
MONTHLY REPORT
TO THE GOVERNING BOARD
DECEMBER 2017

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PUERTO RICO ELECTRIC POWER AUTHORITY

I. OPERATIONS HIGHLIGHTS

A. Production

	DECEMBER		Increase (Decrease) %
	2017-18	2016-17	
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	887,802	1,025,249	(13.4)
PREPA - Hydro	2,879	7,494	(61.6)
Purchased power - gas	160,229	278,524	(42.5)
Purchased power - coal	0	325,845	(100.0)
Renewable Energy	306	33,515	(99.1)
Total	1,051,216	1,670,627	(37.1)
Fiscal year-to-date:			
PREPA - Steam and gas	4,862,288	6,887,064	(29.4)
PREPA - Hydro	18,732	54,964	(65.9)
Purchased power - gas	1,130,029	1,700,649	(33.6)
Purchased power - coal	602,966	1,739,038	(65.3)
Renewable Energy	94,990	155,464	(38.9)
Total	6,709,005	10,537,179	(36.3)
Twelve months:			
PREPA - Steam and gas	10,919,888	13,431,944	(18.7)
PREPA - Hydro	50,991	70,991	(28.2)
Purchased power - gas	2,766,243	3,346,206	(17.3)
Purchased power - coal	2,315,508	3,477,124	(33.4)
Renewable Energy	319,081	317,884	0.4
Total	16,371,711	20,644,149	(20.7)
2. Maximum hourly peak load (in MW)			
Month	n/a ¹	2,722	(100.0)
Fiscal year-to-date	3,087	3,087	0.0
Twelve months	3,087	3,087	0.0
3. Sales (kWh in thousands)			
Month:			
Billed	561,234	1,413,983	(60.3)
Days billed	30.0	30.0	
Fiscal year-to-date:			
Billed	5,316,518	8,881,433	(40.1)
Days billed	182.0	182.0	
Twelve months:			
Billed	13,510,871	17,240,722	(21.6)
Days billed	365.0	364.0	0.3
4. System efficiency (%)			
Month **	65.7 ²	83.2	(21.1)
Fiscal year-to-date	81.5	84.5	(3.6)
Twelve months	82.5	83.9	(1.6)
5. Average cost per barrel (\$)			
Month	71.52	55.78	28.2
Fiscal year-to-date	65.59	54.61	20.1
Twelve months	63.22	50.05	26.3
6. kWh/Barrel			
Month	582.93	605.94	(3.8)
Fiscal year-to-date	568.02	607.00	(6.4)
Twelve months	597.30	615.58	(3.0)
7. Heat rate (BTU/kWh) ***			
Month	11,715	11,065	5.9
Fiscal year-to-date	11,526	10,808	6.6
Twelve months	10,979	10,678	2.8

¹ Report prepared by Generation Directorate, unavailable for month.

² Efficiencies from September to December 2017, are affected by the disruptions and adjustments in billing and generation as a consequence of Hurricanes Irma and Maria. If combined for period mentioned, efficiency is 78.2%, within PREPA normal parameters (2,387,656,460 kWh billed vs. 3,052,665,224 kWh generation).

PUERTO RICO ELECTRIC POWER AUTHORITY

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8. Fuel consumption
(in thousands)

	2017-18		2016-17		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	611	39,638	988	53,764	(38.2)	(26.3)
Gas	623	54,263	188	15,085	231.4	259.7
Natural Gas	289	15,105	516	25,539	(44.0)	(40.9)
Total	<u>1,523</u>	<u>109,006</u>	<u>1,692</u>	<u>94,388</u>	(10.0)	15.5
Fiscal year-to-date:						
Steam	3,323	193,505	5,427	276,593	(38.8)	(30.0)
Gas	3,403	272,306	2,980	205,193	14.2	32.7
Natural Gas	1,834	95,645	2,939	137,780	(37.6)	(30.6)
Total	<u>8,560</u>	<u>561,456</u>	<u>11,346</u>	<u>619,566</u>	(24.6)	(9.4)
Twelve months:						
Steam	8,248	483,181	10,827	491,020	(23.8)	(1.6)
Gas	5,781	449,679	5,063	333,004	14.2	35.0
Natural Gas	4,253	222,923	5,930	268,032	(28.3)	(16.8)
Total	<u>18,282</u>	<u>1,155,783</u>	<u>21,820</u>	<u>1,092,056</u>	(16.2)	5.8

DECEMBER

B. Client Service ¹

	2017	2016	Increase (Decrease) %
1. Service complaints per thousand clients	n/a	3.04	2
2. Disconnections for nonpayment per thousand clients	n/a	6.60	2

C. Distribution System^d

1. Interruption frequency index			
Total interruptions per thousand clients served	n/a	0.368	2
2. Interruption duration index			
Average interruption time per clients served (minutes)	n/a	74.48	2
3. Clients per interruption	n/a	197	2
4. Time per interruption (minutes)	n/a	369	2

¹ Report provided by Customer Service Directorates, unavailable for month due to emergencies caused by Hurricanes Irma and Maria.^d 100% or Over.² Report provided by Transmission & Distribution Directorate, unavailable for month due to emergencies caused by Hurricanes Irma and Maria.

D. Personnel

		DECEMBER		Increase (Decrease)
		2017	2016	
Management Conf. / Carr.	Reg.	1,734	1,907	(173)
	Temp.	25	29	(4)
U.T.I.E.R.	Reg.	3,421	3,615	(194)
	Temp.	14	15	(1)
	Emerg.	159		159
U.I.T.I.C.E.	Reg.	596	630	(34)
	Temp.			
U.E.P.I.	Reg.	291	307	(16)
	Temp.			
U.P.A.E.E.	Reg.	4	4	0
	Temp.	1	1	0
Total		<u>6,245</u>	<u>6,508</u>	<u>(263)</u>

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	DECEMBER					
	Month			Fiscal Year-to-Date		
	2017	2016	Increase (Decrease) %	2017-18	2016-17	Increase (Decrease) %
kWh sales:						
Residential	235,894	506,430	(53.4)	2,015,527	3,396,095	(40.7)
Commercial	311,565	675,388	(53.9)	2,652,043	4,184,424	(36.6)
Industrial	138,849	175,779	(21.0)	683,691	1,129,788	(39.5)
Others ³	4,062	32,919	(87.7)	114,828	194,338	(40.9)
Total	<u>690,370</u>	<u>1,390,516</u>	(50.4)	<u>5,466,089</u>	<u>8,904,645</u>	(38.6)
Basic revenues:						
Residential	12,760	28,018	(54.5)	107,197	188,210	(43.0)
Commercial	25,087	46,617	(46.2)	186,901	280,349	(33.3)
Industrial	7,707	8,269	(6.8)	34,529	52,647	(34.4)
Others ²	320	5,150	(93.8)	18,371	31,474	(41.6)
Total	<u>45,874</u>	<u>88,054</u>	(47.9)	<u>346,998</u>	<u>552,680</u>	(37.2)
Provisional rate:						
Residential	2,285	6,480	(64.7)	24,027	35,014	(31.4)
Commercial	3,477	8,875	(60.8)	33,697	45,081	(25.3)
Industrial	1,320	2,298	(42.6)	8,774	12,049	(27.2)
Others ²	53	420	(87.4)	1,488	2,074	(28.3)
Total	<u>7,135</u>	<u>18,073</u>	(60.5)	<u>67,986</u>	<u>94,218</u>	(27.8)
Fuel adjustment:						
Residential	40,183	39,379	2.0	264,024	270,578	(2.4)
Commercial	58,970	52,187	13.0	283,160	330,773	(14.4)
Industrial	23,626	12,568	¹	74,729	82,114	(9.0)
Others ²	370	2,431	(84.8)	11,462	15,755	(27.2)
Total	<u>123,149</u>	<u>106,565</u>	15.6	<u>633,375</u>	<u>699,220</u>	(9.4)
Purchased power:						
Residential	10,859	26,266	(58.7)	113,488	153,666	(26.1)
Commercial	13,802	34,628	(60.1)	119,560	188,813	(36.7)
Industrial	5,906	8,341	(29.2)	30,557	47,076	(35.1)
Others ²	142	1,664	(91.5)	5,413	9,208	(41.2)
Total	<u>30,709</u>	<u>70,899</u>	(56.7)	<u>269,018</u>	<u>398,763</u>	(32.5)
Total revenues:						
Residential	66,087	100,143	(34.0)	508,736	647,468	(21.4)
Commercial	101,336	142,307	(28.8)	623,318	845,016	(26.2)
Industrial	38,559	31,476	22.5	148,589	193,886	(23.4)
Others	885	9,665	(90.8)	36,734	58,511	(37.2)
Total	<u>\$ 206,867</u>	<u>\$ 283,591</u>	(27.1)	<u>\$ 1,317,377</u>	<u>\$ 1,744,881</u>	(24.5)

¹ 100% or over² Due to diminished availability of public lighting service, as compared with amount to be returned to clients, due to disruptions caused by Hurricanes Irma and Maria.

DECEMBER						
	Month			Fiscal Year-to-Date		
	2017	2016	Increase (Decrease) %	2017-18	2016-17	Increase (Decrease) %
2. Cents per kWh						
Basic revenues:						
Residential	5.41	5.53	(2.2)	5.32	5.54	(4.0)
Commercial	8.05	6.90	16.7	7.05	6.70	5.2
Industrial	5.55	4.70	18.1	5.05	4.66	8.4
Others ²	7.88	15.64	(49.6)	16.00	16.20	(1.2)
Total	6.64	6.33	4.9	6.35	6.21	2.3
Provisional rate:						
Residential	0.97	1.28	(24.2)	1.19	1.03	15.5
Commercial	1.12	1.31	(14.5)	1.27	1.08	17.6
Industrial	0.95	1.31	(27.5)	1.28	1.07	19.6
Others ²	1.30	1.28	1.6	1.30	1.07	21.5
Total	1.03	1.30	(20.8)	1.24	1.06	17.0
Fuel adjustment:						
Residential	17.04	7.77	¹	13.10	7.98	64.2
Commercial	18.92	7.73	¹	10.67	7.90	35.1
Industrial	17.02	7.15	¹	10.93	7.26	50.6
Others ²	9.11	7.39	¹	9.98	8.10	23.2
Total	17.84	7.66	¹	11.59	7.85	47.6
Purchased power:						
Residential	4.60	5.19	(11.4)	5.63	4.52	24.6
Commercial	4.43	5.13	(13.6)	4.51	4.51	0.0
Industrial	4.25	4.75	(10.5)	4.47	4.17	7.2
Others ²	3.50	5.05	¹	4.71	4.74	(0.6)
Total	4.45	5.10	(12.7)	4.92	4.48	9.8
Total revenues:						
Residential	28.02	19.77	¹	25.24	19.07	32.4
Commercial	32.52	21.07	¹	23.50	20.19	16.4
Industrial	27.77	17.91	55.1	21.73	17.16	26.6
Others ²	21.79	29.36	¹	31.99	30.11	6.2
Total	29.96	20.39	¹	24.10	19.60	23.0
3. Clients:						
Residential	1,338,568	1,335,753	0.2	1,338,279	1,334,053	0.3
Commercial	123,523	123,902	(0.3)	123,630	123,839	(0.2)
Industrial	611	626	(2.4)	613	628	(2.4)
Others	3,353	3,364	(0.3)	3,353	3,369	(0.5)
Total	<u>1,466,055</u>	<u>1,463,645</u>	0.2	<u>1,465,875</u>	<u>1,461,889</u>	0.3
4. Average kWh per client:						
Residential	176	379	(53.5)	1,506	2,546	(40.8)
Commercial	2,522	5,451	(53.7)	21,451	33,781	(36.5)
Industrial	227,249	280,797	(19.1)	1,115,320	1,799,025	(38.0)
Others	1,211	9,786	(87.6)	34,246	57,684	(40.6)
Total	471	950	(50.4)	3,729	6,091	(38.8)

¹ 100% or over

² Due to diminished availability of public lightning service, as compared with amount to be returned to clients, due to disruptions caused by Hurricanes Irma and María.

PUERTO RICO ELECTRIC POWER AUTHORITY

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	DECEMBER					
	Month		Increase (Decrease) %	Fiscal Year-to-Date		Increase (Decrease) %
	2017	2016		2017-18	2016-17	
kWh sales:						
Residential	9	13	(30.8)	65	72	(9.7)
Commercial	136,019	212,760	(36.1)	1,013,573	1,251,033	(19.0)
Industrial						
Others	3,883	30,225	(87.2)	106,965	177,226	(39.6)
Total	139,911	242,998	(42.4)	1,120,603	1,428,331	(21.5)
Basic revenues:						
Residential	1	1		3	4	(25.0)
Commercial	10,390	15,353	(32.3)	72,867	80,124	(9.1)
Industrial						
Others	297	5,037	(94.1)	17,996	29,974	(40.0)
Total	10,688	20,391	(47.6)	90,866	110,102	(17.5)
Provisional rate:						
Residential	0	0		1	1	
Commercial	1,766	2,767	(36.2)	13,151	13,733	(4.2)
Industrial						
Others	51	391	(87.0)	1,390	1,885	(26.3)
Total	1,817	3,158	(42.5)	14,542	15,619	(6.9)
Fuel adjustment:						
Residential	1	1		6	6	0.0
Commercial	13,240	18,183	(27.2)	92,195	96,145	(4.1)
Industrial						
Others	368	2,728	(86.5)	9,897	14,463	(31.6)
Total	13,609	20,912	(34.9)	102,098	110,614	(7.7)
Purchased power:						
Residential	0	1	¹	3	3	
Commercial	6,226	10,755	(42.1)	46,932	54,121	(13.3)
Industrial						
Others	173	1,610	(89.3)	5,197	8,148	(36.2)
Total	6,399	12,366	(48.3)	52,132	62,272	(16.3)
Total revenues:						
Residential	2	3	(33.3)	13	14	(7.1)
Commercial	31,622	47,058	(32.8)	225,145	244,123	(7.8)
Industrial						
Others	889	9,766	(90.9)	34,480	54,470	(36.7)
Total	32,513	56,827	(42.8)	259,638	298,607	(13.1)
2. Clients:						
Residential	13	14	(7.1)	13	16	(18.8)
Commercial	15,762	21,542	(26.8)	18,670	25,438	(26.6)
Industrial						
Others	2,784	2,919	(4.6)	2,747	3,379	(18.7)
Total	18,559	24,475	(24.2)	21,430	28,833	(25.7)

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

¹ 100% or over

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PUERTO RICO ELECTRIC POWER AUTHORITY

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

	DECEMBER 2017					
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	97.1	45.9	(52.7) ¹	577.2	347.0	(39.9) ¹
Fuel adjustment	91.9	123.2	34.1	582.5	633.4	8.7
Purchased power	60.6	30.7	(49.3) ¹	432.7	269.0	(37.8) ¹
CILT	0.0	0.0		0.0	0.0	
Subsidies	0.0	0.0		0.0	0.0	
Provisional rate and other ⁸	20.8	8.3	(60.1) ¹	122.3	68.0	(44.4) ¹
Revenues from sales	270.4	208.1	(23.0) ¹	1,714.7	1,317.4	(23.2)
Other	2.5	(4.6)	⁷ ²	9.4	(21.2)	⁷ ²
Total revenues	272.9	203.5	(25.4)	1,724.1	1,296.2	(24.8)
Fuel	90.6	109.0	20.3 ³	547.2	561.5	2.6
Purchased power	62.4	39.2	(37.2) ³	406.1	237.3	(41.6) ³
Other expenses	62.3	58.4	(6.3)	374.1	328.8	(12.1)
Total current expenses	215.3	206.6	(4.0)	1,327.4	1,127.6	(15.1)
1974 - sinking fund appropriations	0.0	63.6	⁷ ⁴	0.0	381.2	⁷ ⁴
Reserve Account						
Rate Stabilization Fund						
Interest on notes	6.2	4.5	(27.4)	86.4	26.6	(69.2)
Internal funds	30.0	1.6	(94.7) ⁵	180.1	3.2	(98.2) ⁵
Contribution to municipalities	6.2	(74.2)	⁷ ⁶	37.0	(285.4)	⁷ ⁶
Other appropriations	15.2	1.4	(90.8)	93.2	43.0	(53.9)
Total	272.9	203.5	(25.4)	1,724.1	1,296.2	(24.8)

EXPLANATION OF MAJOR VARIATIONS

¹ The decrease in the base rate, provisional rate and purchased power revenues for the month and fiscal year-to-date, was due to the disruption of energy production caused by Hurricanes Irma and Maria.

² The other revenues for the month and fiscal year-to-date decreased due to a lower non operating income than budgeted.

³ Fuel and purchased power expenses decreased as a result of the disruptions of energy production caused by Hurricanes Irma and Maria. Gross generation for month was 37 percent lower, when compared to December 2016.

⁴ The 1974 Sinking Fund appropriation have been accrued but not paid nor 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 month decreased as the result of the revenue disposition process, which presented a \$74.6 million loss for month.

⁷ 100% or Over.

⁸ For actual December results, amount includes a \$1.1 million revenue catchup (earned from July to November 2017). This was the result of a review of sales computations for fiscal year.

INTERIM OPERATIONAL AND FINANCIAL INFORMATION SUBJECT TO CHANGE

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

	DECEMBER 2017					
	Month			Fiscal Year-to-Date		
	2017	2016	Increase (Decrease) %	2017-18	2016-17	Increase (Decrease) %
Basic charges	45.9	88.0	(47.8) ¹	347.0	552.7	(37.2) ¹
Fuel adjustment	123.2	106.6	15.6	633.4	699.2	(9.4)
Purchased power	30.7	70.9	(56.7) ¹	269.0	398.8	(32.5) ¹
CILT	0.0	0.0		0.0	0.0	
Subsidies	0.0	0.0		0.0	0.0	
Provisional rate	8.3	18.1	(54.1) ¹	68.0	94.2	(27.8) ¹
Revenues from sales	208.1	283.6	(26.6) ¹	1,317.4	1,744.9	(24.5) ¹
Other	(4.6)	(3.2)	43.8 ²	(21.2)	(14.0)	51.4 ²
Total revenues	<u>203.5</u>	<u>280.4</u>	(27.4)	<u>1,296.2</u>	<u>1,730.9</u>	(25.1)
Fuel	109.0	94.4	15.5	561.5	619.6	(9.4)
Purchased power	39.2	62.5	(38.0) ³	237.3	355.9	(29.7) ³
Other expenses	58.4	63.2	(7.6)	328.8	337.4	(2.5)
Total current expenses	206.6	220.1	(6.1)	1,127.6	1,312.9	(14.1)
1974 - sinking fund appropriations	63.6	55.7	14.2 ⁴	381.2	318.9	19.5 ⁴
Reserve Account						
Rate Stabilization Fund						
Interest on notes	4.5	4.5		26.6	26.6	
Internal funds	1.6	0.0	⁸ ⁵	3.2	0.8	⁸ ⁵
Contribution to municipalities	(74.2)	(14.5)	⁸ ⁶	(285.4)	0.4	⁸ ⁶
Other appropriations	1.4	14.6	(90.4) ⁷	43.0	71.3	(39.7) ⁷
Total	<u>203.5</u>	<u>280.4</u>	(27.4)	<u>1,296.2</u>	<u>1,730.9</u>	(25.1)

EXPLANATION OF MAJOR VARIATIONS

¹ The decrease in the base rate and provisional rate for month and fiscal year-to-date, and the decrease in purchased power revenue for fiscal year to date was due to the disruption of energy production caused by Hurricanes Irma and Maria.

² The other revenues for the month and fiscal year-to-date decreased due to a lower non operating income than budgeted.

³ Fuel and purchased power expenses decreased as a result of the disruptions of energy production caused by Hurricanes Irma and Maria.

Gross generation for month was 37 percent lower, when compared to December 2016.

⁴ The 1974 Sinking Fund appropriation have been accrued but not paid nor transferred.

⁵ Estimated, to tie disposition of net revenues on financial statement to actual revenues, after mass reversal of billings from October 2017, of 1,263,372 kWh and \$277.4 million.

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 month and fiscal year increased, as revenues exceeded expenses as a \$37.9 available to apply to account.

⁸ 100% or Over.

D. Notes Payable
(in thousand dollars)

DECEMBER

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

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

E. Necessary Maintenance Expenses ¹
(in thousand dollars)

DECEMBER 2017						
	Month ²			Fiscal Year-to-Date ³		
	Budget	Actual	Increase (Decrease)	Budget	Actual	Increase (Decrease)
			%			%
Production	15,909	6,760	(57.5)	95,454	2,237	(97.7)
Transmission	10,505	29	(99.7)	63,030	22,222	(64.7)
Distribution	7,260	5,297	(27.0)	43,560	24,123	(44.6)
Other	3,977	8,849	122.5	23,862	20,525	(14.0)
Total	37,651	20,935	(44.4)	225,906	69,107	(69.4)
Internal Funds	30,020	1,686	(94.4)	150,099	3,186	(97.9)
Percentage of Internal Funds to Investment in Capital Improvements Programs**	80%	8%				
Contribution AID for Construction		0				

	2018	2017
F. Highest debt coverage as of June 30	0.73	1.03

G. REA Projects

	Month	Fiscal Year-to-Date
Total investment	\$0	\$13,091
Families served	2	2

¹ Capital Improvement Program was suspended after filing of Title III of PROMESA. Only the necessary maintenance expenses will be presented.

² 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.

³ Includes monthly overhead allocation.

STATISTICS OF ACCOUNTS RECEIVABLE FROM SALES OF ELECTRIC ENERGY¹
(in thousand dollars)

	DECEMBER		Increase (Decrease) %
	2017	2016	
General clients	933,850	830,852	12.4
Government (State and federal agencies and public corporations)	257,892	210,685	22.4
Total Accounts Receivable	1,191,742	1,041,537	14.4
Uncollectibles Reserve	(727,793)	(495,531)	46.9
Accounts Receivable after Reserve	463,949	546,006	(15.0)
Sales of electric energy (12 months)			
Revenues from sales	2,690,158	3,010,070	(10.6)
Indicators:			
A/R to Sales	17.2%	18.1%	(4.9)
Sales Days in A/R	63	66	(4.9)
Ratio of collections to sales:			
General clients:			
Sales	2,289,564	2,611,861	(12.3)
Collections	2,139,352	2,622,932	(18.4) ²
%Collection to Sales	93.4	100.4	(7.0)
Government:			
Sales net of municipalities, public lightning and exclusions	400,594	398,209	0.6
Collections	353,004	463,879	(23.9) ²
% Collection to Sales	88.12	116.49	(24.4)
Total:			
Sales net of municipalities, public lightning and exclusions	2,690,158	3,010,070	(10.6)
Collections	2,492,356	3,086,811	(19.3) ²
%Collection to Sales	92.6	102.5	(9.7)

¹ Source of Information: Customer Service Department

² Decrease of collections from September to December due to disruptions caused by Hurricanes Irma and Maria. Total collections for months mentioned were \$412.5 million, compared to \$1.161.4 million for September, October, November and December 2016.

PUERTO RICO ELECTRIC POWER AUTHORITY

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PUERTO RICO ELECTRIC POWER AUTHORITY

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

	December 31 2017	June 30 2017
Current assets:		
Cash and cash equivalents		
General fund	\$ 60,558	\$ 54,272
Reserve for current expenses	305,521	462,151
Revenue fund	13	13
Working funds	1,199	1,170
Total cash and cash equivalents	<u>367,291</u>	<u>517,606</u>
Accounts receivable (Exhibit A)	2,299,324	1,917,383
Fuel oil inventory	112,375	104,887
Materials and supplies inventory	155,657	166,193
Prepayments and other (Exhibit B)	7,075	26,394
Total current assets	<u>2,941,722</u>	<u>2,732,463</u>
Non current receivables (Exhibit A)	<u>132,588</u>	<u>132,588</u>
Restricted Assets		
Cash held by trustees	<u>2</u>	<u>2</u>
Investments held by trustees		
Sinking funds - Interest	30	30
Non current restricted deposits held by trustees	6,827	6,824
Total investment held by trustees	<u>6,857</u>	<u>6,854</u>
Construction fund and other		
Construction fund	9,153	21,683
Investment held by REA	1,117	1,111
Reserve maintenance fund	16,269	16,150
Other restricted fund	5,148	5,129
Total construction fund and other	<u>31,687</u>	<u>44,073</u>
Total restricted assets	<u>38,546</u>	<u>50,929</u>
Utility Plant		
Electric plant in service	13,028,788	12,996,829
Less: accumulated depreciation	7,638,212	7,457,543
Net electric plant in service	<u>5,390,576</u>	<u>5,539,286</u>
Construction work in progress, including preliminary surveys of 17,133 and 17,133	748,575	711,792
Total utility plant	<u>6,139,151</u>	<u>6,251,078</u>
Deferred debits:		
Unamortized debt expense	(3,708)	(1,669)
Other	130,334	129,841
Total deferred debits	<u>126,626</u>	<u>128,172</u>
Total assets	<u>9,378,633</u>	<u>9,295,230</u>
Deferred outflows of resources	<u>111,446</u>	<u>111,446</u>
Total Assets and Deferred Outflows	<u>\$ 9,490,079</u>	<u>\$ 9,406,676</u>

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

	December 31 2017	June 30 2017
Liabilities and net position		
Current Liabilities		
Notes payable to banks	\$ 738,052	\$ 737,587
Accounts payable and accrued liabilities (Exhibit C)	2,225,294	2,076,034
Customer deposits, including accrued interest	60,905	47,892
Total current liabilities	<u>3,024,251</u>	<u>2,861,513</u>
Current liabilities payable from restricted assets		
Current portion of long-term debt	244,755	246,095
Accrued interest payable on bonds and notes	455,723	220,223
Other current liabilities (Exhibit C)	45,792	39,814
Total current liabilities from restricted assets	<u>746,270</u>	<u>506,132</u>
Non current liabilities		
Power revenue bonds, net of unamortized debt discount of (44,935) and (44,935)	8,178,380	8,178,380
Net pension liability	1,704,639	1,704,639
Non current portion, accounts payable and accrued sick leave	114,372	114,372
Accrued unfunded OPEB	119,658	119,658
Customer deposits - noncurrent	171,396	171,396
Total noncurrent liabilities	<u>10,288,445</u>	<u>10,288,445</u>
Total liabilities	<u>14,058,966</u>	<u>13,656,090</u>
Deferred inflows of resources:		
Deferred gain on pension valuation	65,946	65,946
Total net position (Deficit)	<u>(4,634,833)</u>	<u>(4,315,360)</u>
Total Liabilities and Net Position	<u>\$ 9,490,079</u>	<u>\$ 9,406,676</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget December 2017	Actual December 2017	Actual December 2016
Operating revenues:			
Sales of electric energy	\$ 270,353	\$ 208,037	\$ 283,591
Total operating revenues	<u>270,353</u>	<u>208,037</u>	<u>283,591</u>
Other income	<u>2,577</u>	<u>(4,577)</u>	<u>(3,161)</u>
Total revenues	<u>272,930</u>	<u>203,460</u>	<u>280,430</u>
Expenses:			
Fuel cost	90,616	109,006	94,389
Purchased power	62,407	39,209	62,509
Other production	4,805	5,441	4,807
Transmission and distribution	12,625	14,003	13,115
Maintenance	16,443	17,336	12,113
Customer accounting and collection	8,974	8,728	8,142
Administrative and general	<u>19,500</u>	<u>12,868</u>	<u>25,067</u>
Subtotal expenses by function	215,370	206,591	220,142
Other post - employment benefits		-	-
Depreciation	30,728	30,281	30,641
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	6,179	39,296	40,367
Contribution to municipalities	6,198	340	7,226
Other appropriations	15,116	1,407	14,648
Bond discount and defeasance amortization	<u>-</u>	<u>116</u>	<u>136</u>
Total expenses	<u>273,591</u>	<u>278,031</u>	<u>313,160</u>
Contributed capital	<u>708</u>	<u>17</u>	<u>271</u>
Changes in net position	<u>\$ 47</u>	<u>\$ (74,554)</u>	<u>\$ (32,459)</u>

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

	FISCAL YEAR		
	Budget December 2017	Actual December 2017	Actual December 2016
Operating revenues:			
Sales of electric energy	\$ 1,714,770	\$ 1,317,377	\$ 1,744,881
Total operating revenues	<u>1,714,770</u>	<u>1,317,377</u>	<u>1,744,881</u>
Other income	<u>9,571</u>	<u>(21,182)</u>	<u>(13,684)</u>
Total revenues	<u>1,724,341</u>	<u>1,296,195</u>	<u>1,731,197</u>
Expenses:			
Fuel cost	547,198	561,471	619,567
Purchased power	406,067	237,264	355,888
Other production	28,829	26,792	27,540
Transmission and distribution	75,748	77,722	74,890
Maintenance	98,655	96,723	80,777
Customer accounting and collection	53,845	48,552	48,062
Administrative and general	<u>117,000</u>	<u>79,026</u>	<u>106,220</u>
Subtotal expenses by function	1,327,342	1,127,550	1,312,944
Other post - employment benefits		-	-
Depreciation	184,368	182,306	184,087
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	86,363	235,500	241,922
Contribution to municipalities	37,037	26,993	31,714
Other appropriations	93,197	43,090	71,336
Bond discount and defeasance amortization	<u>-</u>	<u>699</u>	<u>360</u>
Total expenses	<u>1,728,307</u>	<u>1,616,138</u>	<u>1,842,363</u>
Contributed capital	<u>4,250</u>	<u>470</u>	<u>4,472</u>
Changes in net position	<u>\$ 284</u>	<u>\$ (319,473)</u>	<u>\$ (106,694)</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget December 2017	Actual December 2017	Actual December 2016
Revenues:			
Sales of electric energy (Exhibit D)	\$ 270,353	\$ 208,037	\$ 283,591
Total operating revenues	270,353	208,037	283,591
Other income	2,577	(4,577)	(3,161)
Total revenues	272,930	203,460	280,430
Less: 1974 construction fund investment income and gain on sale of properties	47	3	33
Revenues - net	272,883	203,457	280,397
Current expenses:			
Fuel cost	90,616	109,006	94,389
Purchased power	62,407	39,209	62,509
Other production	4,805	5,441	4,807
Transmission and distribution	12,625	14,003	13,115
Maintenance	16,443	17,336	12,113
Customer accounting and collection	8,974	8,728	8,142
Administrative and general	19,500	12,868	25,067
Total current expenses	215,370	206,591	220,142
Net revenues (as defined)	57,513	(3,134)	60,255
Contractual obligations:			
Sinking fund appropriations -			
Interest on power revenue bonds (1)	-	34,815	35,888
Bond redemption account (1)	-	28,711	19,780
Interest on notes	6,179	4,481	4,480
Capital Improvements fund	30,020	1,686	-
Total contractual obligations	36,199	69,693	60,148
Balance	21,314	(72,827)	107
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	6,198	(74,234)	(14,541)
Other	15,116	1,407	14,648
Total provision for contribution and other	21,314	(72,827)	107
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 December 2017	Actual December 2017	Actual December 2016	Budget June 2018	Actual December 2017	Actual December 2016
Revenues:						
Sales of electric energy (Exhibit D)	\$ 1,714,770	\$ 1,317,377	\$ 1,744,881	\$ 2,970,682	\$ 3,006,325	\$ 3,196,567
Total operating revenues	1,714,770	1,317,377	1,744,881	2,970,682	3,006,325	3,196,567
Other income	9,571	(21,182)	(13,684)	(22,759)	(37,758)	(5,741)
Total revenues	1,724,341	1,296,195	1,731,197	2,947,923	2,968,567	3,190,826
Less: 1974 construction fund investment income and gain on sale of properties	284	10	293	1,007	170	484
Revenues - net	1,724,057	1,296,185	1,730,904	2,946,916	2,968,397	3,190,342
Current expenses:						
Fuel cost	547,198	561,471	619,567	647,482	1,155,797	1,092,056
Purchased power	406,067	237,264	355,888	828,393	608,765	696,718
Other production	28,829	26,791	27,540	42,376	53,996	55,407
Transmission and distribution	75,748	77,722	74,890	131,741	146,408	148,677
Maintenance	98,655	96,724	80,777	171,571	169,071	157,090
Customer accounting and collection	53,845	48,552	48,062	100,103	94,123	93,799
Administrative and general	117,000	79,026	106,220	180,604	165,647	212,768
Total current expenses	1,327,342	1,127,550	1,312,944	2,102,270	2,393,807	2,456,515
Net revenues (as defined)	396,715	168,635	417,960	844,646	574,590	733,827
Contractual obligations:						
Sinking fund appropriations -						
Interest on power revenue bonds (1)	-	208,891	215,326	102,626	424,217	422,356
Bond redemption account (1)	-	172,268	103,591	109,669	290,950	215,609
Rate Stabilization Account	-	-	-	-	-	(24,282)
Interest on notes	86,363	26,609	26,596	39,675	52,746	52,843
Capital Improvements fund	180,118	3,186	828	366,779	3,689	77,608
Total contractual obligations	266,481	410,954	346,341	618,749	771,602	744,134
Balance	130,234	(242,319)	71,619	225,897	(197,012)	(10,307)
Provision for Contribution in Lieu of Taxes and other appropriations						
Contribution to municipalities	37,037	(285,409)	283	51,784	(306,063)	(110,004)
Other	93,197	43,090	71,336	174,113	109,051	102,284
Total provision for contribution and other	130,234	(242,319)	71,619	225,897	(197,012)	(7,720)
Remainder	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,587)

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)

	December 2017	June 2017
Net Position		
Invested in utility plant, net related debt	\$ (1,179,685)	\$ (1,067,059)
Restricted for capital activity and debt service	(1,063,636)	(809,775)
Unrestricted	<u>(2,391,512)</u>	<u>(2,438,526)</u>
Total net position	<u>\$ (4,634,833)</u>	<u>\$ (4,315,360)</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

ACCOUNTS RECEIVABLE
(in thousands)

Exhibit A

	December 2017	June 2017
Electric and related services:		
General clients	\$ 933,850	\$ 884,378
Recoveries under fuel adjustment and purchase power clause under or (over) billed	142,182	4,479
Unbilled services	211,905	159,299
Allowance for uncollectible accounts- General Client	<u>(660,332)</u>	<u>(632,480)</u>
Total General Clients	<u>627,605</u>	<u>415,676</u>
Government, including current and non current	1,857,529 ⁽¹⁾	1,672,492
Allowance for uncollectible accounts- Govement	<u>(67,460)</u>	<u>(67,460)</u>
Total Government	1,790,069	1,605,032
Claims Receivable from Insurance Companies & Other	581	15,581
Advances to Irrigation Systems - net	4,652	5,534
Accrued interest	2,062	2,087
Other	<u>6,943</u>	<u>6,061</u>
Total Accounts Receivable	2,431,912	2,049,971
Less: Government Account Receivable, non current portion	<u>132,588</u>	<u>132,588</u>
Total Accounts Receivable, current portion	<u>\$ 2,299,324</u>	<u>\$ 1,917,383</u>

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

PREPAYMENTS AND OTHER
(in thousands)

Exhibit B

	December 2017	June 2017
Claims Outstanding Related to Property Damages	\$ (30,589)	\$ 353
Prepayments and other	<u>37,664</u>	<u>26,041</u>
Total	<u>\$ 7,075</u>	<u>\$ 26,394</u>

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands)

	December 2017	June 2017
Exhibit C		
Accounts payable - fuel oil and other	\$ 513,604	\$ 497,751
Accrued annual leave	50,938	52,159
Accrued salaries and fringe benefits	1,932	3,538
Accrued Contribution in Lieu of Taxes	1,561,082	1,428,536
Accrued Actuarial Retirement	2,193	2,193
Reserve for injuries and damages	49,418	46,644
Accrued Contributions Federal Social Security	602	408
Income tax withheld at source	30	122
Health plan	11,672	16,224
Pension & Benefits Deferred Employer Contribution	9,342	9,342
Other	24,481	19,117
Sub total current liabilities	<u>2,225,294</u>	<u>2,076,034</u>
Other current payables from restricted assets		
Retention on Contract Work	3,657	3,535
Vouchered A/P construction	7,388	2,191
Contribution aid to construction	34,747	34,088
Total other current payables from restricted assets	<u>45,792</u>	<u>39,814</u>
Total current Liabilities	<u>2,271,086</u>	<u>2,115,848</u>
NON-CURRENT LIABILITIES		
Net Pension Liability	1,704,640	1,704,639
Accrued sick leave	114,372	114,372
Accrued Unfunded OPEB	119,658	119,658
Total non current liabilities	<u>1,938,670</u>	<u>1,938,669</u>
Total accounts payables and non current liabilities	<u>\$ 4,209,756</u>	<u>\$ 4,054,517</u>

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

PUERTO RICO ELECTRIC POWER AUTHORITY

SALES OF ELECTRIC ENERGY

DECEMBER 2017

Exhibit D

Class of Service	CLIENTS		KWHRS (in thousands)			Total
	Billed	Total	Billed	Unbilled	Adjustment*	
Residential	1,338,568	1,338,568	187,828	51,800	(3,734)	235,894
Commercial	123,523	123,523	267,693	116,988	(73,116)	311,565
Industrial	611	611	101,647	44,190	(6,988)	138,849
Public lighting	2,155	2,155	1,114	319	(461)	972
Other public authorities	2	2	2,805	1,644	(1,528)	2,921
Agricultural	1,196	1,196	146	70	(47)	169
Subtotal	1,466,055	1,466,055	561,233	215,011	(85,874)	690,370
Fuel oil adjustment						
Purchased power						
Subtotal	1,466,055	1,466,055	561,233	215,011	(85,874)	690,370
Unrecovered fuel oil cost-net						
Unrecovered purchased power cost-net						
Total	1,466,055	1,466,055	561,233	215,011	(85,874)	690,370

FISCAL YEAR-TO-DATE

Class of Service	Average Clients	Kwhrs. (thousands)	Revenue (thousand \$)	Kwhrs. per Client	Cents per Kwhr. Sold
Residential	1,338,279	2,015,527	131,224	1,506	6.51
Commercial	123,630	2,652,043	220,598	21,451	8.32
Industrial	613	683,691	43,303	1,115,320	6.33
Public lighting	2,155	90,551	18,308	42,019	20.22
Other public authorities	2	17,237	1,023	8,618,500	5.93
Agricultural	1,196	7,040	528	5,886	7.50
Subtotal	1,465,875	5,466,089	414,984	3,729	7.59
Fuel oil adjustment			553,017		11.59
Purchased Power			274,014		4.92
Subtotal	1,465,875	5,466,089	1,242,015	3,729	22.72
Unrecovered fuel oil cost-net			80,358		
Unrecovered purchased Power cost-net			(4,996)		
Total	1,465,875	5,466,089	1,317,377	3,729	24.10

*Unbilled kwhrs from prior month

SALES OF ELECTRIC ENERGY

DECEMBER 2017

Exhibit D

Class of Service	REVENUES (in thousand \$)				Kwhrs. per Client	Cents per Kwhrs. Sold
	MONTHLY					
	Billed	Unbilled	Adjustment ¹	Total		
Residential	13,102	2,095	(151)	15,045	176	6.38
Commercial	25,636	8,098	(5,170)	28,564	2,522	9.17
Industrial	7,477	2,204	(654)	9,027	227,249	6.50
Public lighting	193	25	(29)	189	451	19.44
Other public authorities	163	75	(70)	168	1,460,151	5.75
Agricultural	14	4	(3)	16	142	9.45
Subtotal	46,585	12,501	(6,077)	53,009	471	7.67
Fuel oil adjustment	54,293	15,044	(7,903)	61,434		17.84
Purchased power	25,540	9,122	(2,170)	32,492		4.45
Subtotal	126,418	36,667	(16,150)	146,935	471	21.28
Unrecovered fuel oil cost-net				61,715		
Unrecovered purchased power cost-net				(1,783)		
Total	126,418	36,667	(16,150)	206,867	471	29.96

¹Unbilled kwhrs from prior month