
MONTHLY REPORT
TO THE GOVERNING BOARD
MAY 2016

CONTENTS

	<u>PAGE</u>
Operation Highlights	1 - 12
Statement of Net Position	14 - 15
Statements of Revenues, Expenses and Change in Net Position	16 - 17
Statements of Revenues and Expenses for Revenue Fund Purposes Per Trust Agreement	18 - 19
Net Position	20
Accounts Receivable (Exhibit A)	21
Prepayments and Other (Exhibit B)	22
Accounts Payable and Accrued Liabilities (Exhibit C)	23
Sales of Electric Energy (Exhibit D)	24 - 25

PUERTO RICO ELECTRIC POWER AUTHORITY

I. OPERATIONS HIGHLIGHTS

A. Production

	MAY		Increase (Decrease) %
	2015-16	2014-15	
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	1,240,724	1,185,644	4.6
PREPA - Hydro	2,352	3,119	(24.6)
Purchased power - gas	287,485	253,954	13.2
Purchased power - coal	236,808	331,659	(28.6)
Renewable Energy	30,258	29,946	1.0
Total	1,797,627	1,804,322	(0.4)
Fiscal year-to-date:			
PREPA - Steam and gas	12,868,510	12,449,220	3.4
PREPA - Hydro	50,375	65,483	(23.1)
Purchased power - gas	2,991,673	3,045,721	(1.8)
Purchased power - coal	2,887,648	3,289,788	(12.2)
Renewable Energy	295,131	254,451	16.0
Total	19,093,337	19,104,663	(0.1)
Twelve months:			
PREPA - Steam and gas	14,017,480	13,562,941	3.4
PREPA - Hydro	53,604	69,391	(22.8)
Purchased power - gas	3,288,082	3,398,289	(3.2)
Purchased power - coal	3,202,471	3,624,656	(11.6)
Renewable Energy	330,941	280,975	17.8
Total	20,892,578	20,936,252	(0.2)
2. Maximum hourly peak load (in MW)			
Month	2,958	2,898	2.1
Fiscal year-to-date	3,080	3,030	1.7
Twelve months	3,080	3,030	1.7
3. Sales (kWh in thousands)			
Month:			
Billed	1,417,977	1,455,591	(2.6)
Days billed	30.00	30.00	
Fiscal year-to-date:			
Billed	15,780,368	15,761,992	0.1
Days billed	334.00	336.00	(0.6)
Twelve months:			
Billed	17,244,606	17,255,202	(0.1)
Days billed	364.0	366.0	(0.5)
4. System efficiency (%)			
Month	83.5	84.9	(1.6)
Fiscal year-to-date	82.8	82.7	0.1
Twelve months	82.8	82.5	0.4
5. Average cost per barrel (\$)			
Month	46.18	68.62	(32.7)
Fiscal year-to-date	52.35	87.32	(40.0)
Twelve months	53.37	88.99	(40.0)
6. kWh/Barrel			
Month	624.11	610.21	2.3
Fiscal year-to-date	605.69	614.90	(1.5)
Twelve months	606.50	614.65	(1.3)
7. Heat rate (BTU/kWh) *			
Month	10,460	10,503	(0.4)
Fiscal year-to-date	10,823	10,728	0.9
Twelve months	10,813	10,751	0.6

PUERTO RICO ELECTRIC POWER AUTHORITY

MAY

8. Fuel consumption
(in thousands)

	2015-16		2014-15		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	926	37,013	1,050	67,213	(11.8)	(44.9)
Gas	497	31,034	386	35,510	28.8	(12.6)
Natural Gas	565	23,769	507	30,586	11.4	(22.3)
Total	<u>1,988</u>	<u>91,816</u>	<u>1,943</u>	<u>133,309</u>	2.3	(31.1)
Fiscal year-to-date:						
Steam	10,966	516,131	12,196	1,006,947	(10.1)	(48.7)
Gas	4,856	335,537	3,276	369,501	48.2	(9.2)
Natural Gas	5,424	260,446	4,774	391,380	13.6	(33.5)
Total	<u>21,246</u>	<u>1,112,114</u>	<u>20,246</u>	<u>1,767,828</u>	4.9	(37.1)
Twelve months:						
Steam	12,059	586,423	13,401	1,137,692	(10.0)	(48.5)
Gas	5,159	362,832	3,430	389,917	50.4	(6.9)
Natural Gas	5,894	288,837	5,235	436,207	12.6	(33.8)
Total	<u>23,112</u>	<u>1,238,092</u>	<u>22,066</u>	<u>1,963,816</u>	4.7	(37.0)

MAY

B. Client Service

	2016	2015	Increase (Decrease) %
1. Service complaints per thousand clients	2.98	6.83	(56.4)
2. Disconnections for nonpayment per thousand clients	7.64	9.75	(21.6)

C. Distribution System*

1. Interruption frequency index			
Total interruptions per thousand clients served	0.437	0.443	(1.4)
2. Interruption duration index			
Average interruption time per clients served (minutes)	74.04	58.46	26.7
3. Clients per interruption	212	253	(16.3)
4. Time per interruption (minutes)	326	299	8.8

*In September 2014 Transmission and Distribution Directorate adopted IEEE 1366-2012 Standard.

D. Personnel

		MAY		Increase (Decrease)
		2016	2015	
Management Conf. / Carr.	Reg.	1,916	2,001	(85)
	Temp.	6	31	(25)
U.T.I.E.R.	Reg.	3,702	3,786	(84)
	Temp.	12	162	(150)
	Emerg.			
U.I.T.I.C.E.	Reg.	644	704	(60)
	Temp.			
U.E.P.I.	Reg.	314	321	(7)
	Temp.			
U.P.A.E.E.	Reg.	4	4	0
	Temp.			
Total		<u>6,598</u>	<u>7,009</u>	<u>(411)</u>

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	MAY				
	Month		Fiscal Year-to-Date		
	2016	2015	Increase (Decrease) %	2015-16	2014-15 Increase (Decrease) %
kWh sales:					
Residential	554,392	568,665	(2.5)	5,846,325	5,706,766 2.4
Commercial	711,535	719,919	(1.2)	7,474,125	7,637,906 (2.1)
Industrial	201,696	209,377	(3.7)	2,147,000	2,127,873 0.9
Others	33,528	33,970	(1.3)	347,249	332,555 4.4
Total	<u>1,501,151</u>	<u>1,531,931</u>	(2.0)	<u>15,814,699</u>	<u>15,805,100</u> 0.1
Basic revenues:					
Residential	29,223	30,339	(3.7)	333,939	318,043 5.0
Commercial	47,383	41,742	13.5	498,894	513,774 (2.9)
Industrial	9,169	9,464	(3.1)	97,262	97,633 (0.4)
Others	5,467	5,526	(1.1)	57,131	54,459 4.9
Total	<u>91,242</u>	<u>87,071</u>	4.8	<u>987,226</u>	<u>983,909</u> 0.3
Fuel adjustment:					
Residential	37,216	56,746	(34.4)	466,077	741,224 (37.1)
Commercial	51,730	70,856	(27.0)	606,564	956,546 (36.6)
Industrial	12,333	18,977	(35.0)	154,097	246,461 (37.5)
Others	2,466	3,586	(31.2)	28,125	43,680 (35.6)
Total	<u>103,745</u>	<u>150,165</u>	(30.9)	<u>1,254,863</u>	<u>1,987,911</u> (36.9)
Purchased power:					
Residential	24,003	27,317	(12.1)	262,875	300,030 (12.4)
Commercial	30,310	33,440	(9.4)	331,028	393,867 (16.0)
Industrial	7,967	8,752	(9.0)	87,312	99,855 (12.6)
Others	1,468	1,423	3.2	16,116	17,829 (9.6)
Total	<u>63,748</u>	<u>70,932</u>	(10.1)	<u>697,331</u>	<u>811,581</u> (14.1)
Total revenues:					
Residential	90,442	114,402	(20.9)	1,062,891	1,359,297 (21.8)
Commercial	129,423	146,038	(11.4)	1,436,486	1,864,187 (22.9)
Industrial	29,469	37,193	(20.8)	338,671	443,949 (23.7)
Others	9,401	10,535	(10.8)	101,372	115,968 (12.6)
Total	<u>258,735</u>	<u>308,168</u>	(16.0)	<u>2,939,420</u>	<u>3,783,401</u> (22.3)

MAY						
	Month			Fiscal Year-to-Date		
	2016	2015	Increase (Decrease) %	2015-16	2014-15	Increase (Decrease) %
2. Cents per kWh						
Basic revenues:						
Residential	5.27	5.34	(1.3)	5.71	5.57	2.5
Commercial	6.66	5.80	14.8	6.67	6.73	(0.9)
Industrial	4.55	4.52	0.7	4.53	4.59	(1.3)
Others	16.31	16.27	0.2	16.45	16.38	0.4
Total	6.08	5.68	7.0	6.24	6.23	0.2
Fuel adjustment:						
Residential	6.71	9.98	(32.8)	7.97	12.99	(38.6)
Commercial	7.27	9.85	(26.2)	8.12	12.52	(35.1)
Industrial	6.11	9.06	(32.6)	7.17	11.58	(38.1)
Others	7.35	10.55	(30.3)	8.10	13.13	(38.3)
Total	6.91	9.81	(29.6)	7.94	12.58	(36.9)
Purchased power:						
Residential	4.33	4.80	(9.8)	4.50	5.26	(14.4)
Commercial	4.26	4.64	(8.2)	4.43	5.16	(14.1)
Industrial	3.95	4.18	(5.5)	4.07	4.69	(13.2)
Others	4.38	4.19	4.5	4.64	5.36	(13.4)
Total	4.25	4.63	(8.2)	4.41	5.13	(14.0)
Total revenues:						
Residential	16.31	20.12	(18.9)	18.18	23.82	(23.7)
Commercial	18.19	20.29	(10.3)	19.22	24.41	(21.3)
Industrial	14.61	17.76	(17.7)	15.77	20.86	(24.4)
Others	28.04	31.01	(9.6)	29.19	34.87	(16.3)
Total	17.24	20.12	(14.3)	18.59	23.94	(22.3)
3. Clients:						
Residential	1,332,103	1,326,554	0.4	1,327,783	1,327,889	(0.0)
Commercial	123,885	123,993	(0.1)	123,815	124,497	(0.5)
Industrial	635	648	(2.0)	640	655	(2.3)
Others	3,380	3,371	0.3	3,370	3,584	(6.0)
Total	<u>1,460,003</u>	<u>1,454,566</u>	0.4	<u>1,455,608</u>	<u>1,456,625</u>	(0.1)
4. Average kWh per client:						
Residential	416	429	(2.9)	4,403	4,298	2.5
Commercial	5,744	5,806	(1.1)	60,365	61,350	(1.6)
Industrial	317,631	323,113	(1.7)	3,354,688	3,248,661	3.3
Others	9,920	10,077	(1.6)	103,041	92,789	11.0
Total	1,028	1,053	(2.4)	10,865	10,850	0.1

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	MAY					
	Month		Increase (Decrease) %	Fiscal Year-to-Date		Increase (Decrease) %
	2016	2015		2015-16	2014-15	
kWh sales:						
Residential	9	13	(30.8)	114	112	1.8
Commercial	274,037	220,810	24.1	2,304,912	2,370,036	(2.7)
Industrial						
Others	28,335	29,615	(4.3)	321,137	303,194	5.9
Total	<u>302,381</u>	<u>250,438</u>	20.7	<u>2,626,163</u>	<u>2,673,342</u>	(1.8)
Basic revenues:						
Residential	1	1		6	6	
Commercial	13,580	13,747	(1.2)	145,551	169,204	(14.0)
Industrial						
Others	4,758	5,035	(5.5)	55,288	51,858	6.6
Total	<u>18,339</u>	<u>18,783</u>	(2.4)	<u>200,845</u>	<u>221,068</u>	(9.1)
Fuel adjustment:						
Residential	1	1	0.0	10	16	(37.5)
Commercial	16,741	21,699	(22.8)	199,837	296,180	(32.5)
Industrial						
Others	1,818	3,067	(40.7)	26,808	41,722	(35.7)
Total	<u>18,560</u>	<u>24,767</u>	(25.1)	<u>226,655</u>	<u>337,918</u>	(32.9)
Purchased power:						
Residential		1	(100.0)	5	6	(16.7)
Commercial	8,996	11,763	(23.5)	96,998	123,268	(21.3)
Industrial						
Others	1,263	1,669	(24.3)	14,771	16,732	(11.7)
Total	<u>10,259</u>	<u>13,433</u>	(23.6)	<u>111,774</u>	<u>140,006</u>	(20.2)
Total revenues:						
Residential	2	3	(33.3)	21	28	(25.0)
Commercial	39,317	47,209	(16.7)	442,386	588,652	(24.8)
Industrial						
Others	7,839	9,771	(19.8)	96,867	110,312	(12.2)
Total	<u>47,158</u>	<u>56,983</u>	(17.2)	<u>539,274</u>	<u>698,992</u>	(22.8)
2. Clients:						
Residential	14	15		14	15	(6.7)
Commercial	27,519	23,926	15.0	24,745	24,416	1.3
Industrial						
Others	3,001	3,190	(5.9)	5,204	2,357	120.8
Total	<u>30,534</u>	<u>27,131</u>	12.5	<u>29,963</u>	<u>26,788</u>	11.9

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

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

	MAY 2016					
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	94.2	91.2	(3.2)	1,017.2	987.2	(2.9)
Fuel adjustment	201.4	103.7	(48.5)	2,297.0	1,254.9	(45.4)
Purchased power	88.9	63.8	(28.2)	890.3	697.3	(21.7)
Revenues from sales	384.5	258.7	(32.7)	4,204.5	2,939.4	(30.1)
Other	2.7	1.7	(37.0)	29.9	24.0	(19.7)
Total revenues	387.2	260.4	(32.7)	4,234.4	2,963.4	(30.0)
Fuel	178.7	91.8	(48.6)	2,038.9	1,112.1	(45.5)
Purchased power	79.1	56.9	(28.1)	792.3	622.7	(21.4)
Other expenses	57.0	54.5	(4.4)	627.1	602.8	(3.9)
Total current expenses	314.8	203.2	(35.5)	3,458.3	2,337.6	(32.4)
1974 - sinking fund appropriations	49.2	52.9	7.5	525.4	587.8	11.9
Reserve Account				(172.2)		*
Rate Stabilization Fund	5.8		*	63.8		*
Interest on notes	4.3	4.5	4.7	47.3	49.3	4.2
Internal funds	(18.1)		*	38.1		*
Contribution to municipalities	27.9	(9.8)	*	237.0	(48.9)	*
Other appropriations	3.3	9.6	*	36.7	37.6	2.5
Total	387.2	260.4	(32.7)	4,234.4	2,963.4	(30.0)

EXPLANATION OF MAJOR VARIATIONS

1. The decrease in the fuel adjustment and expense for the fiscal year-to-date was due to lower cost of fuel than budgeted.
2. Purchased power revenue and expenses decreased for the fiscal year-to-date due to a lower availability from cogenerators than budgeted.
3. The other revenues for the fiscal year-to-date decreased due to a lower non operating income than budgeted.
4. The 1974 Sinking Fund appropriation have been accrued but not transferred. The Authority paid \$14.3 millions and \$173.8 millions in interest on Power Revenue Bonds for October 2015 and January 2016, respectively, from its operations.
5. Internal funds have been accrued but not paid nor transferred to the Construction Fund. Actual amounts are maintained as part of the General Fund, to provide a reserve for current expenses.
6. Contribution to municipalities for the fiscal year-to-date decreased due to the application of ceiling limits and the annual saving of 5% in accordance with Act 57-2014.

* 100% or Over

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

	MAY					
	Month			Fiscal Year-to-Date		
	2016	2015	Increase (Decrease) %	2015-16	2014-15	Increase (Decrease) %
Basic charges	91.2	87.1	4.7	987.2	983.9	0.3 ¹
Fuel adjustment	103.7	150.2	(31.0)	1,254.9	1,987.9	(36.9) ²
Purchased power	63.8	70.9	(10.0)	697.3	811.6	(14.1)
Revenues from sales	258.7	308.2	(16.1)	2,939.4	3,783.4	(22.3) ³
Other	1.7	2.2	(22.7)	24.0	21.6	11.1
Total revenues	260.4	310.4	(16.1)	2,963.4	3,805.0	(22.1) ¹
Fuel	91.8	133.3	(31.1)	1,112.1	1,767.8	(37.1) ²
Purchased power	56.9	63.1	4.2	622.7	723.1	(13.9)
Other expenses	54.5	54.6	(0.2)	602.8	602.9	(0.0)
Total current expenses	203.2	251.0	(19.0)	2,337.6	3,093.8	(24.4) ⁴
1974 - sinking fund appropriations	52.9	49.2	7.5	587.8	525.3	11.9
Reserve Account					(170.6)	*
Rate Stabilization Fund		4.4	*		56.3	*
Interest on notes	4.5	4.5		49.3	50.7	(2.8) ⁶
Internal funds		(17.6)	*		(1.1)	*
Contribution to municipalities	(9.8)	16.8	*	(48.9)	214.8	*
Other appropriations	9.6	2.1	*	37.6	35.8	5.0 ⁸
Total	260.4	310.4	(16.1)	2,963.4	3,805.0	(22.1)

EXPLANATION OF MAJOR VARIATIONS

1. The decrease in the fuel adjustment and expense for the fiscal year-to-date was due to lower cost of fuel than prior year.
2. Purchased power revenue and expenses decreased for the fiscal year-to-date due to a lower availability from cogenerators than prior year.
3. The other revenues for the fiscal year-to-date increased due to a higher non operating income than prior year.
4. The 1974 Sinking Fund appropriation for current fiscal year have been accrued but not paid nor transferred.
5. 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.
6. Internal funds have been accrued but not paid nor transferred to the Construction Fund. Actual amounts are maintained as part of the General Fund, to provide a reserve for current expenses.
7. Contribution to municipalities for the fiscal year-to-date decreased due to the application of ceiling limits and the annual saving of 5% in accordance with Act 57-2014.
8. Other appropriations for the fiscal year-to-date increased due to more funds assigned to residential clients' subsidy than prior year.

* 100% or Over

D. Notes Payable
(in thousand dollars)

MAY

<u>Construction Financing</u>			<u>Operational Financing</u>		
	<u>2016</u>	<u>2015</u>		<u>2016</u>	<u>2015</u>
1. Rehabilitation Isabela Dam (GDB):			1. Municipalities Settlement Agreement :		
Line of credit	25,354	25,354	Line of credit	64,208	64,208
Amount received	<u>713</u>	<u>713</u>	Amount received	<u>64,208</u>	<u>64,208</u>
Available balance	<u>24,641</u>	<u>24,641</u>	Available balance	<u>0</u>	<u>0</u>
Debt outstanding balance	713	713	Debt outstanding balance	0	0
Maturity Date	June 30, 2018		Maturity Date	June 30, 2014	
2. State Revolving Fund Program Aguirre Plant (AFICA):			2. Fuel Financing (Scotiabank) :		
Line of credit	17,560	17,560	Line of credit	550,000	550,000
Amount received	<u>0</u>	<u>0</u>	Amount received	<u>549,950</u>	<u>549,950</u>
Available balance	<u>17,560</u>	<u>17,560</u>	Available balance	<u>50</u>	<u>50</u>
Debt outstanding balance	0	0	Debt outstanding balance	549,950	549,950
Maturity Date	June 30, 2033		Maturity Date	August 14, 2014	
3. State Revolving Fund Program San Juan Plant (AFICA):			3. Fuel Financing (Citibank) :		
Line of credit	9,463	9,463	Line of credit	150,000	150,000
Amount received	<u>0</u>	<u>0</u>	Amount received	<u>146,042</u>	<u>146,042</u>
Available balance	<u>9,463</u>	<u>9,463</u>	Available amount	<u>3,958</u>	<u>3,958</u>
Debt outstanding balance	0	0	Debt outstanding balance	146,042	146,042
Maturity Date	June 30, 2033		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. Capital Improvements Program
(in thousand dollars)

MAY 2016						
	Month **			Fiscal Year-to-Date***		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Production	6,720	11,747	74.8	73,915	41,913	(43.3)
Transmission	4,307	2,976	(30.9)	47,381	25,275	(46.7)
Distribution	7,114	4,845	(31.9)	78,249	62,715	(19.9)
Other	2,252	586	(74.0)	24,769	5,685	(77.0)
Total	20,393	20,154	(1.2)	224,314	135,588	(39.6)
Internal Funds	(18,054)	0	****	38,140	0	****
Percentage of Internal Funds to Investment in Capital Improvements Programs*	-89%	0%		17%	0%	
Contribution AID for Construction		101			2,041	

	2016	2015
F. Highest debt coverage as of May 31	1.03	0.87

G. REA Projects

	Month	Fiscal Year-to-Date
Total investment	\$0	\$33,326
Families served	0	7

*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% and Over

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MAY		Increase (Decrease) %
	2016	2015	
General clients	552,585	629,814	(12.3)
Government	1,332,734	1,012,448	31.6
Less: Accrued Contribution in Lieu of Taxes	1,107,253	787,717	40.6
Total Government, Net	225,481	224,731	0.3
Subtotal	778,066	854,545	(8.9)
Sales of electric energy (12 months)			
Revenues from sales*	3,246,120	4,173,666	(22.2)
kWh (including subsidy)	17,289,675	17,264,372	0.1
Indicators:			
A. Ratio of accounts receivable to sales (%)	24.0	20.5	17.1
B. Ratio of accounts receivable to sales (%) (including subsidy)	23.8	20.4	17.0
C. Sales days in accounts receivable	87	75	17.1
D. Sales days in accounts receivable (including subsidy)	87	74	17.0
E. Ratio of collections to sales of electric energy:			
General clients:			
Sales	2,657,008	3,405,122	(22.0)
Collections	2,721,129	3,550,326	(23.4)
Percent	102.4	104.3	(1.8)
Government:			
Sales	589,112	768,544	(23.3)
Collections	395,944	479,405	(17.4)
Percent	67.2	62.4	7.7
Percent of total sales	96.0	96.6	(0.5)

* Excludes residential clients' subsidy of \$20,014 and \$21,763 for the 12 months ended May 2016 and May 2015, respectively.

PUERTO RICO ELECTRIC POWER AUTHORITY

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PUERTO RICO ELECTRIC POWER AUTHORITY

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

	May 31 2016	June 30 2015
Current assets:		
Cash and cash equivalents		
General fund	\$ 60,558	\$ 60,558
Reserve for current expenses	417,878	298,069
Revenue fund	13	13
Working funds	1,032	1,017
Total cash and cash equivalents	<u>479,481</u>	<u>359,657</u>
Accounts receivable (Exhibit A)	1,824,184	1,597,653
Fuel oil inventory	76,926	120,314
Materials and supplies inventory	173,560	183,809
Prepayments and other (Exhibit B)	13,088	3,793
Total current assets	<u>2,567,239</u>	<u>2,265,226</u>
Non current receivables (Exhibit A)	<u>108,959</u>	<u>108,959</u>
Restricted Assets		
Cash held by trustees	-	-
Investments held by trustees		
Sinking funds - Interest	1,944	53,842
Non current restricted deposits held by trustees	2,216	332,336
Total investment held by trustees	<u>4,160</u>	<u>386,178</u>
Construction fund and other		
Construction fund	41,628	163,380
Investment held by REA	1,109	1,106
Reserve maintenance fund	16,065	16,040
Other restricted fund	5,088	5,081
Total construction fund and other	<u>63,890</u>	<u>185,607</u>
Total restricted assets	<u>68,050</u>	<u>571,785</u>
Utility Plant		
Electric plant in service	12,639,428	12,495,368
Less: accumulated depreciation	<u>7,051,358</u>	<u>6,730,621</u>
Net electric plant in service	5,588,070	5,764,747
Construction work in progress, including preliminary surveys of 16,876 and 16,849	876,249	887,546
Total utility plant	<u>6,464,319</u>	<u>6,652,293</u>
Deferred debits:		
Unamortized debt expense	(5,949)	(3,627)
Other	35,321	34,078
Total deferred debits	<u>29,372</u>	<u>30,451</u>
Total assets	<u>9,237,939</u>	<u>9,628,714</u>
Deferred outflows of resources	<u>120,028</u>	<u>118,558</u>
Total Assets and Deferred Outflows	<u>\$ 9,357,967</u>	<u>\$ 9,747,272</u>

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

	May 31 2016	June 30 2015
Liabilities and net position		
Current Liabilities		
Notes payable to banks	\$ 731,838	\$ 731,838
Accounts payable and accrued liabilities (Exhibit C)	1,649,365	1,456,042
Customer deposits, including accrued interest	33,702	15,695
Total current liabilities	<u>2,414,905</u>	<u>2,203,575</u>
Current liabilities payable from restricted assets		
Current portion of long-term debt	235,789	452,119
Accrued interest payable on bonds and notes	170,238	211,192
Other current liabilities (Exhibit C)	38,679	42,255
Total current liabilities from restricted assets	<u>444,706</u>	<u>705,566</u>
Non current liabilities		
Power revenue bonds, net of unamortized debt discount of (45,023) and (46,493)	8,049,284	8,048,536
Non current portion, accounts payable and accrued sick leave	114,518	114,518
Accrued unfunded OPEB	134,199	127,016
Customer deposits - noncurrent	<u>168,855</u>	<u>168,855</u>
Total noncurrent liabilities	<u>8,466,856</u>	<u>8,458,925</u>
Total liabilities	<u>11,326,467</u>	<u>11,368,066</u>
Total net position (Deficit)	<u>(1,968,500)</u>	<u>(1,620,794)</u>
Total Liabilities and Net Position	<u>\$ 9,357,967</u>	<u>\$ 9,747,272</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget May 2016	Actual May 2016	Actual May 2015
Operating revenues:			
Sales of electric energy	\$ 384,501	\$ 258,735	\$ 308,168
Total operating revenues	<u>384,501</u>	<u>258,735</u>	<u>308,168</u>
Other income	<u>3,014</u>	<u>1,709</u>	<u>2,412</u>
Total revenues	<u>387,515</u>	<u>260,444</u>	<u>310,580</u>
Expenses:			
Fuel cost	178,701	91,816	133,309
Purchased power	79,105	56,908	63,076
Other production	4,734	4,878	4,428
Transmission and distribution	11,431	12,980	11,914
Maintenance	16,377	13,018	13,869
Customer accounting and collection	8,600	6,701	8,995
Administrative and general	<u>15,859</u>	<u>16,923</u>	<u>15,392</u>
Subtotal expenses by function	314,807	203,224	250,983
Other post - employment benefits	653	653	653
Depreciation	28,787	30,836	30,329
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	38,083	38,747	38,258
Contribution to municipalities	21,056	5,368	16,844
Other appropriations	3,334	9,576	2,117
Bond discount and defeasance amortization	<u>138</u>	<u>(958)</u>	<u>138</u>
Total expenses	<u>406,858</u>	<u>287,446</u>	<u>339,322</u>
Contributed capital	<u>2,166</u>	<u>113</u>	<u>166</u>
Changes in net position	<u>\$ (17,177)</u>	<u>\$ (26,889)</u>	<u>\$ (28,576)</u>

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

	FISCAL YEAR		
	Budget May 2016	Actual May 2016	Actual May 2015
Operating revenues:			
Sales of electric energy	\$ 4,204,531	\$ 2,939,421	\$ 3,783,400
Total operating revenues	4,204,531	2,939,421	3,783,400
Other income	33,152	24,791	23,601
Total revenues	4,237,683	2,964,212	3,807,001
Expenses:			
Fuel cost	2,038,926	1,112,114	1,767,879
Purchased power	792,394	622,715	723,072
Other production	52,080	52,241	52,961
Transmission and distribution	125,740	135,958	136,770
Maintenance	180,147	148,295	148,519
Customer accounting and collection	94,602	84,730	96,316
Administrative and general	174,444	181,535	168,307
Subtotal expenses by function	3,458,333	2,337,588	3,093,824
Other post - employment benefits	7,183	7,183	7,183
Depreciation	316,653	338,485	328,004
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	418,897	426,940	422,300
Contribution to municipalities	203,161	166,241	214,774
Other appropriations	36,674	37,551	35,673
Bond discount and defeasance amortization	1,511	5,595	1,511
Total expenses	4,442,412	3,319,583	4,103,269
Contributed capital	23,818	7,665	19,539
Changes in net position	\$ (180,911)	\$ (347,706)	\$ (276,729)

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget May 2016	Actual May 2016	Actual May 2015
Revenues:			
Sales of electric energy (Exhibit D)	\$ 384,501	\$ 258,735	\$ 308,168
Total operating revenues	384,501	258,735	308,168
Other income	3,014	1,709	2,412
Total revenues	387,515	260,444	310,580
Less: 1974 construction fund investment income and gain on sale of properties	295	27	159
Revenues - net	387,220	260,417	310,421
Current expenses:			
Fuel cost	178,701	91,816	133,309
Purchased power	79,105	56,908	63,076
Other production	4,734	4,878	4,428
Transmission and distribution	11,431	12,980	11,914
Maintenance	16,377	13,018	13,869
Customer accounting and collection	8,600	6,701	8,995
Administrative and general	15,859	16,923	15,392
Total current expenses	314,807	203,224	250,983
Net revenues (as defined)	72,413	57,193	59,438
Contractual obligations:			
Sinking fund appropriations -			
Interest on power revenue bonds ⁽¹⁾	31,325	34,267	31,324
Bond redemption account ⁽¹⁾	17,868	18,669	17,867
Rate Stabilization Account ⁽¹⁾	5,805	-	4,422
Interest on notes	4,304	4,480	4,481
Capital Improvements fund ⁽²⁾	(18,054)	-	(17,617)
Total contractual obligations	41,248	57,416	40,477
Balance	31,165	(223)	18,961
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	27,831	(9,799)	16,844
Other	3,334	9,576	2,117
Total provision for contribution and other	31,165	(223)	18,961
Remainder	\$ -	\$ -	\$ -

Footnotes:

⁽¹⁾ The 1974 Sinking Fund Appropriation have been accrued but not transferred. The Authority paid \$14.3 million and \$173.8 million in interest on Power Revenue Bonds for October 2015 and January 2016, respectively, from its operations.

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

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

	FISCAL YEAR - TO DATE			TWELVE MONTHS ENDED		
	Budget May 2016	Actual May 2016	Actual May 2015	Budget May-16	Actual May 2016	Actual May 2015
Revenues:						
Sales of electric energy (Exhibit D)	\$ 4,204,531	\$ 2,939,421	\$ 3,783,400	\$ 4,598,098	\$ 3,246,121	\$ 4,173,666
Total operating revenues	4,204,531	2,939,421	3,783,400	4,598,098	3,246,121	4,173,666
Other income	33,152	24,791	23,601	62,150	25,118	(185,282)
Total revenues	4,237,683	2,964,212	3,807,001	4,660,248	3,271,239	3,988,384
Less: 1974 construction fund investment income and gain on sale of properties	3,245	808	2,023	29,520	969	2,414
Revenues - net	4,234,438	2,963,404	3,804,978	4,630,728	3,270,270	3,985,970
Current expenses:						
Fuel cost	2,038,926	1,112,114	1,767,879	2,225,325	1,238,092	1,963,867
Purchased power	792,394	622,715	723,072	871,976	688,957	800,187
Other production	52,080	52,241	52,961	51,198	56,921	58,128
Transmission and distribution	125,740	135,958	136,770	130,305	146,222	147,279
Maintenance	180,147	148,295	148,519	194,345	162,183	160,717
Customer accounting and collection	94,602	84,730	96,316	101,581	86,306	103,942
Administrative and general	174,444	181,535	168,307	206,588	209,517	174,874
Interest charges	-	-	-	-	-	28
Total current expenses	3,458,333	2,337,588	3,093,824	3,781,318	2,588,198	3,409,022
Net revenues (as defined)	776,105	625,816	711,154	849,410	682,072	576,948
Contractual obligations:						
Sinking fund appropriations -						
Interest on power revenue bonds ⁽¹⁾	328,829	357,274	328,828	360,153	388,598	358,787
Bond redemption account ⁽¹⁾	196,542	230,563	196,543	214,410	248,431	213,568
Reserve Account Fund ⁽¹⁾	(172,207)	-	(170,560)	(172,207)	(236,786)	(212,041)
Rate Stabilization Account	63,746	-	56,267	69,733	4,291	56,267
Interest on notes	47,345	49,280	50,748	51,650	53,615	41,344
Capital Improvements fund ⁽²⁾	38,140	-	(1,119)	21,422	210,954	(20,457)
Total contractual obligations	502,395	637,117	460,707	545,161	669,103	437,468
Balance	273,710	(11,301)	250,447	304,249	12,969	139,480
Provision for Contribution in Lieu of Taxes and other appropriations						
Contribution to municipalities	237,036	(48,852)	214,774	264,235	(29,876)	94,437
Other	36,674	37,551	35,673	40,014	42,845	45,043
Total provision for contribution and other	273,710	(11,301)	250,447	304,249	12,969	139,480
Remainder	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Footnotes:

⁽¹⁾ The 1974 Sinking Fund Appropriation have been accrued but not transferred. The Authority paid \$14.3 million and \$173.8 million in interest on Power Revenue Bonds for October 2015 and January 2016, respectively, from its operations.

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

PUERTO RICO ELECTRIC POWER AUTHORITY

NET POSITION
(in thousands)

	May 2016	June 2015
Net Position		
Invested in utility plant, net related debt	\$ (721,028)	\$ (746,314)
Restricted for capital activity and debt service	(679,720)	(220,515)
Unrestricted	<u>(567,752)</u>	<u>(653,965)</u>
Total net position	<u>\$ (1,968,500)</u>	<u>\$ (1,620,794)</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

ACCOUNTS RECEIVABLE
(in thousands)

Exhibit A

	May 2016	June 2015
Electric and related services:		
General clients	\$ 824,235	\$ 855,241
Recoveries under fuel adjustment and purchase power clause under or (over) billed	(3,568)	5,312
Unbilled services	150,349	176,611
Allowance for uncollectible accounts	<u>(418,430)</u>	<u>(410,738)</u>
Total General Clients	<u>552,586</u>	<u>626,426</u>
Government, including current and non current	1,332,733 (1)	1,031,375
Claims Receivable from Insurance Companies & Other	29,965	29,819
Advances to Irrigation Systems - net	9,619	16,274
Accrued interest	2,057	2,639
Other	<u>6,183</u>	<u>79</u>
Total Accounts Receivable	<u>1,933,143</u>	<u>1,706,612</u>
Less: Government Account Receivable, non current portion	<u>108,959</u>	<u>108,959</u>
Total Accounts Receivable, current portion	<u>\$ 1,824,184</u>	<u>\$ 1,597,653</u>

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

PREPAYMENTS AND OTHER
(in thousands)

Exhibit B

	May 2016	June 2015
Claims Outstanding Related to Property Damages	\$ 353	\$ 352
Prepayments and other	<u>12,735</u>	<u>3,441</u>
Total	<u>\$ 13,088</u>	<u>\$ 3,793</u>

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES
(in thousands)

Exhibit C

	May 2016	June 2015
Accounts payable - fuel oil and other	\$ 438,108	\$ 521,779
Accrued annual leave	50,747	55,329
Accrued sick leave	6,335	22,962
Accrued salaries and fringe benefits	3,466	4,175
Accrued Contribution in Lieu of Taxes	1,107,253	806,692
Reserve for injuries and damages	4,290	6,704
Accrued Contributions Federal Social Security	1,369	1,526
Income tax withheld at source	540	872
Pension & Benefits Deferred Employer Contribution	15,014	15,014
Other	22,243	20,989
Sub total current liabilities	<u>1,649,365</u>	<u>1,456,042</u>
Other current payables from restricted assets		
Retention on Contract Work	5,673	5,734
Vouchered A/P construction	2,056	6,316
Contribution aid to construction	30,950	30,205
Total other current payables from restricted assets	<u>38,679</u>	<u>42,255</u>
Total current Liabilities	<u>1,688,044</u>	<u>1,498,297</u>
NON-CURRENT LIABILITIES		
Accrued sick leave	114,518	114,518
Accrued Unfunded OPEB	134,199	127,016
Total non current liabilities	<u>248,717</u>	<u>241,534</u>
Total accounts payables and non current liabilities	<u>\$ 1,936,761</u>	<u>\$ 1,739,831</u>

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

PUERTO RICO ELECTRIC POWER AUTHORITY

SALES OF ELECTRIC ENERGY

MAY 2016

Exhibit D

Class of Service	CLIENTS		KWHRS (in thousands)			Total
	Billed	Total	Billed	MONTHLY Unbilled	Adjustment*	
Residential	1,332,103	1,332,103	518,706	354,113	(318,428)	554,391
Commercial	123,885	123,885	673,777	439,298	(401,540)	711,535
Industrial	635	635	195,214	122,719	(116,237)	201,696
Public lighting	2,185	2,185	25,076	10,516	(7,638)	27,954
Other public authorities	2	2	3,072	1,607	(1,310)	3,369
Agricultural	1,193	1,193	2,132	1,428	(1,354)	2,206
Subtotal	1,460,003	1,460,003	1,417,977	929,681	(846,507)	1,501,151
Fuel oil adjustment						
Purchased power						
Subtotal	1,460,003	1,460,003	1,417,977	929,681	(846,507)	1,501,151
Unrecovered fuel oil cost-net						
Unrecovered purchased power cost-net						
Total	1,460,003	1,460,003	1,417,977	929,681	(846,507)	1,501,151

FISCAL YEAR-TO-DATE

Class of Service	Average Clients	Kwhrs. (thousands)	Revenue (thousand \$)	Kwhrs. per Client	Cents Cents per Kwhr. Sold
Residential	1,327,783	5,846,325	333,939	4,403	5.71
Commercial	123,815	7,474,125	498,894	60,365	6.67
Industrial	640	2,147,000	97,262	3,354,688	4.53
Public lighting	2,175	289,420	54,119	133,067	18.70
Other public authorities	2	33,686	1,490	16,843,000	4.42
Agricultural	1,193	24,143	1,522	20,237	6.30
Subtotal	1,455,608	15,814,699	987,226	10,865	6.24
Fuel oil adjustment			1,266,255		7.94
Purchased Power			694,825		4.41
Subtotal	1,455,608	15,814,699	2,948,306	10,865	18.59
Unrecovered fuel oil cost-net			(11,392)		
Unrecovered purchased Power cost-net			2,506		
Total	1,455,608	15,814,699	2,939,420	10,865	18.59

SALES OF ELECTRIC ENERGY

MAY 2016

Exhibit D

Class of Service	REVENUES (in thousands \$)				Kwhrs. per Client	per Kwhr. Sold
	Billed	Unbilled	MONTHLY Adjustment*	Total		
Residential	29,062	14,473	(14,312)	29,223	416	5.27
Commercial	45,482	28,409	(26,508)	47,383	5,744	6.66
Industrial	8,926	5,608	(5,365)	9,169	317,631	4.55
Public lighting	4,656	1,865	(1,329)	5,192	12,794	18.57
Other public authorities	135	70	(62)	143	1,684,413	4.24
Agricultural	131	77	(76)	132	1,849	5.97
Subtotal	88,392	50,502	(47,652)	91,242	1,028	6.08
Fuel oil adjustment	91,745	56,686	(55,291)	93,140		6.92
Purchased power	61,088	43,161	(36,218)	68,031		4.25
Subtotal	241,225	150,349	(139,161)	252,413	1,028	17.24
Unrecovered fuel oil cost-net				10,705		
Unrecovered purchased power cost-net				(4,283)		
Total	241,225	150,349	(139,161)	258,835	1,028	17.24