,988	17.8	85,979	75,560	13.8
Industrial						
Others	8,872	8,777	1.1	18,685	17,253	8.3
Total	<u>51,279</u>	<u>44,768</u>	14.5	<u>104,668</u>	<u>92,817</u>	12.8
2. Clients:						
Residential	14	14	0.0	14	21	(33.3)
Commercial	21,302	21,718	(1.9)	21,313	33,219	(35.8)
Industrial						
Others	2,909	2,848	2.1	2,910	4,284	(32.1)
Total	<u>24,225</u>	<u>24,580</u>	(1.4)	<u>24,237</u>	<u>37,524</u>	(35.4)

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)

	AUGUST 2017					
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	92.1	94.6	2.7	185.2	187.3	1.1
Fuel adjustment	100.8	154.8	53.6 ¹	192.5	284.4	47.7
Purchased power	80.5	60.9	(24.3) ²	165.9	133.4	(19.6)
CILT	0.0	0.0	0.0 ³	0.0	0.0	0.0
Subsidies	0.0	0.0	0.0	0.0	0.0	0.0
Provisional rate	19.1	19.4	1.6	38.3	0.0	(100.0)
Revenues from sales	292.5	329.7	12.7	581.9	605.1	4.0
Other	0.6	(2.6)	(533.3) ⁴	1.1	0.0	(100.0)
Total revenues	293.1	327.1	11.6 ¹	583.0	605.1	3.8
Fuel	89.3	135.3	51.5 ²	170.4	250.2	46.8
Purchased power	71.6	61.5	(14.1)	147.7	126.1	(14.6)
Other expenses	62.3	56.4	(9.5)	124.7	106.2	(14.8)
Total current expenses	223.2	253.2	13.4 ⁵	442.8	482.5	9.0
1974 - sinking fund appropriations	0.0	63.5	* ⁵	0.0	0.0	*
Reserve Account						
Rate Stabilization Fund						
Interest on notes	18.0	4.5	(75.0) ⁶	36.2	0.0	(100.0)
Internal funds	30.0	0.0	(100.0) ⁷	60.0	0.0	(100.0)
Contribution to municipalities	6.1	(4.7)	(177.0)	12.1	0.0	(100.0)
Other appropriations	15.8	10.6	(32.9)	31.9	0.0	(100.0)
Total	293.1	327.1	11.6	583.0	482.5	(17.2)

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)

	Aug-17					
	Month			Fiscal Year-to-Date		
	2017	2016	Increase (Decrease) %	2017-18	2016-17	Increase (Decrease) %
Basic charges	94.6	94.9	(0.3)	185.2	191.2	(3.1)
Fuel adjustment	154.8	124.8	24.0 ¹	192.5	252.6	(23.8)
Purchased power	60.9	68.0	(10.4) ²	165.9	134.0	23.8
CILT	0.0	0.0	0.0 ³	0.0	0.0	0.0
Subsidies	0.0	0.0	0.0	0.0	0.0	0.0
Provisional rate	19.4	19.3	0.5	38.3	19.3	98.4
Revenues from sales	329.7	307.0	7.4	581.9	597.1	(2.5)
Other	(2.6)	(0.6)	* ⁴	1.1	(3.6)	*
Total revenues	327.1	306.4	6.8	583.0	593.5	(1.8)
Fuel	135.3	110.6	22.3 ¹	170.4	223.8	(23.9)
Purchased power	61.5	60.2	3.7 ²	147.7	119.2	34.6
Other expenses	56.4	59.3	(4.9)	124.7	109.7	13.7
Total current expenses	253.2	230.1	10.0	442.8	452.7	(2.2)
1974 - sinking fund appropriations	63.5	55.7	14.0 ⁵	0.0	96.3	(100.0)
Reserve Account						
Rate Stabilization Fund						
Interest on notes	4.5	4.5	0.0	36.2	9.0	302.2
Internal funds	0.0	0.8	* ⁶	60.0	0.8	*
Contribution to municipalities	(4.7)	5.1	* ⁷	12.1	11.1	*
Other appropriations	10.6	10.2	3.9 ⁸	31.9	23.6	35.2
Total	327.1	306.4	6.8	583.0	593.5	(1.8)

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.

D. Notes Payable
(in thousand dollars)

AUGUST

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)

AUGUST 2017						
	Month ***			Fiscal Year-to-Date****		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Production	15,909	1,399	(91.2)	31,818	1,583	(95.0)
Transmission	10,506	2,666	(74.6)	21,012	5,756	(72.6)
Distribution	7,260	4,959	(31.7)	14,520	8,791	(39.5)
Other	3,977	1,056	(73.4)	7,954	1,259	(84.2)
Total	<u>37,652</u>	<u>10,080</u>	(73.2)	<u>75,304</u>	<u>17,389</u>	(76.9)
Internal Funds	30,020	0	(100.0)	60,039	0	(100.0)
Percentage of Internal Funds to Investment in Capital Improvements Programs**	80%	0%				
Contribution AID for Construction		196				

	2017	2016
F. Highest debt coverage as of June 30	1.09	0.89

G. REA Projects

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

* Capital Improvement Program was suspended after filing of Title III of PROMESA. Only the necessary maintenance expenses will be presented.

**A minimum in the internal funds contribution of 25% has been recommended by the Consulting Engineers.

***Monthly figures may vary significantly due to fluctuations in the availability of funds. For more accurate results, please refer to fiscal year-to-date figures.

****Includes monthly overhead allocation.

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

	AUGUST		Increase (Decrease) %
	2017	2016	
General clients	884,188	828,304	6.7
Government (State and federal agencies and public corporations)	207,260	240,496	(13.8)
Total Accounts Receivable	<u>1,091,448</u>	<u>1,068,800</u>	2.1
Uncollectibles Reserve	<u>(708,922)</u>	<u>(424,966)</u>	66.8
Accounts Receivable after Reserve	<u>382,526</u>	<u>643,834</u>	(40.6)
Sales of electric energy (12 months)			
Revenues from sales	3,277,331	3,098,898	5.8
Indicators:			
A/R to Sales	11.7%	20.8%	(43.8)
Sales Days in A/R	43	76	(43.8)
Ratio of collections to sales:			
General clients:			
Sales	2,854,950	2,735,663	4.4
Collections	2,793,060	2,638,419	5.9
%Collection to Sales	97.8	96.4	1.4
Government:			
Sales net of municipalities, public lightning and exclusions	422,381	363,235	16.3
Collections	444,338	421,735	5.4
% Collection to Sales	105.20	116.11	(9.4)
Total:			
Sales net of municipalities, public lightning and exclusions	3,277,331	3,098,898	5.8
Collections	3,237,398	3,060,154	5.8
%Collection to Sales	98.8	98.7	0.0

PUERTO RICO ELECTRIC POWER AUTHORITY

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PUERTO RICO ELECTRIC POWER AUTHORITY

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

	August 31 2017	June 30 2017
Current assets:		
Cash and cash equivalents		
General fund	\$ 60,558	\$ 63,455
Reserve for current expenses	525,574	455,578
Revenue fund	13	13
Working funds	1,190	1,170
Total cash and cash equivalents	<u>587,335</u>	<u>520,216</u>
Accounts receivable (Exhibit A)	1,887,691	1,834,418
Fuel oil inventory	94,158	104,887
Materials and supplies inventory	171,272	171,099
Prepayments and other (Exhibit B)	37,861	26,394
Total current assets	<u>2,778,317</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>2</u>	<u>2</u>
Investments held by trustees		
Sinking funds - Interest	30	30
Non current restricted deposits held by trustees	8,029	8,028
Total investment held by trustees	<u>8,059</u>	<u>8,058</u>
Construction fund and other		
Construction fund	15,922	22,855
Investment held by REA	1,116	1,113
Reserve maintenance fund	16,190	16,151
Other restricted fund	5,137	5,128
Total construction fund and other	<u>38,365</u>	<u>45,247</u>
Total restricted assets	<u>46,426</u>	<u>53,307</u>
Utility Plant		
Electric plant in service	12,877,643	12,851,524
Less: accumulated depreciation	<u>7,497,164</u>	<u>7,436,782</u>
Net electric plant in service	5,380,479	5,414,742
Construction work in progress, including preliminary surveys of 17,133 and 17,133	843,724	854,058
Total utility plant	<u>6,224,203</u>	<u>6,268,800</u>
Deferred debits:		
Unamortized debt expense	(2,348)	(1,668)
Other	130,008	131,000
Total deferred debits	<u>127,660</u>	<u>129,332</u>
Total assets	<u>9,309,194</u>	<u>9,241,041</u>
Deferred outflows of resources	<u>101,088</u>	<u>101,088</u>
Total Assets and Deferred Outflows	<u>\$ 9,410,282</u>	<u>\$ 9,342,129</u>

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

	August 31 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)	1,969,970	1,963,774
Customer deposits, including accrued interest	51,731	47,892
Total current liabilities	<u>2,759,288</u>	<u>2,749,253</u>
Current liabilities payable from restricted assets		
Current portion of long-term debt	235,291	235,737
Accrued interest payable on bonds and notes	298,815	220,223
Other current liabilities (Exhibit C)	41,758	42,552
Total current liabilities from restricted assets	<u>575,864</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	8,178,380
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>10,303,791</u>
Total liabilities	<u>13,638,942</u>	<u>13,551,556</u>
Deferred inflows of resources:		
Deferred gain on pension valuation	65,946	65,946
Total net position (Deficit)	<u>(4,294,606)</u>	<u>(4,275,373)</u>
Total Liabilities and Net Position	<u>\$ 9,410,282</u>	<u>\$ 9,342,129</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget August 2017	Actual August 2017	Actual August 2016
Operating revenues:			
Sales of electric energy	\$ 292,462	\$ 329,733	\$ 307,004
Total operating revenues	292,462	329,733	307,004
Other income	613	(2,638)	(516)
Total revenues	293,075	327,095	306,488
Expenses:			
Fuel cost	89,258	135,287	110,583
Purchased power	71,619	61,462	60,206
Other production	4,805	5,096	5,077
Transmission and distribution	12,625	11,626	13,082
Maintenance	16,443	14,956	14,471
Customer accounting and collection	8,974	7,277	8,190
Administrative and general	19,500	17,488	18,444
Subtotal expenses by function	223,224	253,192	230,053
Other post - employment benefits	-	-	-
Depreciation	30,728	30,480	30,674
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	17,943	39,304	40,367
Contribution to municipalities	6,069	6,643	5,131
Other appropriations	15,772	10,564	10,245
Bond discount and defeasance amortization	-	117	22
Total expenses	293,736	340,300	316,492
Contributed capital	708	196	636
Changes in net position	\$ 47	\$ (13,009)	\$ (9,368)

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

	FISCAL YEAR		
	Budget August 2017	Actual August 2017	Actual August 2016
Operating revenues:			
Sales of electric energy	\$ 581,813	\$ 643,338	\$ 597,075
Total operating revenues	581,813	643,338	597,075
Other income	1,226	(5,590)	(3,461)
Total revenues	583,039	637,748	593,614
Expenses:			
Fuel cost	170,359	250,167	223,784
Purchased power	147,702	126,114	119,230
Other production	9,610	9,383	9,207
Transmission and distribution	25,250	22,537	24,341
Maintenance	32,884	27,271	26,492
Customer accounting and collection	17,948	14,209	15,679
Administrative and general	39,000	29,218	34,004
Subtotal expenses by function	442,753	478,899	452,737
Other post - employment benefits	-	-	-
Depreciation	61,456	60,943	61,361
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	36,273	78,592	80,735
Contribution to municipalities	12,113	13,866	11,121
Other appropriations	31,766	24,816	23,583
Bond discount and defeasance amortization	-	233	44
Total expenses	584,361	657,349	629,581
Contributed capital	1,417	368	990
Changes in net position	\$ 95	\$ (19,233)	\$ (34,977)

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget August 2017	Actual August 2017	Actual August 2016
Revenues:			
Sales of electric energy (Exhibit D)	\$ 292,462	\$ 329,733	\$ 307,004
Total operating revenues	292,462	329,733	307,004
Other income	613	(2,638)	(516)
Total revenues	293,075	327,095	306,488
Less: 1974 construction fund investment income and gain on sale of properties	47	2	84
Revenues - net	293,028	327,093	306,404
Current expenses:			
Fuel cost	89,258	135,287	110,583
Purchased power	71,619	61,462	60,206
Other production	4,805	5,096	5,077
Transmission and distribution	12,625	11,626	13,082
Maintenance	16,443	14,956	14,471
Customer accounting and collection	8,974	7,277	8,190
Administrative and general	19,500	17,488	18,444
Total current expenses	223,224	253,192	230,053
Net revenues (as defined)	69,804	73,901	76,351
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	17,943	4,489	4,479
Capital improvements fund	30,020	-	828
Total contractual obligations	47,963	68,015	60,975
Balance	21,841	5,886	15,376
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	6,069	(4,678)	5,131
Other	15,772	10,564	10,245
Total provision for contribution and other	21,841	5,886	15,376
Remainder	\$ -	\$ -	\$ -

Footnotes:

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

(2) Internal funds have been accrued but not paid, nor transferred to Construction Fund. Actual amounts are maintained as part of General Fund, to provide a Reserve for Current Expenses.

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

	FISCAL YEAR TO DATE			TWELVE MONTHS ENDED		
	Budget August 2017	Actual August 2017	Actual August 2016	Budget June 2018	Actual August 2017	Actual August 2016
Revenues:						
Sales of electric energy (Exhibit D)	\$ 581,813	\$ 643,338	\$ 597,075	\$ 2,970,682	\$ 3,480,092	\$ 3,199,211
Total operating revenues	581,813	643,338	597,075	2,970,682	3,480,092	3,199,211
Other income	1,226	(5,590)	(3,461)	(22,759)	(32,387)	20,241
Total revenues	583,039	637,748	593,614	2,947,923	3,447,705	3,219,452
Less: 1974 construction fund investment income and gain on sale of properties	94	3	141	1,007	315	770
Revenues - net	582,945	637,745	593,473	2,946,916	3,447,390	3,218,682
Current expenses:						
Fuel cost	170,359	250,167	223,784	647,482	1,240,276	1,180,609
Purchased power	147,702	126,114	119,230	828,393	734,273	676,342
Other production	9,610	9,383	9,207	42,376	54,920	56,868
Transmission and distribution	25,250	22,537	24,341	131,741	141,771	147,033
Maintenance	32,884	27,271	26,492	171,571	153,903	160,101
Customer accounting and collection	17,948	14,209	15,679	100,103	92,164	92,400
Administrative and general	39,000	29,218	34,004	180,604	188,056	203,007
Total current expenses	442,753	478,899	452,737	2,102,270	2,605,363	2,516,360
Net revenues (as defined)	140,192	158,846	140,736	844,646	842,027	702,322
Contractual obligations:						
Sinking fund appropriations -						
Interest on power revenue bonds (1)	-	69,630	71,776	102,626	428,507	403,308
Bond redemption account (1)	-	57,423	24,469	109,669	255,227	236,363
Rate Stabilization Account	-	-	-	-	-	(8,516)
Interest on notes	36,274	8,962	8,959	39,675	52,736	52,836
Capital Improvements fund	60,039	-	828	366,779	502	35,985
Total contractual obligations	96,313	136,015	106,032	618,749	736,972	719,976
Balance	43,879	22,831	34,704	225,897	105,055	(17,654)
Provision for Contribution in Lieu of Taxes and other appropriations						
Contribution to municipalities	12,113	(1,984)	11,121	51,784	(33,474)	(83,079)
Other	31,766	24,815	23,583	174,113	138,529	65,425
Total provision for contribution and other	43,879	22,831	34,704	225,897	105,055	(17,654)
Remainder	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Footnotes:

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

(2) Internal funds have been accrued but not paid, nor transferred to Construction Fund. Actual amounts are maintained as part of General Fund, to provide a Reserve for Current Expenses.

PUERTO RICO ELECTRIC POWER AUTHORITY

NET POSITION
(in thousands)

	August 2017	June 2017
Net Position		
Invested in utility plant, net related debt	\$ (1,083,809)	\$ (1,038,979)
Restricted for capital activity and debt service	(894,814)	(810,135)
Unrestricted	<u>(2,315,983)</u>	<u>(2,426,259)</u>
Total net position	<u>\$ (4,294,606)</u>	<u>\$ (4,275,373)</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

ACCOUNTS RECEIVABLE
(in thousands)

Exhibit A

	August 2017	June 2017
Electric and related services:		
General clients	\$ 884,188	\$ 884,378
Recoveries under fuel adjustment and purchase power clause under or (over) billed	26,460	4,480
Unbilled services	179,535	165,079
Allowance for uncollectible accounts- General Client	<u>(641,462)</u>	<u>(632,481)</u>
Total General Clients	<u>448,721</u>	<u>421,456</u>
Government, including current and non current	1,598,939 ⁽¹⁾	1,568,933
Allowance for uncollectible accounts- Govement	<u>(67,460)</u>	<u>(67,460)</u>
Total Government	1,531,479	1,501,473
Claims Receivable from Insurance Companies & Other	30,400	30,400
Advances to Irrigation Systems - net	2,114	5,534
Accrued interest	2,070	2,082
Other	<u>5,495</u>	<u>6,061</u>
Total Accounts Receivable	2,020,279	1,967,006
Less: Government Account Receivable, non current portion	<u>132,588</u>	<u>132,588</u>
Total Accounts Receivable, current portion	<u>\$ 1,887,691</u>	<u>\$ 1,834,418</u>

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

PREPAYMENTS AND OTHER
(in thousands)

Exhibit B

	August 2017	June 2017
Claims Outstanding Related to Property Damages	\$ 353	\$ 353
Prepayments and other	<u>37,508</u>	<u>26,041</u>
Total	<u>\$ 37,861</u>	<u>\$ 26,394</u>

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands)

	August 2017	June 2017
Exhibit C		
Accounts payable - fuel oil and other	\$ 464,661	\$ 497,751
Accrued annual leave	51,895	52,158
Accrued salaries and fringe benefits	4,212	3,538
Accrued Contribution in Lieu of Taxes	1,356,303	1,324,976
Accrued Actuarial Retirement	2,193	2,193
Reserve for injuries and damages	47,562	46,644
Accrued Contributions Federal Social Security	1,015	408
Income tax withheld at source	266	122
Health plan	13,668	12,511
Pension & Benefits Deferred Employer Contribution	9,342	9,342
Other	18,853	14,131
Sub total current liabilities	<u>1,969,970</u>	<u>1,963,774</u>
Other current payables from restricted assets		
Retention on Contract Work	5,915	5,914
Vouchered A/P construction	1,165	2,550
Contribution aid to construction	34,678	34,088
Total other current payables from restricted assets	<u>41,758</u>	<u>42,552</u>
Total current Liabilities	<u>2,011,728</u>	<u>2,006,326</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>\$ 3,965,743</u>	<u>\$ 3,960,341</u>

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

SALES OF ELECTRIC ENERGY

AUGUST 2017

Exhibit D

Class of Service	CLIENTS		KWHRS (in thousands)			
	Billed	Total	MONTHLY			Total
			Billed	Unbilled	Adjustment*	
Residential	1,337,743	1,337,743	602,161	401,231	(373,744)	629,648
Commercial	123,673	123,673	699,726	441,722	(426,278)	715,170
Industrial	614	614	188,581	127,643	(128,736)	187,488
Public lighting	2,155	2,155	25,931	8,032	(10,609)	23,354
Other public authorities	2	2	1,391	1,527	(2,890)	28
Agricultural	1,195	1,195	2,370	1,467	(1,477)	2,360
Subtotal	1,465,382	1,465,382	1,520,160	981,622	(943,734)	1,558,048
Fuel oil adjustment						
Purchased power						
Subtotal	1,465,382	1,465,382	1,520,160	981,622	(943,734)	1,558,048
Unrecovered fuel oil cost-net						
Unrecovered purchased power cost-net						
Total	1,465,382	1,465,382	1,520,160	981,622	(943,734)	1,558,048

FISCAL YEAR-TO-DATE

Class of Service	Average Clients	Kwhrs. (thousands)	Revenue (thousand \$)	Kwhrs. per Client	Cents per Kwhr. Sold
Residential	1,338,310	1,217,733	79,563	910	6.53
Commercial	123,685	1,409,668	112,590	11,397	7.99
Industrial	614	388,275	22,187	631,401	5.71
Public lighting	2,155	51,886	10,453	24,077	20.15
Other public authorities	2	6,080	342	3,040,000	5.63
Agricultural	1,194	4,791	353	4,013	7.37
Subtotal	1,465,960	3,078,433	225,488	2,100	7.32
Fuel oil adjustment			255,325		9.24
Purchased Power			140,544		4.33
Subtotal	1,465,960	3,078,433	621,357	2,100	20.12
Unrecovered fuel oil cost-net			29,105		
Unrecovered purchased Power cost-net			(7,125)		
Total	1,465,960	3,078,433	643,337	2,100	20.90

*Unbilled previous month.

SALES OF ELECTRIC ENERGY

AUGUST 2017

Exhibit D

REVENUES (in thousands)						Cents per Kw/hr. Sold
Class of Service	MONTHLY			Total	Kwhrs. per Client	
	Billed	Unbilled	Adjustment*			
Residential	40,080	16,717	(15,454)	41,343	471	6.57
Commercial	56,139	28,196	(27,431)	56,904	5,783	7.96
Industrial	10,753	5,683	(5,717)	10,719	303,355	5.72
Public lighting	5,264	1,401	(1,904)	4,761	10,837	20.39
Other public authorities	110	65	(95)	80	13,742	285.71
Agricultural	176	79	(79)	176	1,975	7.46
Subtotal	112,522	52,141	(50,680)	113,983	1,063	7.32
Fuel oil adjustment	126,916	84,609	(72,795)	138,130		9.94
Purchased power	62,548	43,385	(45,261)	60,672		3.91
Subtotal	301,986	179,535	(168,736)	312,785	1,063	20.08
Unrecovered fuel oil cost-net				16,700		
Unrecovered purchased power cost-net				248		
Total	301,986	179,535	(168,736)	329,733	1,063	21.16

Footnote:

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