
MONTHLY REPORT
TO THE GOVERNING BOARD
SEPTEMBER 2016

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PUERTO RICO ELECTRIC POWER AUTHORITY

I. OPERATIONS HIGHLIGHTS

A. Production

	SEPTEMBER		Increase (Decrease)
	2016-17	2015-16	%
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	1,121,246	1,274,845	(12.0)
PREPA - Hydro	5,379	7,366	(27.0)
Purchased power - gas	277,709	178,366	55.7
Purchased power - coal	285,765	331,860	(13.9)
Renewable Energy	24,335	20,275	20.0
Total	1,714,434	1,812,712	(5.4)
Fiscal year-to-date:			
PREPA - Steam and gas	3,605,403	3,752,677	(3.9)
PREPA - Hydro	18,030	14,814	21.7
Purchased power - gas	896,367	750,436	19.4
Purchased power - coal	809,873	926,106	(12.6)
Renewable Energy	88,418	93,032	(5.0)
Total	5,418,091	5,537,065	(2.1)
Twelve months:			
PREPA - Steam and gas	13,930,151	13,891,775	0.3
PREPA - Hydro	57,842	55,690	3.9
Purchased power - gas	3,373,227	3,082,779	9.4
Purchased power - coal	3,098,604	3,568,941	(13.2)
Renewable Energy	321,011	307,228	4.5
Total	20,780,835	20,906,413	(0.6)
2. Maximum hourly peak load (in MW)			
Month	2,992	3,036	(1.4)
Fiscal year-to-date	3,087	3,036	1.7
Twelve months	3,087	3,036	1.7
3. Sales (kWh in thousands)			
Month:			
Billed	1,553,423	1,475,382	5.3
Days billed	30.00	30.00	
Fiscal year-to-date:			
Billed	4,571,337	4,492,551	1.8
Days billed	91.00	91.00	
Twelve months:			
Billed	17,352,163	17,137,713	1.3
Days billed	364.0	365.0	(0.3)
4. System efficiency (%)			
Month	89.2	78.5	13.6
Fiscal year-to-date	85.6	81.6	5.0
Twelve months	84.1	82.2	2.2
5. Average cost per barrel (\$)			
Month	53.92	60.55	(10.9)
Fiscal year-to-date	53.93	61.86	(12.8)
Twelve months	50.00	73.61	(32.1)
6. kWh/Barrel			
Month	601.85	582.12	3.4
Fiscal year-to-date	599.70	600.91	(0.2)
Twelve months	606.45	615.99	(1.5)
7. Heat rate (BTU/kWh) *			
Month	10,890	11,073	(1.7)
Fiscal year-to-date	10,824	10,911	(0.8)
Twelve months	10,786	10,747	0.4

* Revised prior year

8. Fuel consumption
(in thousands)

	2016-17		2015-16		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	890	44,442	1,024	52,252	(13.1)	(14.9)
Gas	526	35,830	678	54,180	(22.4)	(33.9)
Natural Gas	447	20,183	488	26,123	(8.4)	(22.7)
Total	<u>1,863</u>	<u>100,455</u>	<u>2,190</u>	<u>132,555</u>	<u>(14.9)</u>	<u>(24.2)</u>
Fiscal year-to-date:						
Steam	2,585	126,560	3,450	198,758	(25.1)	(36.3)
Gas	2,004	133,635	1,313	108,143	52.6	23.6
Natural Gas	<u>1,423</u>	<u>64,044</u>	<u>1,482</u>	<u>79,337</u>	<u>(4.0)</u>	<u>(19.3)</u>
Total	<u>6,012</u>	<u>324,239</u>	<u>6,245</u>	<u>386,238</u>	<u>(3.7)</u>	<u>(16.1)</u>
Twelve months:						
Steam	11,185	494,283	13,570	948,387	(17.6)	(47.9)
Gas	5,952	389,474	3,710	351,462	60.4	10.8
Natural Gas	<u>5,833</u>	<u>264,752</u>	<u>5,272</u>	<u>360,299</u>	<u>10.6</u>	<u>(26.5)</u>
Total	<u>22,970</u>	<u>1,148,509</u>	<u>22,552</u>	<u>1,660,148</u>	<u>1.9</u>	<u>(30.8)</u>

SEPTEMBER

			Increase (Decrease) %	
	2016	2015		
B. Client Service				
1. Service complaints per thousand clients	3.03	6.66		(54.5)
2. Disconnections for nonpayment per thousand clients	8.57	10.77		(20.4)
C. Distribution System				
1. Interruption frequency index				
Total interruptions per thousand clients served	0.438	0.417		5.0
2. Interruption duration index				
Average interruption time per clients served (minutes)	78.44	75.87		3.4
3. Clients per interruption	200	211		(5.2)
4. Time per interruption (minutes)	370	397		(6.8)

D. Personnel

		SEPTEMBER		
		2016	2015	Increase (Decrease)
Management Conf. / Carr.	Reg.	1,927	1,952	(25)
	Temp.	29	31	(2)
U.T.I.E.R.	Reg.	3,642	3,710	(68)
	Temp.	15	160	(145)
	Emerg.			
U.I.T.I.C.E.	Reg.	631	683	(52)
	Temp.			
U.E.P.I.	Reg.	306	319	(13)
	Temp.			
U.P.A.E.E.	Reg.	4	4	
	Temp.	1	0	1
Total		<u>6,555</u>	<u>6,859</u>	<u>(304)</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		
	2016	2015	Increase (Decrease) %	2016-17	2015-16	Increase (Decrease) %
kWh sales:						
Residential	591,979	547,659	8.1	1,812,598	1,721,569	5.3
Commercial	719,351	640,233	12.4	2,145,108	2,088,137	2.7
Industrial	187,088	203,541	(8.1)	584,346	612,417	(4.6)
Others	30,902	30,778	0.4	98,050	93,839	4.5
Total	<u>1,529,320</u>	<u>1,422,211</u>	7.5	<u>4,640,102</u>	<u>4,515,962</u>	2.7
Basic revenues:						
Residential	33,015	30,498	8.3	99,371	97,516	1.9
Commercial	43,623	41,911	4.1	139,460	130,823	6.6
Industrial	8,496	9,180	(7.5)	26,659	28,020	(4.9)
Others	4,807	5,041	(4.6)	15,636	15,292	2.2
Total	<u>89,941</u>	<u>86,630</u>	3.8	<u>281,126</u>	<u>271,651</u>	3.5
Provisional rate:						
Residential	7,536	0	*	14,868	0	*
Commercial	9,445	0	*	18,529	0	*
Industrial	2,495	0	*	4,939	0	*
Others	425	0	*	848	0	*
Total	<u>19,901</u>	<u>0</u>	*	<u>39,184</u>	<u>0</u>	*
Fuel adjustment:						
Residential	44,804	58,244	(23.1)	145,350	168,052	(13.5)
Commercial	53,687	67,891	(20.9)	170,267	203,738	(16.4)
Industrial	12,854	19,545	(34.2)	42,314	53,519	(20.9)
Others	1,948	3,787	(48.6)	7,922	9,797	(19.1)
Total	<u>113,293</u>	<u>149,467</u>	(24.2)	<u>365,853</u>	<u>435,106</u>	(15.9)
Purchased power:						
Residential	25,052	25,444	(1.5)	78,079	80,020	(2.4)
Commercial	30,426	29,188	4.2	92,374	94,919	(2.7)
Industrial	7,234	8,603	(15.9)	23,143	25,543	(9.4)
Others	1,357	1,588	(14.5)	4,521	4,505	0.4
Total	<u>64,069</u>	<u>64,823</u>	(1.2)	<u>198,117</u>	<u>204,987</u>	(3.4)
Total revenues:						
Residential	110,407	114,186	(3.3)	337,668	345,588	(2.3)
Commercial	137,181	138,990	(1.3)	420,630	429,480	(2.1)
Industrial	31,079	37,328	(16.7)	97,055	107,082	(9.4)
Others	8,537	10,416	(18.0)	28,927	29,594	(2.3)
Total	<u>287,204</u>	<u>300,920</u>	(4.6)	<u>884,280</u>	<u>911,744</u>	(3.0)

*100% or over

SEPTEMBER						
	Month			Fiscal Year-to-Date		
	2016	2015	Increase (Decrease) %	2016-17	2015-16	Increase (Decrease) %
2. Cents per kWh						
Basic revenues:						
Residential	5.58	5.57	0.2	5.48	5.66	(3.2)
Commercial	6.06	6.55	(7.5)	6.50	6.27	3.7
Industrial	4.54	4.51	0.7	4.56	4.58	(0.4)
Others	15.56	16.38	(5.0)	15.95	16.30	(2.1)
Total	5.88	6.09	(3.4)	6.06	6.02	0.7
Provisional rate:						
Residential	1.27	0.00	*	0.82	0.00	*
Commercial	1.31	0.00	*	0.86	0.00	*
Industrial	1.33	0.00	*	0.85	0.00	*
Others	1.38	0.00	*	0.86	0.00	*
Total	1.30	0.00	*	0.84	0.00	*
Fuel adjustment:						
Residential	7.57	10.63	(28.8)	8.02	9.76	(17.8)
Commercial	7.47	10.60	(29.5)	7.94	9.75	(18.6)
Industrial	6.87	9.60	(28.4)	7.24	8.74	(17.2)
Others	6.30	12.30	(48.8)	8.08	10.44	(22.6)
Total	7.41	10.51	(29.5)	7.89	9.63	(18.1)
Purchased power:						
Residential	4.23	4.65	(9.0)	4.31	4.65	(7.3)
Commercial	4.23	4.56	(7.2)	4.31	4.55	(5.3)
Industrial	3.87	4.23	(8.5)	3.96	4.17	(5.0)
Others	4.39	5.16	(14.9)	4.61	4.80	(4.0)
Total	4.19	4.56	(8.1)	4.27	4.54	(5.9)
Total revenues:						
Residential	18.65	20.85	(10.6)	18.63	20.07	(7.2)
Commercial	19.07	21.71	(12.2)	19.61	20.57	(4.7)
Industrial	16.61	18.34	(9.4)	16.61	17.49	(5.0)
Others	27.63	33.84	(18.4)	29.50	31.54	(6.5)
Total	18.78	21.16	(11.2)	19.06	20.19	(5.6)
3. Clients:						
Residential	1,331,317	1,324,602	0.5	1,332,949	1,325,974	0.5
Commercial	123,605	124,315	(0.6)	123,798	123,984	(0.2)
Industrial	626	643	(2.6)	629	648	(2.9)
Others	3,363	3,403	(1.2)	3,374	3,379	(0.1)
Total	1,458,911	1,452,963	0.4	1,460,750	1,453,985	0.5
4. Average kWh per client:						
Residential	445	413	7.5	1,360	1,298	4.7
Commercial	5,820	5,150	13.0	17,327	16,842	2.9
Industrial	298,863	316,549	(5.6)	929,008	945,088	(1.7)
Others	9,189	9,044	1.6	29,060	27,771	4.6
Total	1,048	979	7.1	3,177	3,106	2.3

*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) %
	2016	2015		2016-17	2015-16	
kWh sales:						
Residential	11	12	(8.3)	36	35	2.9
Commercial	214,600	176,292	21.7	622,950	595,047	4.7
Industrial	-	-	-	-	-	-
Others	30,260	29,120	3.9	89,441	88,000	1.6
Total	244,871	205,424	19.2	712,427	683,082	4.3
Basic revenues:						
Residential	1	1	0.0	2	2	0.0
Commercial	8,982	9,800	(8.3)	36,411	33,826	7.6
Industrial	-	-	-	-	-	-
Others	5,023	5,013	0.2	14,939	15,127	(1.2)
Total	14,006	14,814	(5.5)	51,352	48,955	4.9
Provisional rate:						
Residential	0	0	0.0	0	0	0.0
Commercial	2,876	0	*	5,585	0	*
Industrial	-	-	-	-	-	-
Others	394	0	*	746	0	*
Total	3,270	0	*	6,331	0	*
Fuel adjustment:						
Residential	1	1	0.0	3	3	0.0
Commercial	18,158	14,596	24.4	46,822	56,092	(16.5)
Industrial	-	-	-	-	-	-
Others	2,711	2,599	4.3	7,112	8,241	(13.7)
Total	20,870	17,196	21.4	53,937	64,336	(16.2)
Purchased power:						
Residential	1	1	0.0	2	2	0.0
Commercial	8,990	7,471	20.3	25,747	26,790	(3.9)
Industrial	-	-	-	-	-	-
Others	1,344	1,344	0.0	3,929	4,235	(7.2)
Total	10,335	8,816	17.2	29,678	31,027	(4.3)
Total revenues:						
Residential	3	3	0.0	7	7	0.0
Commercial	39,006	31,867	22.4	114,565	116,708	(1.8)
Industrial	-	-	-	-	-	-
Others	9,472	8,956	5.8	26,726	27,603	(3.2)
Total	48,481	40,826	18.8	141,298	144,318	(2.1)
2. Service Agreements:						
Residential	14	14	0.0	19	14	35.7
Commercial	21,615	25,051	(13.7)	29,351	24,337	20.6
Industrial	-	-	-	-	-	-
Others	2,942	3,158	(6.8)	3,836	2,990	28.3
Total	24,571	28,223	(12.9)	33,206	27,341	21.5

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)

	SEPTEMBER 2016					
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	94.7	89.9	(5.1)	288.2	281.1	(2.5)
Fuel adjustment	80.6	113.3	40.6	225.7	365.9	62.1 ¹
Purchased power	70.8	64.1	(9.5)	230.8	198.1	(14.2) ²
Provisional rate		19.9	*		39.2	* ³
Revenues from sales	246.1	287.2	16.7	744.7	884.3	18.7
Other	(2.0)	(2.5)	25.0	(5.9)	(6.1)	3.4 ⁴
Total revenues	244.1	284.7	16.6	738.8	878.2	18.9 ¹
Fuel	60.8	100.4	65.1	170.3	324.2	90.4 ²
Purchased power	63.0	57.8	(8.3)	205.4	177.1	(13.8)
Other expenses	52.2	55.4	6.1	156.6	165.1	5.4
Total current expenses	176.0	213.6	21.4	532.3	666.4	25.2 ⁵
1974 - sinking fund appropriations	17.7	55.7	*	53.1	151.9	* ⁶
Reserve Account	0.0	0.0	0.0	0.0	0.0	0.0
Rate Stabilization Fund	0.0	0.0	0.0	0.0	0.0	0.0
Interest on notes	3.3	4.3	30.3	9.9	13.3	34.3 ⁷
Internal funds	28.1	0.0	*	86.6	0.8	(99.1) ⁶
Contribution to municipalities	4.5	(0.6)	*	13.1	10.5	(19.8) ⁷
Other appropriations	14.5	11.7	(19.3)	43.8	35.3	(19.4)
Total	244.1	284.7	16.6	738.8	878.2	18.9

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					
	Month			Fiscal Year-to-Date		
	2016	2015	Increase (Decrease) %	2016-17	2015-16	Increase (Decrease) %
Basic charges	89.9	86.6	3.8	281.1	271.6	3.5
Fuel adjustment	113.3	149.5	(24.2)	365.9	435.1	(15.9)
Purchased power	64.1	64.8	(1.1)	198.1	205.0	(3.4)
Provisional rate	19.9	0.0	*	39.2	0.0	*
Revenues from sales	287.2	300.9	(4.6)	884.3	911.7	(3.0)
Other	(2.5)	1.4	*	(6.1)	1.6	*
Total revenues	<u>284.7</u>	<u>302.3</u>	(5.8)	<u>878.2</u>	<u>913.3</u>	(3.8)
Fuel	100.4	132.6	(24.3)	324.2	386.2	(16.1)
Purchased power	57.8	58.2	(0.7)	177.1	183.4	(3.4)
Other expenses	<u>55.4</u>	<u>56.4</u>	(1.8)	<u>165.1</u>	<u>168.8</u>	(2.2)
Total current expenses	213.6	247.2	(13.6)	666.4	738.4	(9.8)
1974 - sinking fund appropriations	55.7	59.9	(7.0)	151.9	158.1	(3.9)
Reserve Account	0.0	0.0	0.0	0.0	0.0	0.0
Rate Stabilization Fund	0.0	4.3	*	0.0	12.8	*
Interest on notes	4.3	4.3	0.0	13.3	14.0	(5.0)
Internal funds	0.0	(30.7)	*	0.8	(65.9)	*
Contribution to municipalities	(0.6)	14.9	*	10.5	48.8	(78.5)
Other appropriations	<u>11.7</u>	<u>2.4</u>	*	<u>35.3</u>	<u>7.1</u>	*
Total	<u>284.7</u>	<u>302.3</u>	(5.8)	<u>878.2</u>	<u>913.3</u>	(3.8)

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 decreased for the fiscal year-to-date due to a lower 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. Until December 31, 2015, PREPA was obligated to set aside 2% out of the 11% surcharge of fuel and purchase power to a Rate Stabilization Account. Such fund was accrued but not paid.
7. 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.
8. 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.
9. 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)

SEPTEMBER

Construction Financing

	2016	2015
1. Rehabilitation Isabela Dam (GDB):		
Line of credit	25,354	25,354
Amount received	713	713
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 Plants (AFICA):		
Line of credit	27,023	27,023
Amount received	1,126	0
Available balance	<u>25,897</u>	<u>27,023</u>
Debt outstanding balance	1,126	0
Maturity Date	June 30, 2033	

Operational Financing

	2016	2015
1. Municipalities Settlement Agreement:		
Line of credit	64,208	64,208
Amount received	64,208	64,208
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	549,950	549,950
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	146,042	146,042
Available balance	<u>3,958</u>	<u>3,958</u>
Debt outstanding balance	146,042	146,042
Maturity Date	January 10, 2014	
4. Collateral SWAP - (GDB):		
Line of credit	100,000	100,000
Amount received	35,133	35,133
Available balance	<u>64,867</u>	<u>64,867</u>
Debt outstanding balance	35,133	35,133
Maturity Date	December 31, 2014	

E. Capital Improvements Program
(in thousand dollars)

SEPTEMBER 2016						
	Month **			Fiscal Year-to-Date***		
	Budget	Actual	Increase (Decrease)	Budget	Actual	Increase (Decrease)
			%			%
Production	6,936	2,692	(61.2)	20,809	9,594	(53.9)
Transmission	6,772	2,741	(59.5)	20,317	8,359	(58.9)
Distribution	6,161	1,922	(68.8)	18,484	7,612	(58.8)
Other	8,177	566	(93.1)	24,530	1,142	(95.3)
Total	<u>28,046</u>	<u>7,921</u>	(71.8)	<u>84,140</u>	<u>26,707</u>	(68.3)
Internal Funds	28,131	0	****	86,640	828	(99.0)
Percentage of Internal Funds to Investment in Capital Improvements Programs*	100%	0%		103%	3%	
Contribution AID for Construction		187			531	

	<u>2016</u>	<u>2015</u>
F. Highest debt coverage as of September 30	0.91	1.07

G. REA Projects

	<u>Month</u>	<u>Fiscal Year-to-Date</u>
Total investment	\$8,078	\$8,078
Families served	3	3

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

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

***Includes monthly overhead allocation.

****100% or over.

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	SEPTEMBER		Increase (Decrease) %
	2016	2015	
General clients	532,416	573,095	(7.1)
Government	1,230,344	962,354	27.8
Less: Accrued Contribution in Lieu of Taxes	1,014,164	712,349	42.4
Total Government, Net	216,180	250,005	(13.5)
Subtotal	748,596	823,100	(9.1)
Sales of electric energy (12 months)			
Revenues from sales *	3,185,495	3,771,669	(15.5)
kWh (including subsidy)	17,473,206	17,194,489	1.6
Indicators:			
A. Ratio of accounts receivable to sales (%)	23.5	21.8	7.7
B. Ratio of accounts receivable to sales (%) (including subsidy)	23.4	21.7	7.6
C. Sales days in accounts receivable	86	80	7.7
D. Sales days in accounts receivable (including subsidy)	85	79	7.6
E. Ratio of collections to sales of electric energy:			
General clients:			
Sales	2,599,087	3,105,615	(16.3)
Collections	2,642,044	3,238,498	(18.4)
Percent	101.7	104.3	(2.5)
Government:			
Sales	586,408	666,054	(12.0)
Collections	445,107	470,161	(5.3)
Percent	75.9	70.6	7.5
Percent of total sales	96.9	98.3	(1.4)

* Excludes residential clients' subsidy of \$19,719 and \$20,259, for the 12 months ended September 2016 and September 2015, respectively.

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	September 30 2016	June 30 2016
Current assets:		
Cash and cash equivalents		
General fund	\$ 60,558	\$ 60,558
Reserve for current expenses	431,707	353,841
Revenue fund	13	13
Working funds	1,033	1,033
Total cash and cash equivalents	<u>493,311</u>	<u>415,445</u>
Accounts receivable (Exhibit A)	1,677,967	1,676,390
Fuel oil inventory	99,798	71,473
Materials and supplies inventory	170,863	172,431
Prepayments and other (Exhibit B)	28,832	26,306
Total current assets	<u>2,470,771</u>	<u>2,362,045</u>
Non current receivables (Exhibit A)	<u>132,588</u>	<u>132,588</u>
Restricted Assets		
Investments held by trustees		
Sinking funds - Interest	3,387	25
Non current restricted deposits held by trustees	8,025	8,024
Total investment held by trustees	<u>11,412</u>	<u>8,049</u>
Construction fund and other		
Construction fund	102,138	122,357
Investment held by REA	1,110	1,108
Reserve maintenance fund	16,082	16,083
Other restricted fund	5,120	5,116
Total construction fund and other	<u>124,450</u>	<u>144,664</u>
Total restricted assets	<u>135,862</u>	<u>152,713</u>
Utility Plant		
Electric plant in service	12,682,523	12,654,565
Less: accumulated depreciation	<u>7,171,064</u>	<u>7,080,339</u>
Net electric plant in service	5,511,459	5,574,226
Construction work in progress, including preliminary surveys of 16,876 and 16,876	879,524	876,711
Total utility plant	<u>6,390,983</u>	<u>6,450,937</u>
Deferred debits:		
Unamortized debt expense	(52)	(310)
Other	<u>37,948</u>	<u>37,273</u>
Total deferred debits	<u>37,896</u>	<u>36,963</u>
Total assets	<u>9,168,100</u>	<u>9,135,246</u>
Deferred outflows of resources	<u>113,076</u>	<u>120,648</u>
Total Assets and Deferred Outflows	<u>\$ 9,281,176</u>	<u>\$ 9,255,894</u>

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

	September 30 2016	June 30 2016
Liabilities and net position		
Current Liabilities		
Notes payable to banks	\$ 731,838	\$ 731,838
Accounts payable and accrued liabilities (Exhibit C)	1,562,995	1,591,455
Customer deposits, including accrued interest	34,285	31,830
Total current liabilities	<u>2,329,118</u>	<u>2,355,123</u>
Current liabilities payable from restricted assets		
Current portion of long-term debt	249,669	234,394
Accrued interest payable on bonds and notes	121,448	11,881
Other current liabilities (Exhibit C)	41,429	44,203
Total current liabilities from restricted assets	<u>412,546</u>	<u>290,478</u>
Non current liabilities		
Power revenue bonds, net of unamortized debt discount of (43,306) and (46,259)	8,178,379	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>10,303,790</u>	<u>10,327,646</u>
Total liabilities	<u>13,045,454</u>	<u>12,973,247</u>
Deferred inflows of resources:		
Deferred gain on pension valuation	65,946	65,946
Total net position (Deficit)	<u>(3,830,224)</u>	<u>(3,783,299)</u>
Total Liabilities and Net Position	<u>\$ 9,281,176</u>	<u>\$ 9,255,894</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget September 2016	Actual September 2016	Actual September 2015
Operating revenues:			
Sales of electric energy	\$ 246,075	\$ 287,204	\$ 300,920
Total operating revenues	246,075	287,204	300,920
Other income	(1,897)	(2,470)	1,460
Total revenues	244,178	284,734	302,380
Expenses:			
Fuel cost	60,753	100,455	132,555
Purchased power	63,000	57,824	58,234
Other production	3,531	4,319	5,262
Transmission and distribution	10,978	11,877	13,531
Maintenance	14,298	15,052	16,036
Customer accounting and collection	8,342	8,182	7,779
Administrative and general	15,050	15,932	13,783
Subtotal expenses by function	175,952	213,641	247,180
Other post - employment benefits	-	-	653
Depreciation	29,741	30,728	30,679
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	11,859	40,223	38,003
Contribution to municipalities	4,479	575	14,913
Other appropriations	14,535	11,683	2,379
Bond discount and defeasance amortization	-	22	800
Total expenses	236,566	296,872	334,607
Contributed capital	792	190	713
Changes in net position	\$ 8,404	\$ (11,948)	\$ (31,514)

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

	FISCAL YEAR		
	Budget September 2016	Actual September 2016	Actual September 2015
Operating revenues:			
Sales of electric energy	\$ 744,736	\$ 884,280	\$ 911,744
Total operating revenues	744,736	884,280	911,744
Other income	(5,690)	(5,932)	1,840
Total revenues	739,046	878,348	913,584
Expenses:			
Fuel cost	170,269	324,239	386,237
Purchased power	205,404	177,054	183,354
Other production	10,594	13,526	15,170
Transmission and distribution	32,935	36,218	39,191
Maintenance	42,892	41,543	44,236
Customer accounting and collection	25,026	23,862	24,397
Administrative and general	45,151	49,936	45,726
Subtotal expenses by function	532,271	666,378	738,311
Other post - employment benefits	-	-	1,959
Depreciation	89,225	92,089	91,773
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	35,575	120,957	113,390
Contribution to municipalities	13,127	11,697	48,838
Other appropriations	43,765	35,266	7,141
Bond discount and defeasance amortization	-	66	2,401
Total expenses	713,963	926,453	1,003,813
Contributed capital	2,375	1,180	1,837
Changes in net position	\$ 27,458	\$ (46,925)	\$ (88,392)

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget September 2016	Actual September 2016	Actual September 2015
Revenues:			
Sales of electric energy (Exhibit D)	\$ 246,075	\$ 287,204	\$ 300,920
Total operating revenues	246,075	287,204	300,920
Other income	(1,897)	(2,470)	1,460
Total revenues	244,178	284,734	302,380
Less: 1974 construction fund investment income and gain on sale of properties	83	55	111
Revenues - net	244,095	284,679	302,269
Current expenses:			
Fuel cost	60,753	100,455	132,555
Purchased power	63,000	57,824	58,234
Other production	3,531	4,319	5,262
Transmission and distribution	10,978	11,877	13,531
Maintenance	14,298	15,052	16,036
Customer accounting and collection	8,342	8,182	7,779
Administrative and general	15,050	15,932	13,783
Total current expenses	175,952	213,641	247,180
Net revenues (as defined)	68,143	71,038	55,089
Contractual obligations:			
Sinking fund appropriations -			
Interest on power revenue bonds (1)	8,552	35,888	31,214
Int on Pow. Rev. Fund - CR Bal Serie RR	-	-	-
Bond redemption accoun (1)	9,139	19,780	28,707
Rate Stabilization Account	-	-	4,285
Interest on notes	3,306	4,335	4,335
Capital Improvements fund	28,132	-	(30,744)
Total contractual obligations	49,129	60,003	37,797
Balance	19,014	11,035	17,292
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	4,479	(648)	14,913
Other	14,535	11,683	2,379
Total provision for contribution and other	19,014	11,035	17,292
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 2016	Actual September 2016	Actual September 2015	Budget June 2017	Actual September 2016	Actual September 2015
Revenues:						
Sales of electric energy (Exhibit D)	\$ 744,736	\$ 884,280	\$ 911,744	\$ 2,970,682	\$ 3,185,496	\$ 3,771,669
Total operating revenues	744,736	884,280	911,744	2,970,682	3,185,496	3,771,669
Other income	(5,690)	(5,932)	1,840	(22,759)	16,311	(7,352)
Total revenues	739,046	878,348	913,584	2,947,923	3,201,807	3,764,317
Less: 1974 construction fund investment income and gain on sale of properties	252	196	318	1,007	715	1,273
Revenues - net	738,794	878,152	913,266	2,946,916	3,201,092	3,763,044
Current expenses:						
Fuel cost	170,269	324,239	386,237	647,482	1,148,509	1,660,198
Purchased power	205,404	177,054	183,354	828,393	675,932	754,899
Other production	10,594	13,526	15,170	42,376	55,925	59,797
Transmission and distribution	32,935	36,218	39,191	131,741	145,379	151,257
Maintenance	42,892	41,543	44,236	171,571	159,117	171,644
Customer accounting and collection	25,026	23,862	24,397	100,103	92,803	100,310
Administrative and general	45,151	49,936	45,726	180,604	205,156	207,527
Total current expenses	532,271	666,378	738,311	2,102,270	2,482,821	3,105,632
Net revenues (as defined)	206,523	211,774	174,955	844,646	718,271	657,412
Contractual obligations:						
Sinking fund appropriations -						
Interest on power revenue bonds (1)	25,656	107,663	92,009	102,626	407,983	366,058
Bond redemption account (1)	27,417	44,250	66,046	109,669	227,437	226,854
Reserve Account Fund (1)	-	-	-	-	-	(339,122)
Rate Stabilization Account	-	-	12,801	-	(12,801)	54,261
Interest on notes	9,919	13,294	14,021	39,675	52,835	53,928
Capital Improvements fund	86,640	828	(65,901)	366,779	66,728	(106,261)
Total contractual obligations	149,632	166,035	118,976	618,749	742,182	255,718
Balance	56,891	45,739	55,979	225,897	(23,911)	401,694
Provision for Contribution in Lieu of Taxes and other appropriations						
Contribution to municipalities	13,127	10,473	48,838	51,784	(98,640)	361,490
Other	43,764	35,266	7,141	174,113	74,729	40,204
Total provision for contribution and other	56,891	45,739	55,979	225,897	(23,911)	401,694
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)

	September 2016	June 2016
Net Position		
Invested in utility plant, net related debt	\$ (929,111)	\$ (686,519)
Restricted for capital activity and debt service	(565,868)	(633,700)
Unrestricted	<u>(2,335,245)</u>	<u>(2,463,080)</u>
Total net position	<u>\$ (3,830,224)</u>	<u>\$ (3,783,299)</u>

ACCOUNTS RECEIVABLE
(in thousands)

Exhibit A

	September 2016	June 2016
Electric and related services:		
General clients	\$ 832,748	\$ 829,406
Recoveries under fuel adjustment and purchase power clause under or (over) billed	(966)	(14,191)
Unbilled services	181,684	167,574
Allowance for uncollectible accounts	<u>(481,050)</u>	<u>(493,252)</u>
Total General Clients	<u>532,416</u>	<u>489,537</u>
Government, including current and non current	1,230,344 (1)	1,249,267
Claims Receivable from Insurance Companies & Other	30,227	29,964
Advances to Irrigation Systems - net	8,129	9,095
Accrued interest	2,050	2,052
Other	<u>7,389</u>	<u>29,063</u>
Total Accounts Receivable	<u>1,810,555</u>	<u>1,808,978</u>
Less: Government Account Receivable, non current portion	<u>132,588</u>	<u>132,588</u>
Total Accounts Receivable, current portion	<u><u>\$ 1,677,967</u></u>	<u><u>\$ 1,676,390</u></u>

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

PREPAYMENTS AND OTHER
(in thousands)

Exhibit B

	September 2016	June 2016
Claims Outstanding Related to Property Damages	\$ 353	\$ 353
Prepayments and other	<u>28,479</u>	<u>25,953</u>
Total	<u>\$ 28,832</u>	<u>\$ 26,306</u>

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands)

Exhibit C

	September 2016	June 2016
Accounts payable - fuel oil and other	\$ 462,721	\$ 530,072
Accrued annual leave	49,596	50,302
Accrued sick leave	2,576	4,682
Accrued salaries and fringe benefits	4,968	3,867
Accrued Contribution in Lieu of Taxes	1,014,164	977,388
Accrued Actuarial Retirement	2,193	2,193
Reserve for injuries and damages	5,141	4,557
Accrued Contributions Federal Social Security	845	-
Income tax withheld at source	470	-
Health plan	1,295	1,797
Pension & Benefits Deferred Employer Contribution	9,342	9,342
Other	9,684	7,255
Sub total current liabilities	<u>1,562,995</u>	<u>1,591,455</u>
Other current payables from restricted assets		
Retention on Contract Work	5,847	5,672
Vouchered A/P construction	2,924	5,548
Contribution aid to construction	<u>32,658</u>	<u>32,983</u>
Total other current payables from restricted assets	<u>41,429</u>	<u>44,203</u>
Total current Liabilities	<u>1,604,424</u>	<u>1,635,658</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>\$ 3,558,439</u>	<u>\$ 3,589,673</u>

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

SALES OF ELECTRIC ENERGY

SEPTEMBER 2016

Exhibit D

Class of Service	CLIENTS		KWHRS (in thousands)			
	Billed	Total	MONTHLY			Total
			Billed	Unbilled	Adjustment*	
Residential	1,331,317	1,331,317	604,194	413,846	(426,061)	591,979
Commercial	123,605	123,605	724,200	482,025	(486,874)	719,351
Industrial	626	626	192,104	130,770	(135,786)	187,088
Public lighting	2,171	2,171	27,394	10,019	(11,972)	25,441
Other public authorities	2	2	2,948	1,671	(1,680)	2,939
Agricultural	1,190	1,190	2,583	1,473	(1,334)	2,522
Subtotal	1,458,911	1,458,911	1,553,423	1,039,804	(1,063,907)	1,529,320
Fuel oil adjustment						
Purchased power						
Subtotal	1,458,911	1,458,911	1,553,423	1,039,804	(1,063,907)	1,529,320
Unrecovered fuel oil cost-net						
Unrecovered purchased power cost-net						
Total	1,458,911	1,458,911	1,553,423	1,039,804	(1,063,907)	1,529,320

FISCAL YEAR-TO-DATE

Class of Service	Average Clients	Kwhrs. (thousands)	Revenue (thousand \$)	Kwhrs. per Client	Cents Cents per Kwhr. Sold
Residential	1,332,949	1,812,598	114,239	1,360	6.30
Commercial	123,798	2,145,108	157,989	17,327	7.37
Industrial	629	584,346	31,598	929,008	5.41
Public lighting	2,179	82,051	15,512	37,655	18.91
Other public authorities	2	9,040	473	4,520,000	5.23
Agricultural	1,193	6,959	499	5,833	7.17
Subtotal	1,460,750	4,640,102	320,310	3,177	6.90
Fuel oil adjustment			356,577		7.88
Purchased Power			194,169		4.27
Subtotal	1,460,750	4,640,102	871,056	3,177	18.77
Unrecovered fuel oil cost-net			9,276		
Unrecovered purchased Power cost-net			3,948		
Total	1,460,750	4,640,102	884,280	3,177	19.06

*Unbilled previous month.

SALES OF ELECTRIC ENERGY

SEPTEMBER 2016

Exhibit D

REVENUES (in thousand \$)						Cents
MONTHLY						per Kwhr.
Class of Service	Billed	Unbilled	Adjustment*	Total	Kwhrs. per Client	Sold
Residential	41,039	17,225	(17,714)	40,549	445	6.85
Commercial	53,402	30,976	(31,311)	53,067	5,820	7.38
Industrial	11,294	5,839	(6,142)	10,991	298,862	5.87
Public lighting	5,273	1,617	(2,016)	4,874	11,719	19.16
Other public authorities	168	73	(73)	168	1,469,500	5.73
Agricultural	194	80	(83)	191	2,119	7.55
Subtotal	111,370	55,810	(57,339)	109,840	1,048	7.18
Fuel oil adjustment	133,591	78,575	(76,306)	135,860		8.41
Purchased power	65,966	47,298	(48,808)	64,457		4.58
Subtotal	310,927	181,683	(182,453)	310,157	1,048	20.28
Unrecovered fuel oil cost-net				(22,567)		
Unrecovered purchased power cost-net				(386)		
Total	310,927	181,683	(182,453)	287,204	1,048	18.78