
MONTHLY REPORT
TO THE GOVERNING BOARD
JULY 2016

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PUERTO RICO ELECTRIC POWER AUTHORITY

I. OPERATIONS HIGHLIGHTS

A. Production

	JULY		Increase (Decrease) %
	2016-17	2015-16	
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	1,226,468	1,193,765	2.7
PREPA - Hydro	7,082	3,550	99.5
Purchased power - gas	319,561	302,009	5.8
Purchased power - coal	231,846	321,460	(27.9)
Renewable Energy	35,749	38,839	(8.0)
Total	1,820,706	1,859,623	(2.1)
Fiscal year-to-date:			
PREPA - Steam and gas			
PREPA - Hydro			
Purchased power - gas	SAME AS MONTH		
Purchased power - coal			
Renewable Energy			
Total			
Twelve months:			
PREPA - Steam and gas	14,110,443	13,653,381	3.3
PREPA - Hydro	58,158	65,787	(11.6)
Purchased power - gas	3,244,998	3,293,871	(1.5)
Purchased power - coal	3,125,093	3,582,866	(12.8)
Renewable Energy	322,532	297,709	8.3
Total	20,861,224	20,893,614	(0.2)
2. Maximum hourly peak load (in MW)			
Month	2,935	2,900	1.2
Fiscal year-to-date	SAME AS MONTH		
Twelve months	3,080	3,030	1.7
3. Sales (kWh in thousands)			
Month:			
Billed	1,521,441	1,489,211	2.2
Days billed	30.00	30.00	
Fiscal year-to-date:			
Billed	SAME AS MONTH		
Days billed			
Twelve months:			
Billed	17,305,607	17,214,997	0.5
Days billed	364.0	365.0	(0.3)
4. System efficiency (%)			
Month	87.0	83.3	4.4
Fiscal year-to-date	SAME AS MONTH		
Twelve months	83.3	82.7	0.8
5. Average cost per barrel (\$)			
Month	55.01	64.93	(15.3)
Fiscal year-to-date	SAME AS MONTH		
Twelve months	51.35	82.02	(37.4)
6. kWh/Barrel			
Month	595.95	608.75	(2.1)
Fiscal year-to-date	SAME AS MONTH		
Twelve months	605.62	615.32	(1.6)
7. Heat rate (BTU/kWh)			
Month	10,781	10,858	(0.7)
Fiscal year-to-date	SAME AS MONTH		
Twelve months	10,803	10,756	0.4

8. Fuel consumption
(in thousands)

	2016-17		2015-16		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	797	38,905	1,140	72,371	(30.1)	(46.2)
Gas	818	54,190	327	28,500	*	90.1
Natural Gas	443	20,106	494	26,463	(10.3)	(24.0)
Total	<u>2,058</u>	<u>113,201</u>	<u>1,961</u>	<u>127,334</u>	4.9	(11.1)
Fiscal year-to-date:						
Steam						
Gas						
Total						
Twelve months:						
Steam	11,707	533,014	13,292	1,028,925	(11.9)	(48.2)
Gas	5,753	389,673	3,655	392,176	57.4	(0.6)
Natural Gas	5,839	273,687	5,242	398,869	11.4	(31.4)
Total	<u>23,299</u>	<u>1,196,374</u>	<u>22,189</u>	<u>1,819,970</u>	5.0	(34.3)

JULY

B. Client Service

	2016	2015	Increase (Decrease) %
1. Service complaints per thousand clients	3.07	5.05	(39.2)
2. Disconnections for nonpayment per thousand clients	5.78	7.58	(23.7)

C. Distribution System

1. Interruption frequency index			
Total interruptions per thousand clients served	0.42	0.36	16.4
2. Interruption duration index			
Average interruption time per clients served (minutes)	77.15	66.07	16.8
3. Clients per interruption	209	217	(3.5)
4. Time per interruption (minutes)	354	326	8.6

D. Personnel

		JULY		Increase (Decrease)
		2016	2015	
Management Conf. / Carr.	Reg.	1,904	1,977	(73)
	Temp.	4	31	(27)
U.T.I.E.R.	Reg.	3,661	3,743	(82)
	Temp.	7	161	(154)
	Emerg.			
U.I.T.I.C.E.	Reg.	638	694	(56)
	Temp.			
U.E.P.I.	Reg.	310	321	(11)
	Temp.			
U.P.A.E.E.	Reg.	4	4	
	Temp.	1		1
Total		<u>6,529</u>	<u>6,931</u>	<u>(402)</u>

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	JULY					
	Month			Fiscal Year-to-Date		
	2016	2015	Increase (Decrease) %	2015-16	2014-15	Increase (Decrease) %
kWh sales:						
Residential	618,972	583,880	6.0			
Commercial	738,643	727,676	1.5			
Industrial	192,732	205,807	(6.4)			
Others	33,609	31,136	7.9			
Total	<u>1,583,956</u>	<u>1,548,499</u>	2.3			
Basic revenues:						
Residential	32,838	33,528	(2.1)			
Commercial	49,252	47,326	4.1			
Industrial	8,720	9,636	(9.5)			
Others	5,494	5,040	9.0			
Total	<u>96,304</u>	<u>95,530</u>	0.8			
Fuel adjustment:						
Residential	51,332	54,479	(5.8)			
Commercial	59,582	68,384	(12.9)			
Industrial	14,097	17,362	(18.8)			
Others	2,737	3,182	(14.0)			
Total	<u>127,748</u>	<u>143,407</u>	(10.9)			
Purchased power:						
Residential	25,811	28,032	(7.9)			
Commercial	31,039	34,500	(10.0)			
Industrial	7,532	8,920	(15.6)			
Others	1,639	1,656	(1.0)			
Total	<u>66,021</u>	<u>73,108</u>	(9.7)			
Total revenues:						
Residential	109,981	116,039	(5.2)			
Commercial	139,873	150,210	(6.9)			
Industrial	30,349	35,918	(15.5)			
Others	9,870	9,878	(0.1)			
Total	<u>290,073</u>	<u>312,045</u>	(7.0)			

SAME AS MONTH

SAME AS MONTH

SAME AS MONTH

SAME AS MONTH

SAME AS MONTH

JULY					
	Month			Fiscal Year-to-Date	
	2016	2015	Increase (Decrease) %	2015-16	2014-15 Increase (Decrease) %
2. Cents per kWh					
Basic revenues:					
Residential	5.31	5.74	(7.5)	SAME AS MONTH	
Commercial	6.67	6.50	2.6		
Industrial	4.52	4.68	(3.4)		
Others	16.35	16.19	1.0		
Total	6.08	6.17	(1.5)		
Fuel adjustment:					
Residential	8.29	9.33	(11.1)	SAME AS MONTH	
Commercial	8.07	9.40	(14.1)		
Industrial	7.32	8.44	(13.3)		
Others	8.14	10.22	(20.4)		
Total	8.08	9.26	(12.7)		
Purchased power:					
Residential	4.17	4.80	(13.1)	SAME AS MONTH	
Commercial	4.20	4.74	(11.4)		
Industrial	3.91	4.33	(9.7)		
Others	4.88	5.32	(8.3)		
Total	4.17	4.72	(11.7)		
Total revenues:					
Residential	17.77	19.87	(10.6)	SAME AS MONTH	
Commercial	18.94	20.64	(8.2)		
Industrial	15.75	17.45	(9.7)		
Others	29.37	31.73	(7.4)		
Total	18.32	20.15	(9.1)		
3. Clients:					
Residential	1,333,672	1,326,832	0.5	SAME AS MONTH	
Commercial	123,944	123,848	0.1		
Industrial	632	651	(2.9)		
Others	3,384	3,365	0.6		
Total	<u>1,461,632</u>	<u>1,454,696</u>	0.5		
4. Average kWh per client:					
Residential	464	440	5.5	SAME AS MONTH	
Commercial	5,959	5,876	1.4		
Industrial	304,956	316,140	(3.5)		
Others	9,932	9,253	7.3		
Total	1,084	1,064	1.8		

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	JULY					
	Month		Increase (Decrease) %	Fiscal Year-to-Date		Increase (Decrease) %
	2016	2015		2015-16	2014-15	
kWh sales:						
Residential	12	12				
Commercial	217,585	211,510	2.9			
Industrial				SAME AS MONTH		
Others	29,053	29,565	(1.7)			
Total	<u>246,650</u>	<u>241,087</u>	2.3			
Basic revenues:						
Residential	1	1				
Commercial	14,173	12,715	11.5			
Industrial				SAME AS MONTH		
Others	4,888	5,081	(3.8)			
Total	<u>19,062</u>	<u>17,797</u>	7.1			
Fuel adjustment:						
Residential	1	1				
Commercial	16,979	18,937	(10.3)			
Industrial				SAME AS MONTH		
Others	2,391	2,633	(9.2)			
Total	<u>19,371</u>	<u>21,571</u>	(10.2)			
Purchased power:						
Residential	1	1				
Commercial	8,419	8,980	(6.2)			
Industrial				SAME AS MONTH		
Others	1,196	1,339	(10.7)			
Total	<u>9,616</u>	<u>10,320</u>	(6.8)			
Total revenues:						
Residential	3	3				
Commercial	39,571	40,632	(2.6)			
Industrial				SAME AS MONTH		
Others	8,475	9,053	(6.4)			
Total	<u>48,049</u>	<u>49,688</u>	(3.3)			
2. Service Agreements:						
Residential	14	15	(6.7)			
Commercial	21,718	23,904	(9.1)			
Industrial				SAME AS MONTH		
Others	2,848	2,930	(2.8)			
Total	<u>24,580</u>	<u>26,849</u>	(8.5)			

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)

	JULY 2016					
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	97.2	96.3	(0.9)			
Fuel adjustment	70.4	127.8	81.5			
Purchased power	78.8	66.0	(16.2)			
Revenues from sales	246.4	290.1	17.7			
Other	(1.9)	(3.0)	57.9			
Total revenues	244.5	287.1	17.4			
Fuel	53.1	113.2	*			
Purchased power	70.2	59.0	(16.0)			
Other expenses	52.2	50.5	(3.3)			SAME AS MONTH
Total current expenses	175.5	222.7	26.9			
1974 - sinking fund appropriations	17.7	40.6	*			
Reserve Account	0.0	0.0	0.0			
Rate Stabilization Account	0.0	0.0	0.0			
Interest on notes	3.3	4.5	36.4			
Internal funds	29.2	0.0	*			
Contribution to municipalities	4.3	6.0	39.5			
Other appropriations	14.5	13.3	(8.3)			
Total	244.5	287.1	17.4			

EXPLANATION OF MAJOR VARIATIONS

1. The increase in the fuel adjustment and expense for the month was due to higher cost of fuel than budgeted.
2. Purchased power revenue and expenses decreased for the month due to a lower availability from cogenerators than budgeted.
3. The other revenues for the month decreased due to a lower non operating income than budgeted.
4. The 1974 Sinking Fund appropriation have been accrued but not transferred.
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 month increased 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)

	JULY					
	Month			Fiscal Year-to-Date		
	2016	2015	Increase (Decrease) %	2015-16	2014-15	Increase (Decrease) %
Basic charges	96.3	95.5	0.8			
Fuel adjustment	127.8	143.4	(10.9)			
Purchased power	66.0	73.1	(9.7)			
Revenues from sales	290.1	312.0	(7.0)			
Other	(3.0)	(1.4)	*			
Total revenues	287.1	310.6	(7.6)			
Fuel	113.2	127.3	(11.1)			
Purchased power	59.0	65.1	(9.4)			
Other expenses	50.5	58.3	(13.4)			
Total current expenses	222.7	250.7	(11.2)			
1974 - sinking fund appropriations	40.6	49.1	(17.3)			
Reserve Account	0.0	0.0	0.0			
Rate Stabilization Account	0.0	4.3	*			
Interest on notes	4.5	4.5	0.0			
Internal funds	0.0	(16.5)	*			
Contribution to municipalities	6.0	16.4	(63.4)			
Other appropriations	13.3	2.1	*			
Total	287.1	310.6	(7.6)			

SAME AS MONTH

EXPLANATION OF MAJOR VARIATIONS

1. The decrease in the fuel adjustment and expense for the month was due to lower cost of fuel than prior year.
2. Purchased power revenue and expenses decreased for the month due to a lower availability from cogenerators than prior year.
3. The other revenues for the month decreased due to a lower 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 month 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 month 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)

JULY

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	<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 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	<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)

JULY 2016						
	Month **			Fiscal Year-to-Date***		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Production	6,936	819	(88.2)			
Transmission	6,772	2,960	(56.3)			
Distribution	6,161	2,654	(56.9)			
Other	8,177	185	(97.7)			
Total	28,046	6,618	(76.4)			
Internal Funds	29,187	0	****			
Percentage of Internal Funds to Investment in Capital Improvements Programs*	1.0	0.0				
Contribution AID for Construction		119				

	2016	2015
F. Highest debt coverage as of July 31	0.87	1.14

G. REA Projects

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

*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.

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

	JULY		Increase (Decrease) %
	2016	2015	
General clients	597,822	634,561	(5.8)
Government	1,347,276	1,050,280	28.3
Less: Accrued Contribution in Lieu of Taxes	1,134,491	823,083	37.8
Total Government, Net	212,785	227,197	(6.3)
Subtotal	810,607	861,758	(5.9)
Sales of electric energy (12 months)			
Revenues from sales	3,190,986	3,997,604	(20.2)
kWh (including subsidy)	17,384,523	17,270,232	0.7
Indicators:			
A. Ratio of accounts receivable to sales (%)	25.4	21.6	17.8
B. Ratio of accounts receivable to sales (%) (including subsidy)	25.2	21.4	17.7
C. Sales days in accounts receivable	93	79	17.8
D. Sales days in accounts receivable (including subsidy)	92	78	17.7
E. Ratio of collections to sales of electric energy:			
General clients:			
Sales*	2,603,238	3,275,347	(20.5)
Collections	2,623,818	3,427,167	(23.4)
Percent	100.8	104.6	(3.7)
Government:			
Sales	587,748	722,257	(18.6)
Collections	416,874	469,414	(11.2)
Percent	70.9	65.0	9.1
Percent of total sales	95.3	97.5	(2.2)

* Excludes residential clients' subsidy of \$20,225 and \$20,782, for the 12 months ended July 2016 and July 2015, respectively.

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	July 31 2016	June 30 2016
Current assets:		
Cash and cash equivalents		
General fund	\$ 60,558	\$ 60,558
Reserve for current expenses	308,263	355,770
Revenue fund	13	13
Working funds	1,033	1,033
Total cash and cash equivalents	<u>369,867</u>	<u>417,374</u>
Accounts receivable (Exhibit A)	1,906,669	1,871,365
Fuel oil inventory	75,295	71,473
Materials and supplies inventory	172,481	172,431
Prepayments and other (Exhibit B)	25,823	26,306
Total current assets	<u>2,550,135</u>	<u>2,558,949</u>
Non current receivables (Exhibit A)	<u>108,959</u>	<u>108,959</u>
Restricted Assets		
Investments held by trustees		
Sinking funds - Interest	26	26
Non current restricted deposits held by trustees	2,217	2,217
Total investment held by trustees	<u>2,243</u>	<u>2,243</u>
Construction fund and other		
Construction fund	118,858	127,012
Investment held by REA	1,108	1,108
Reserve maintenance fund	16,083	16,083
Other restricted fund	5,087	5,087
Total construction fund and other	<u>141,136</u>	<u>149,290</u>
Total restricted assets	<u>143,379</u>	<u>151,533</u>
Utility Plant		
Electric plant in service	12,654,295	12,654,565
Less: accumulated depreciation	7,110,216	7,080,339
Net electric plant in service	5,544,079	5,574,226
Construction work in progress, including preliminary surveys of 16,876 and 16,876	887,318	880,662
Total utility plant	<u>6,431,397</u>	<u>6,454,888</u>
Deferred debits:		
Unamortized debt expense	(2,964)	(3,938)
Other	35,240	35,204
Total deferred debits	<u>32,276</u>	<u>31,266</u>
Total assets	<u>9,266,146</u>	<u>9,305,595</u>
Deferred outflows of resources	<u>112,455</u>	<u>120,027</u>
Total Assets and Deferred Outflows	<u>\$ 9,378,601</u>	<u>\$ 9,425,622</u>

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

	July 31 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)	1,700,890	1,747,918
Customer deposits, including accrued interest	34,196	34,371
Total current liabilities	<u>2,466,924</u>	<u>2,514,127</u>
Current liabilities payable from restricted assets		
Current portion of long-term debt	251,577	235,630
Accrued interest payable on bonds and notes	46,093	11,881
Other current liabilities (Exhibit C)	43,690	44,203
Total current liabilities from restricted assets	<u>341,360</u>	<u>291,714</u>
Non current liabilities		
Power revenue bonds, net of unamortized debt discount of (42,070) and (45,023)	8,176,048	8,199,904
Non current portion, accounts payable and accrued sick leave	114,518	114,518
Accrued unfunded OPEB	134,857	134,857
Customer deposits - noncurrent	<u>168,855</u>	<u>168,855</u>
Total noncurrent liabilities	<u>8,594,278</u>	<u>8,618,134</u>
Total liabilities	<u>11,402,562</u>	<u>11,423,975</u>
Total net position (Deficit)	<u>(2,023,961)</u>	<u>(1,998,353)</u>
Total Liabilities and Net Position	<u>\$ 9,378,601</u>	<u>\$ 9,425,622</u>

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

	MONTH		
	Budget July 2016	Actual July 2016	Actual July 2015
Operating revenues:			
Sales of electric energy	\$ 246,441	\$ 290,071	\$ 312,045
Total operating revenues	246,441	290,071	312,045
Other income	(1,897)	(2,945)	(1,421)
Total revenues	244,544	287,126	310,624
Expenses:			
Fuel cost	53,062	113,201	127,334
Purchased power	70,165	59,024	65,110
Other production	3,531	4,130	5,122
Transmission and distribution	10,978	11,259	13,960
Maintenance	14,298	12,020	14,247
Customer accounting and collection	8,342	7,490	8,702
Administrative and general	15,050	15,560	16,262
Subtotal expenses by function	175,426	222,684	250,737
Other post - employment benefits	-	-	653
Depreciation	29,742	30,687	30,432
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	11,858	40,367	37,331
Contribution to municipalities	4,305	5,991	16,391
Other appropriations	14,545	13,338	2,041
Bond discount and defeasance amortization	-	22	801
Total expenses	235,876	313,089	338,386
Contributed capital	792	354	866
Changes in net position	\$ 9,460	\$ (25,609)	\$ (26,896)

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

	FISCAL YEAR		
	Budget July 2016	Actual July 2016	Actual July 2015
Operating revenues:			
Sales of electric energy			
Total operating revenues			
Other income			
Total revenues			
Expenses:			
Fuel cost			
Purchased power			
Other production			
Transmission and distribution			SAME AS MONTH
Maintenance			
Customer accounting and collection			
Administrative and general			
Subtotal expenses by function			
Other post - employment benefits			
Depreciation			
Interest on bonds, capital improvement			
notes, general obligation notes, less			
allowance for funds used during			
construction			
Contribution to municipalities			
Other appropriations			
Bond discount and defeasance amortization			
Total expenses			
Contributed capital			
Changes in net position			

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

	MONTH		
	Budget July 2016	Actual July 2016	Actual July 2015
Revenues:			
Sales of electric energy (Exhibit D)	\$ 246,441	\$ 290,071	\$ 312,045
Total operating revenues	246,441	290,071	312,045
Other income	(1,897)	(2,945)	(1,421)
Total revenues	244,544	287,126	310,624
Less: 1974 construction fund investment income and gain on sale of properties	83	57	66
Revenues - net	244,461	287,069	310,558
Current expenses:			
Fuel cost	53,062	113,201	127,334
Purchased power	70,165	59,024	65,110
Other production	3,531	4,130	5,122
Transmission and distribution	10,978	11,259	13,960
Maintenance	14,298	12,020	14,247
Customer accounting and collection	8,342	7,490	8,702
Administrative and general	15,050	15,560	16,262
Total current expenses	175,426	222,684	250,737
Net revenues (as defined)	69,035	64,385	59,821
Contractual obligations:			
Sinking fund appropriations -			
Interest on power revenue bonds (1)	8,552	35,888	34,267
Int on Pow. Rev. Fund - CR Bal Serie RR	-	-	(3,870)
Bond redemption account (1)	9,139	4,689	18,670
Reserve Account -P.R.B. (1)	-	-	-
Rate Stabilization Account	-	-	4,330
Interest on notes	3,306	4,479	4,480
Capital Improvements fund	29,188	-	(16,488)
Total contractual obligations	50,185	45,056	41,389
Balance	18,850	19,329	18,432
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	4,305	5,991	16,391
Other	14,545	13,338	2,041
Total provision for contribution and other	18,850	19,329	18,432
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 July 2016	Actual July 2016	Actual July 2015	Budget June 2017	Actual July 2016	Actual July 2015
Revenues:						
Sales of electric energy (Exhibit D)				\$ 2,970,682	\$ 3,190,987	\$ 3,997,605
Total operating revenues				2,970,682	3,190,987	3,997,605
Other income				(22,759)	22,559	20,769
Total revenues				2,947,923	3,213,546	4,018,374
Less: 1974 construction fund investment						
income and gain on sale of properties				1,007	829	1,961
Revenues - net				2,946,916	3,212,717	4,016,413
Current expenses:						
Fuel cost				647,482	1,196,374	1,820,021
Purchased power				828,393	676,145	778,501
Other production				42,376	56,578	57,826
Transmission and distribution				131,741	145,651	147,465
Maintenance				171,571	159,583	163,223
Customer accounting and collection				100,103	92,126	98,413
Administrative and general				180,604	200,244	196,399
Total current expenses				2,102,270	2,526,701	3,261,848
			SAME AS MONTH			
Net revenues (as defined)				844,646	686,016	754,565
Contractual obligations:						
Sinking fund appropriations -						
Interest on power revenue bonds (1)				102,626	397,818	361,849
Bond redemption account (1)				109,669	235,252	215,212
Reserve Account Fund (1)				-	-	(407,346)
Rate Stabilization Account				-	(4,330)	58,652
Interest on notes				39,675	53,562	53,217
Capital Improvements fund				366,779	16,489	191,847
Total contractual obligations				618,749	698,791	473,431
Balance				225,897	(12,775)	281,134
Provision for Contribution in Lieu of Taxes and						
other appropriations						
Contribution to municipalities				51,784	(70,675)	241,107
Other				174,113	57,900	40,027
Total provision for contribution and other				225,897	(12,775)	281,134
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)

	July 2016	June 2016
Net Position		
Invested in utility plant, net related debt	\$ (892,096)	\$ (687,432)
Restricted for capital activity and debt service	(486,677)	(634,881)
Unrestricted	<u>(645,188)</u>	<u>(676,040)</u>
Total net position	<u>\$ (2,023,961)</u>	<u>\$ (1,998,353)</u>

ACCOUNTS RECEIVABLE
(in thousands)

Exhibit A

	July 2016	June 2016
Electric and related services:		
General clients	\$ 851,222	\$ 829,406
Recoveries under fuel adjustment and purchase power clause under or (over) billed	(5,036)	(14,191)
Unbilled services	175,781	167,574
Allowance for uncollectible accounts	<u>(424,145)</u>	<u>(419,365)</u>
Total General Clients	<u>597,822</u>	<u>563,424</u>
Government, including current and non current	1,347,276 (1)	1,347,402
Claims Receivable from Insurance Companies & Other	30,052	29,964
Advances to Irrigation Systems - net	8,788	9,058
Accrued interest	2,056	2,048
Other	<u>29,634</u>	<u>28,428</u>
Total Accounts Receivable	<u>2,015,628</u>	<u>1,980,324</u>
Less: Government Account Receivable, non current portion	<u>108,959</u>	<u>108,959</u>
Total Accounts Receivable, current portion	<u><u>\$ 1,906,669</u></u>	<u><u>\$ 1,871,365</u></u>

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

PREPAYMENTS AND OTHER
(in thousands)

Exhibit B

	July 2016	June 2016
Claims Outstanding Related to Property Damages	\$ 353	\$ 353
Prepayments and other	<u>25,470</u>	<u>25,953</u>
Total	<u>\$ 25,823</u>	<u>\$ 26,306</u>

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES
(in thousands)

Exhibit C

	July 2016	June 2016
Accounts payable - fuel oil and other	\$ 467,869	\$ 524,759
Accrued annual leave	50,226	50,302
Accrued sick leave	4,529	4,682
Accrued salaries and fringe benefits	4,202	3,867
Accrued Contribution in Lieu of Taxes	1,134,491	1,120,570
Reserve for injuries and damages	4,736	4,557
Accrued Contributions Federal Social Security	138	-
Income tax withheld at source	269	-
Health plan	-	1,713
Pension & Benefits Deferred Employer Contribution	15,014	15,014
Other	19,416	22,454
Sub total current liabilities	<u>1,700,890</u>	<u>1,747,918</u>
Other current payables from restricted assets		
Retention on Contract Work	5,718	5,672
Vouchered A/P construction	4,733	5,548
Contribution aid to construction	33,239	32,983
Total other current payables from restricted assets	<u>43,690</u>	<u>44,203</u>
Total current Liabilities	<u>1,744,580</u>	<u>1,792,121</u>
NON-CURRENT LIABILITIES		
Accrued sick leave	114,518	114,518
Accrued Unfunded OPEB	134,857	134,857
Total non current liabilities	<u>249,375</u>	<u>249,375</u>
Total accounts payables and non current liabilities	<u>\$ 1,993,955</u>	<u>\$ 2,041,496</u>

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

SALES OF ELECTRIC ENERGY

JULY 2016

Exhibit D

Class of Service	CLIENTS		KWHRS (in thousands)			
	Billed	Total	MONTHLY			Total
			Billed	Unbilled	Adjustment*	
Residential	1,333,672	1,333,672	590,387	409,613	(381,028)	618,972
Commercial	123,944	123,944	710,314	480,982	(452,653)	738,643
Industrial	632	632	189,398	128,849	(125,514)	192,733
Public lighting	2,186	2,186	26,077	10,971	(8,773)	28,275
Other public authorities	2	2	3,130	1,644	(1,638)	3,116
Agricultural	1,196	1,196	2,135	1,495	(1,413)	2,217
Subtotal	1,461,632	1,461,632	1,521,441	1,033,554	(971,039)	1,583,956
Fuel oil adjustment						
Purchased power						
Subtotal	1,461,632	1,461,632	1,521,441	1,033,554	(971,039)	1,583,956
Unrecovered fuel oil cost-net						
Unrecovered purchased power cost-net						
Total	1,461,632	1,461,632	1,521,441	1,033,554	(971,039)	1,583,956

FISCAL YEAR-TO-DATE					
Class of Service	Average Clients	Kwhrs. (thousands)	Revenue (thousand \$)	Kwhrs. per Client	Cents per Kwhr. Sold
Residential	1,333,672	618,972	32,838	464	5.31
Commercial	123,944	738,643	49,252	5,959	6.67
Industrial	632	192,733	8,720	304,957	4.52
Public lighting	2,186	28,275	5,218	12,935	18.45
Other public authorities	2	3,116	135	1,558,048	4.33
Agricultural	1,196	2,217	142	1,854	6.41
Subtotal	1,461,632	1,583,956	96,305	1,084	6.08
Fuel oil adjustment			122,672		8.08
Purchased Power			61,940		4.17
Subtotal	1,461,632	1,583,956	280,917	1,084	17.74
Unrecovered fuel oil cost-net			5,075		
Unrecovered purchased Power cost-net			4,080		
Total	1,461,632	1,583,956	290,072	1,084	18.32

*Unbilled previous month.

SALES OF ELECTRIC ENERGY

JULY 2016

Exhibit D

REVENUES (in thousand \$)						
Class of Service	MONTHLY				Kwhrs. per Client	Cents per Kwhr. Sold
	Billed	Unbilled	Adjustment*	Total		
Residential	31,578	17,019	(15,759)	32,838	464	5.31
Commercial	47,849	30,796	(29,393)	49,252	5,959	6.67
Industrial	8,632	5,795	(5,707)	8,720	304,956	4.52
Public lighting	4,776	1,873	(1,431)	5,218	12,935	18.45
Other public authorities	136	70	(72)	135	1,558,048	4.33
Agricultural	137	81	(76)	142	1,854	6.41
Subtotal	93,108	55,634	(52,438)	96,305	1,084	6.08
Fuel oil adjustment	119,548	73,351	(70,226)	122,672		8.08
Purchased power	60,053	46,797	(44,909)	61,940		4.17
Subtotal	272,709	175,782	(167,573)	280,917	1,084	17.74
Unrecovered fuel oil cost-net				5,075		
Unrecovered purchased power cost-net				4,080		
Total	272,709	175,782	(167,573)	290,072	1,084	18.32