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MONTHLY REPORT  
TO THE GOVERNING BOARD  
MARCH 2016

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PUERTO RICO ELECTRIC POWER AUTHORITY

I. OPERATIONS HIGHLIGHTS

A. Production

	MARCH		Increase (Decrease)
	2015-16	2014-15	%
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	1,045,093	1,169,622	(10.6)
PREPA - Hydro	2,016	2,673	(24.6)
Purchased power - gas	286,831	125,602	128.4
Purchased power - coal	285,960	336,233	(15.0)
Renewable Energy	33,252	31,349	6.1
Total	1,653,152	1,665,479	(0.7)
Fiscal year-to-date:			
PREPA - Steam and gas	10,569,850	9,985,827	5.8
PREPA - Hydro	46,053	58,696	(21.5)
Purchased power - gas	2,423,978	2,611,810	(7.2)
Purchased power - coal	2,335,956	2,757,398	(15.3)
Renewable Energy	244,833	195,879	25.0
Total	15,620,670	15,609,610	0.1
Twelve months:			
PREPA - Steam and gas	14,182,213	13,199,073	7.4
PREPA - Hydro	56,069	71,877	(22.0)
Purchased power - gas	3,154,298	3,687,341	(14.5)
Purchased power - coal	3,183,168	3,710,557	(14.2)
Renewable Energy	339,216	269,591	25.8
Total	20,914,964	20,938,439	(0.1)
2. Maximum hourly peak load (in MW)			
Month	2,703	2,690	0.5
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	1,390,292	1,321,032	5.2
Days billed	31.00	30.00	3.3
Fiscal year-to-date:			
Billed	13,009,589	12,953,249	0.4
Days billed	274.00	275.00	(0.4)
Twelve months:			
Billed	17,282,571	17,234,121	0.3
Days billed	365.0	365.0	
4. System efficiency (%)			
Month	87.2	84.5	3.3
Fiscal year-to-date	83.0	82.9	0.2
Twelve months	82.8	82.5	0.3
5. Average cost per barrel (\$)			
Month	42.51	73.02	(41.8)
Fiscal year-to-date	53.85	92.01	(41.5)
Twelve months	57.31	96.45	(40.6)
6. kWh/Barrel			
Month	626.18	646.20	(3.1)
Fiscal year-to-date	601.07	612.36	(1.8)
Twelve months	606.36	613.57	(1.2)
7. Heat rate (BTU/kWh)			
Month	10,553	10,666	(1.1)
Fiscal year-to-date	10,906	10,849	0.5
Twelve months	10,810	10,852	(0.4)

8. Fuel consumption (in thousands)	2015-16		2014-15		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	909	33,886	1,195	82,759	(23.9)	(59.1)
Gas	268	15,409	146	13,383	83.6	15.1
Natural Gas	492	21,673	469	35,997	4.9	(39.8)
Total	<u>1,669</u>	<u>70,968</u>	<u>1,810</u>	<u>132,139</u>	(7.8)	(46.3)
Fiscal year-to-date:						
Steam	9,237	449,947	9,963	863,471	(7.3)	(47.9)
Gas	4,038	283,283	2,592	307,200	55.8	(7.8)
Natural Gas	4,310	213,728	3,752	329,736	14.9	(35.2)
Total	<u>17,585</u>	<u>946,958</u>	<u>16,307</u>	<u>1,500,407</u>	7.8	(36.9)
Twelve months:						
Steam	12,563	663,715	13,495	1,260,173	(6.9)	(47.3)
Gas	5,024	372,878	3,067	370,475	63.8	0.6
Natural Gas	5,802	303,764	4,950	444,220	17.2	(31.6)
Total	<u>23,389</u>	<u>1,340,357</u>	<u>21,512</u>	<u>2,074,868</u>	8.7	(35.4)

## MARCH

	2016	2015	Increase (Decrease) %
B. Client Service			
1. Service complaints per thousand clients	2.62	6.28	(58.3)
2. Disconnections for nonpayment per thousand clients	9.34	11.47	(18.6)
C. Distribution System*			
1. Interruption frequency index			
Total interruptions per thousand clients served	0.269	0.243	10.5
2. Interruption duration index			
Average interruption time per clients served (minutes)	45.63	33.34	36.9
3. Clients per interruption	175	207	(15.1)
4. Time per interruption (minutes)	309	283	9.3

D. Personnel

		MARCH		Increase (Decrease)
		2016	2015	
Management Conf. / Carr.	Reg.	1,923	2,008	(85)
	Temp.	13	31	(18)
U.T.I.E.R.	Reg.	3,745	3,833	(88)
	Temp.	19	163	(144)
	Emerg.			
U.I.T.I.C.E.	Reg.	653	714	(61)
	Temp.			
U.E.P.I.	Reg.	317	324	(7)
	Temp.			
U.P.A.E.E.	Reg.	4	4	
	Temp.			
Total		<u>6,674</u>	<u>7,077</u>	<u>(403)</u>

## II. FINANCIAL HIGHLIGHTS

## A. Revenue data

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

	MARCH					
	Month			Fiscal Year-to-Date		
	2016	2015	Increase (Decrease) %	2015-16	2014-15	Increase (Decrease) %
kWh sales:						
Residential	497,423	478,734	3.9	4,787,489	4,664,246	2.6
Commercial	705,017	691,381	2.0	6,129,366	6,264,823	(2.2)
Industrial	207,731	203,925	1.9	1,769,651	1,741,113	1.6
Others	31,770	32,610	(2.6)	283,131	266,823	6.1
Total	<u>1,441,941</u>	<u>1,406,650</u>	2.5	<u>12,969,637</u>	<u>12,937,005</u>	0.3
Basic revenues:						
Residential	29,381	27,437	7.1	274,415	260,906	5.2
Commercial	49,014	52,238	(6.2)	409,671	431,532	(5.1)
Industrial	9,596	9,550	0.5	79,847	79,687	0.2
Others	5,208	5,553	(6.2)	46,478	43,540	6.7
Total	<u>93,199</u>	<u>94,778</u>	(1.7)	<u>810,411</u>	<u>815,665</u>	(0.6)
Fuel adjustment:						
Residential	26,894	52,069	(48.3)	398,849	629,365	(36.6)
Commercial	41,021	73,285	(44.0)	513,043	811,934	(36.8)
Industrial	10,671	20,096	(46.9)	132,266	209,052	(36.7)
Others	1,865	3,345	(44.2)	24,106	36,328	(33.6)
Total	<u>80,451</u>	<u>148,795</u>	(45.9)	<u>1,068,264</u>	<u>1,686,679</u>	(36.7)
Purchased power:						
Residential	22,792	22,929	(0.6)	213,962	250,211	(14.5)
Commercial	31,866	33,132	(3.8)	269,425	330,231	(18.4)
Industrial	8,867	8,951	(0.9)	71,581	83,698	(14.5)
Others	1,488	1,928	(22.8)	12,968	14,828	(12.5)
Total	<u>65,013</u>	<u>66,940</u>	(2.9)	<u>567,936</u>	<u>678,968</u>	(16.4)
Total revenues:						
Residential	79,067	102,435	(22.8)	887,226	1,140,482	(22.2)
Commercial	121,901	158,655	(23.2)	1,192,139	1,573,697	(24.2)
Industrial	29,134	38,597	(24.5)	283,694	372,437	(23.8)
Others	8,561	10,826	(20.9)	83,552	94,696	(11.8)
Total	<u>238,663</u>	<u>310,513</u>	(23.1)	<u>2,446,611</u>	<u>3,181,312</u>	(23.1)

MARCH						
	Month			Fiscal Year-to-Date		
	2016	2015	Increase (Decrease) %	2015-16	2014-15	Increase (Decrease) %
2. Cents per kWh						
Basic revenues:						
Residential	5.91	5.73	3.1	5.73	5.59	2.5
Commercial	6.95	7.56	(8.1)	6.68	6.89	(3.0)
Industrial	4.62	4.68	(1.3)	4.51	4.58	(1.5)
Others	16.39	17.03	(3.8)	16.42	16.32	0.6
Total	6.46	6.74	(4.2)	6.25	6.30	(0.8)
Fuel adjustment:						
Residential	5.41	10.88	(50.3)	8.33	13.50	(38.3)
Commercial	5.82	10.60	(45.1)	8.37	12.96	(35.4)
Industrial	5.13	9.86	(48.0)	7.48	12.00	(37.7)
Others	5.88	10.26	(42.7)	8.51	13.61	(37.5)
Total	5.58	10.57	(47.2)	8.23	13.04	(36.9)
Purchased power:						
Residential	4.58	4.79	(4.4)	4.47	5.36	(16.6)
Commercial	4.52	4.79	(5.6)	4.40	5.27	(16.5)
Industrial	4.27	4.39	(2.7)	4.04	4.81	(16.0)
Others	4.68	5.91	(20.8)	4.58	5.56	(17.6)
Total	4.51	4.76	(5.3)	4.38	5.25	(16.6)
Total revenues:						
Residential	15.90	21.40	(25.7)	18.53	24.45	(24.2)
Commercial	17.29	22.95	(24.7)	19.45	25.12	(22.6)
Industrial	14.02	18.93	(25.9)	16.03	21.39	(25.1)
Others	26.95	33.20	(18.8)	29.51	35.49	(16.8)
Total	16.55	22.07	(25.0)	18.86	24.59	(23.3)
3. Clients:						
Residential	1,329,387	1,327,022	0.2	1,326,929	1,328,189	(0.1)
Commercial	123,791	124,195	(0.3)	123,803	124,606	(0.6)
Industrial	635	651	(2.5)	641	656	(2.3)
Others	3,365	3,376	(0.3)	3,368	3,631	(7.2)
Total	<u>1,457,178</u>	<u>1,455,244</u>	0.1	<u>1,454,741</u>	<u>1,457,082</u>	(0.2)
4. Average kWh per client:						
Residential	374	361	3.7	3,608	3,512	2.7
Commercial	5,695	5,567	2.3	49,509	50,277	(1.5)
Industrial	327,135	313,249	4.4	2,760,766	2,654,136	4.0
Others	9,441	9,659	(2.3)	84,065	73,485	14.4
Total	990	967	2.4	8,915	8,879	0.4

## II. FINANCIAL HIGHLIGHTS

## A. Revenue data

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

	MARCH					
	Month		Increase (Decrease) %	Fiscal Year-to-Date		Increase (Decrease) %
	2016	2015		2015-16	2014-15	
kWh sales:						
Residential	10	9	11.1	97	89	9.0
Commercial	208,161	210,319	(1.0)	1,829,166	1,960,400	(6.7)
Industrial						
Others	30,016	27,828	7.9	264,666	245,598	7.8
Total	<u>238,187</u>	<u>238,156</u>		<u>2,093,929</u>	<u>2,206,087</u>	(5.1)
Basic revenues:						
Residential	1	1		5	5	
Commercial	15,090	16,952	(11.0)	120,493	145,011	(16.9)
Industrial						
Others	5,194	4,920	5.6	45,504	41,910	8.6
Total	<u>20,285</u>	<u>21,873</u>	(7.3)	<u>166,002</u>	<u>186,926</u>	(11.2)
Fuel adjustment:						
Residential	1	1		9	13	(30.8)
Commercial	14,881	24,376	(39.0)	165,193	253,672	(34.9)
Industrial						
Others	1,835	3,439	(46.6)	23,128	35,240	(34.4)
Total	<u>16,717</u>	<u>27,816</u>	(39.9)	<u>188,330</u>	<u>288,925</u>	(34.8)
Purchased power:						
Residential				5	5	
Commercial	9,244	8,342	10.8	79,065	103,737	(23.8)
Industrial						
Others	1,414	1,181	19.7	12,180	13,795	(11.7)
Total	<u>10,658</u>	<u>9,523</u>	11.9	<u>91,250</u>	<u>117,537</u>	(22.4)
Total revenues:						
Residential	2	2		19	23	(17.4)
Commercial	39,215	49,670	(21.0)	364,751	502,420	(27.4)
Industrial						
Others	8,443	9,540	(11.5)	80,812	90,945	(11.1)
Total	<u>47,660</u>	<u>59,212</u>	(19.5)	<u>445,582</u>	<u>593,388</u>	(24.9)
2. Service Agreements:						
Residential	14	15	(6.7)	14	15	(6.7)
Commercial	23,313	28,732	(18.9)	24,391	24,253	0.6
Industrial						
Others	2,931	3,929	(25.4)	3,089	2,150	43.7
Total	<u>26,258</u>	<u>32,676</u>	(19.6)	<u>27,494</u>	<u>26,418</u>	4.1

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)

	MARCH 2016					
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	91.0	93.2	2.4	834.2	810.4	(2.9)
Fuel adjustment	211.1	80.5	(61.9)	1,891.0	1,068.3	(43.5)
Purchased power	72.3	65.0	(10.1)	725.6	567.9	(21.7)
Revenues from sales	374.4	238.7	(36.2)	3,450.8	2,446.6	(29.1)
Other	2.7	3.5	29.6	24.5	20.2	(17.6)
Total revenues	377.1	242.2	(35.8)	3,475.3	2,466.8	(29.0)
Fuel	187.4	71.0	(62.1)	1,678.6	947.0	(43.6)
Purchased power	64.3	58.3	(9.3)	645.8	507.5	(21.4)
Other expenses	57.0	61.4	7.7	513.0	494.2	(3.7)
Total current expenses	308.7	190.7	(38.2)	2,837.4	1,948.7	(31.3)
1974 - sinking fund appropriations	49.2	52.9	7.5	427.0	482.0	12.9
Reserve Account	0.0	0.0		(172.2)	0.0	*
Rate Stabilization Fund	5.7	0.0	*	52.3	0.0	*
Interest on notes	4.3	4.6	7.0	38.8	40.5	4.4
Internal funds	(19.0)	0.0	*	74.2	0.0	*
Contribution to municipalities	24.9	(8.1)	*	187.8	(30.1)	*
Other appropriations	3.3	2.1	(36.4)	30.0	25.7	(14.3)
Total	377.1	242.2	(35.8)	3,475.3	2,466.8	(29.0)

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.
7. Other appropriations for the fiscal year-to-date decreased due to less funds assigned to residential clients/subsidy than budgeted.

\* 100% or Over

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

	MARCH					
	Month			Fiscal Year-to-Date		
	2016	2015	Increase (Decrease) %	2015-16	2014-15	Increase (Decrease) %
Basic charges	93.2	94.8	(1.7)	810.4	815.7	(0.6)
Fuel adjustment	80.5	148.8	(45.9)	1,068.3	1,686.6	(36.7)
Purchased power	65.0	66.9	(2.8)	567.9	679.0	(16.4)
Revenues from sales	238.7	310.5	(23.1)	2,446.6	3,181.3	(23.1)
Other	3.5	(2.2)	*	20.2	18.2	11.0
Total revenues	242.2	308.3	(21.4)	2,466.8	3,199.5	(22.9)
Fuel	71.0	132.2	(46.3)	947.0	1,500.4	(36.9)
Purchased power	58.3	59.4	(1.9)	507.5	605.6	(16.2)
Other expenses	61.4	53.8	14.1	494.2	494.4	(0.0)
Total current expenses	190.7	245.4	(22.3)	1,948.7	2,600.4	(25.1)
1974 - sinking fund appropriations	52.9	49.2	7.5	482.0	427.0	12.9
Reserve Account	0.0			0.0	(170.6)	*
Rate Stabilization Fund	0.0	4.3	*	0.0	47.6	*
Interest on notes	4.6	4.5	2.2	40.5	41.2	(1.7)
Internal funds	0.0	(14.7)	*	0.0	42.4	*
Contribution to municipalities	(8.1)	16.8	*	(30.1)	181.1	*
Other appropriations	2.1	2.8	(25.0)	25.7	30.4	(15.5)
Total	242.2	308.3	(21.4)	2,466.8	3,199.5	(22.9)

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. As provided by Act 57-2014, approved on May 27, 2014, PREPA is obligated to set aside 2% out of the 11% surcharge of fuel and purchase power to a Rate Stabilization Account. Such fund have been accrued but not paid to such fund.
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 decreased due to less funds assigned to residential clients' subsidy than prior year.

\* 100% or Over

D. Notes Payable  
(in thousand dollars)

MARCH

Construction Financing

	<u>2016</u>	<u>2015</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 Plant (AFICA):		
Line of credit	17,560	17,560
Amount received	<u>0</u>	<u>0</u>
Available balance	<u>17,560</u>	<u>17,560</u>
Debt outstanding balance	0	0
Maturity Date	June 30, 2033	
3. State Revolving Fund Program San Juan Plant (AFICA):		
Line of credit	9,463	9,463
Amount received	<u>0</u>	<u>0</u>
Available balance	<u>9,463</u>	<u>9,463</u>
Debt outstanding balance	0	0
Maturity Date	June 30, 2033	

Operational Financing

	<u>2016</u>	<u>2015</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 amount	<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 amount	<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)

MARCH 2016						
	Month **			Fiscal Year-to-Date***		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Production	6,720	3,716	(44.7)	60,476	26,696	(55.9)
Transmission	4,307	4,072	(5.5)	38,766	18,718	(51.7)
Distribution	7,114	609	(91.4)	64,022	52,972	(17.3)
Other	2,252	754	(66.5)	20,266	4,381	(78.4)
Total	<u>20,393</u>	<u>9,151</u>	(55.1)	<u>183,530</u>	<u>102,767</u>	(44.0)
Internal Funds*	(19,030)	0	****	74,193	0	****
Percentage of Internal Funds to Investment in Capital Improvements Programs	-93%	0%		40%	0%	
Contribution AID for Construction		154			1,608	

	<u>2016</u>	<u>2015</u>
F. Highest debt coverage as of March 31	1.04	0.91

## G. REA Projects

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

\*Internal funds have been accrued, as recommended by the Consulting Engineers. Please refer to note 3 page 8 for more information.

\*\*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)

	MARCH		Increase (Decrease) %
	2016	2015	
General clients	526,852	625,901	(15.8)
Government	1,318,176	966,740	36.4
Less: Accrued Contribution in Lieu of Taxes	1,080,693	754,029	43.3
Total Government, Net	237,483	212,711	11.6
Subtotal	764,335	838,612	(8.9)
Sales of electric energy (12 months)			
Revenues from sales	3,355,400	4,350,394	(22.9)
kWh (including subsidy)	17,312,709	17,280,424	0.2
Indicators:			
A. Ratio of accounts receivable to sales (%)	22.8	19.3	18.2
B. Ratio of accounts receivable to sales (%) (including subsidy)	22.6	19.2	18.1
C. Sales days in accounts receivable	83	70	18.2
D. Sales days in accounts receivable (including subsidy)	83	70	18.1
E. Ratio of collections to sales of electric energy:			
General clients:			
Sales**	2,754,374	3,559,025	(22.6)
Collections	2,846,064	3,646,760	(22.0)
Percent	103.3	102.5	0.8
Government:			
Sales	601,026	791,369	(24.1)
Collections***	376,691	530,872	(29.0)
Percent	62.7	67.1	(6.6)
Percent of total sales	96.0	96.0	0.0

\* Excludes residential clients' subsidy of \$20,241 and \$22,456, for the 12 months ended March 2016 and March 2015, respectively.

## PUERTO RICO ELECTRIC POWER AUTHORITY

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

	March 31 2016	June 30 2015
Current assets:		
Cash and cash equivalents		
General fund	\$ 60,558	\$ 60,558
Reserve for current expenses	379,344	298,069
Revenue fund	13	13
Working funds	1,032	1,017
Total cash and cash equivalents	<u>440,947</u>	<u>359,657</u>
Accounts receivable (Exhibit A)	1,782,802	1,597,653
Fuel oil inventory	75,539	120,314
Materials and supplies inventory	172,905	183,809
Prepayments and other (Exhibit B)	15,624	3,793
Total current assets	<u>2,487,817</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	<u>-</u>	<u>-</u>
Investments held by trustees		
Sinking funds - Interest	7,069	53,842
Non current restricted deposits held by trustees	2,215	332,336
Total investment held by trustees	<u>9,284</u>	<u>386,178</u>
Construction fund and other		
Construction fund	37,763	163,380
Investment held by REA	1,107	1,106
Reserve maintenance fund	16,065	16,040
Other restricted fund	6,810	5,081
Total construction fund and other	<u>61,745</u>	<u>185,607</u>
Total restricted assets	<u>71,029</u>	<u>571,785</u>
Utility Plant		
Electric plant in service	12,633,910	12,495,368
Less: accumulated depreciation	6,991,877	6,730,621
Net electric plant in service	5,642,033	5,764,747
Construction work in progress, including preliminary surveys of 16,876 and 16,849	850,318	887,546
Total utility plant	<u>6,492,351</u>	<u>6,652,293</u>
Deferred debits:		
Unamortized debt expense	(6,143)	(3,627)
Other	35,923	34,078
Total deferred debits	<u>29,780</u>	<u>30,451</u>
Total assets	<u>9,189,936</u>	<u>9,628,714</u>
Deferred outflows of resources	<u>118,795</u>	<u>118,558</u>
Total Assets and Deferred Outflows	<u>\$ 9,308,731</u>	<u>\$ 9,747,272</u>



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

	March 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)	1,605,423	1,456,042
Customer deposits, including accrued interest	21,584	15,695
Total current liabilities	<u>2,358,845</u>	<u>2,203,575</u>
Current liabilities payable from restricted assets		
Current portion of long-term debt	236,921	452,119
Accrued interest payable on bonds and notes	115,590	211,192
Other current liabilities (Exhibit C)	37,859	42,255
Total current liabilities from restricted assets	<u>390,370</u>	<u>705,566</u>
Non current liabilities		
Power revenue bonds, net of unamortized debt discount of (46,256) 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	132,893	127,016
Customer deposits - noncurrent	<u>168,855</u>	<u>168,855</u>
Total noncurrent liabilities	<u>8,465,550</u>	<u>8,458,925</u>
Total liabilities	<u>11,214,765</u>	<u>11,368,066</u>
Total net position (Deficit)	<u>(1,906,034)</u>	<u>(1,620,794)</u>
Total Liabilities and Net Position	<u>\$ 9,308,731</u>	<u>\$ 9,747,272</u>

## PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget March 2016	Actual March 2016	Actual March 2015
Operating revenues:			
Sales of electric energy	\$ 374,420	\$ 238,663	\$ 310,513
Total operating revenues	<u>374,420</u>	<u>238,663</u>	<u>310,514</u>
Other income	<u>3,014</u>	<u>3,545</u>	<u>(2,060)</u>
Total revenues	<u>377,434</u>	<u>242,208</u>	<u>308,454</u>
Expenses:			
Fuel cost	187,391	70,968	132,190
Purchased power	64,336	58,285	59,443
Other production	4,734	4,576	5,437
Transmission and distribution	11,431	15,213	12,121
Maintenance	16,377	13,030	13,063
Customer accounting and collection	8,600	8,129	9,323
Administrative and general	<u>15,859</u>	<u>20,471</u>	<u>13,791</u>
Subtotal expenses by function	308,728	190,672	245,368
Other post - employment benefits	653	653	653
Depreciation	28,787	30,869	30,128
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	38,082	38,886	38,258
Contribution to municipalities	18,169	15,270	16,829
Other appropriations	3,334	2,071	2,804
Bond discount and defeasance amortization	<u>137</u>	<u>399</u>	<u>137</u>
Total expenses	<u>397,890</u>	<u>278,820</u>	<u>334,177</u>
Contributed capital	<u>2,166</u>	<u>293</u>	<u>477</u>
Changes in net position	<u>\$ (18,290)</u>	<u>\$ (36,319)</u>	<u>\$ (25,246)</u>

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

	FISCAL YEAR		
	Budget March 2016	Actual March 2016	Actual March 2015
Operating revenues:			
Sales of electric energy	\$ 3,450,816	\$ 2,446,612	\$ 3,181,312
Total operating revenues	3,450,816	2,446,612	3,181,312
Other income	27,124	20,980	19,868
Total revenues	3,477,940	2,467,592	3,201,180
Expenses:			
Fuel cost	1,678,631	946,958	1,500,458
Purchased power	645,792	507,520	605,554
Other production	42,611	42,529	44,022
Transmission and distribution	102,878	111,493	112,550
Maintenance	147,393	122,650	121,522
Customer accounting and collection	77,402	70,391	78,119
Administrative and general	142,727	147,190	138,148
Subtotal expenses by function	2,837,434	1,948,731	2,600,373
Other post - employment benefits	5,877	5,877	5,877
Depreciation	259,080	276,816	267,522
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	342,731	349,590	345,195
Contribution to municipalities	167,478	146,987	181,087
Other appropriations	30,006	25,756	30,402
Bond discount and defeasance amortization	1,236	6,154	1,236
Total expenses	3,643,842	2,759,911	3,431,692
Contributed capital	19,486	7,079	17,845
Changes in net position	\$ (146,416)	\$ (285,240)	\$ (212,667)

## PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget March 2016	Actual March 2016	Actual March 2015
Revenues:			
Sales of electric energy (Exhibit D)	\$ 374,420	\$ 238,663	\$ 310,513
Total operating revenues	374,420	238,663	310,514
Other income	3,014	3,545	(2,060)
Total revenues	377,434	242,208	308,454
Less: 1974 construction fund investment income and gain on sale of properties	295	28	155
Revenues - net	377,139	242,180	308,299
Current expenses:			
Fuel cost	187,391	70,968	132,190
Purchased power	64,336	58,285	59,443
Other production	4,734	4,576	5,437
Transmission and distribution	11,431	15,213	12,121
Maintenance	16,377	13,030	13,063
Customer accounting and collection	8,600	8,129	9,323
Administrative and general	15,859	20,471	13,791
Total current expenses	308,728	190,672	245,368
Net revenues (as defined)	68,411	51,508	62,931
Contractual obligations:			
Sinking fund appropriations -			
Interest on power revenue bonds (1)	31,324	34,267	31,324
Bond redemption account (1)	17,867	18,670	17,867
Rate Stabilization Account	5,668	-	4,315
Interest on notes	4,304	4,617	4,481
Capital Improvements fund	(19,030)	-	(14,688)
Total contractual obligations	40,133	57,554	43,299
Balance	28,278	(6,046)	19,632
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	24,944	(8,117)	16,829
Other	3,334	2,071	2,803
Total provision for contribution and other	28,278	(6,046)	19,632
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 March 2016	Actual March 2016	Actual March 2015	Budget June 2016	Actual March 2016	Actual March 2015
Revenues:						
Sales of electric energy (Exhibit D)	\$ 3,450,816	\$ 2,446,612	\$ 3,181,312	\$ 4,598,098	\$ 3,355,400	\$ 4,350,394
Total operating revenues	3,450,816	2,446,612	3,181,312	4,598,098	3,355,400	4,350,394
Other income	27,124	20,980	19,868	62,150	25,041	(180,717)
Total revenues	3,477,940	2,467,592	3,201,180	4,660,248	3,380,441	4,169,677
Less: 1974 construction fund investment income and gain on sale of properties	2,655	755	1,697	29,520	1,242	3,083
Revenues - net	3,475,285	2,466,837	3,199,483	4,630,728	3,379,199	4,166,594
Current expenses:						
Fuel cost	1,678,631	946,958	1,500,458	2,225,325	1,340,357	2,074,919
Purchased power	645,792	507,520	605,554	871,976	691,281	831,490
Other production	42,611	42,529	44,022	51,198	56,147	59,665
Transmission and distribution	102,878	111,493	112,550	130,305	145,977	151,626
Maintenance	147,393	122,650	121,522	194,345	163,534	162,651
Customer accounting and collection	77,402	70,391	78,119	101,581	90,164	104,790
Administrative and general	142,727	147,190	138,148	206,588	205,332	178,942
Interest charges	-	-	-	-	-	28
Total current expenses	2,837,434	1,948,731	2,600,373	3,781,318	2,692,792	3,564,111
Net revenues (as defined)	637,851	518,106	599,110	849,410	686,407	602,483
Contractual obligations:						
Sinking fund appropriations -						
Interest on power revenue bonds (1)	266,180	288,739	266,180	360,153	382,712	356,056
Bond redemption account (1)	160,807	193,224	160,807	214,410	246,826	211,884
Reserve Account Fund (1)	(172,207)	-	(170,560)	(172,207)	(236,785)	(212,041)
Rate Stabilization Account	52,333	-	47,590	69,733	12,968	47,590
Interest on notes	38,736	40,465	41,200	51,650	54,348	34,177
Capital Improvements fund	74,193	-	42,405	21,422	167,431	26,066
Total contractual obligations	420,042	522,428	387,622	545,161	627,500	463,732
Balance	217,809	(4,322)	211,488	304,249	58,907	138,751
Provision for Contribution in Lieu of Taxes and other appropriations						
Contribution to municipalities	187,803	(30,078)	181,087	264,235	22,585	92,868
Other	30,006	25,756	30,401	40,014	36,322	45,883
Total provision for contribution and other	217,809	(4,322)	211,488	304,249	58,907	138,751
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)

	March 2016	June 2015
Net Position		
Invested in utility plant, net related debt	\$ (694,321)	\$ (746,314)
Restricted for capital activity and debt service	(621,273)	(220,515)
Unrestricted	<u>(590,440)</u>	<u>(653,965)</u>
Total net position	<u>\$ (1,906,034)</u>	<u>\$ (1,620,794)</u>

ACCOUNTS RECEIVABLE  
(in thousands)

## Exhibit A

	March 2016	June 2015
Electric and related services:		
General clients	\$ 811,740	\$ 855,241
Recoveries under fuel adjustment and purchase power clause under or (over) billed	(2,276)	5,312
Unbilled services	134,643	176,611
Allowance for uncollectible accounts	<u>(417,256)</u>	<u>(410,738)</u>
Total General Clients	<u>526,851</u>	<u>626,426</u>
Government, including current and non current	1,318,176	1,031,375
Claims Receivable from Insurance Companies & Other	29,819	29,819
Advances to Irrigation Systems - net	10,270	16,274
Accrued interest	2,048	2,639
Other	<u>4,597</u>	<u>79</u>
Total Accounts Receivable	<u>1,891,761</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><u>\$ 1,782,802</u></u>	<u><u>\$ 1,597,653</u></u>

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

PREPAYMENTS AND OTHER  
(in thousands)

Exhibit B

	March 2016	June 2015
Claims Outstanding Related to Property Damages	\$ 353	\$ 352
Prepayments and other	<u>15,271</u>	<u>3,441</u>
Total	<u>\$ 15,624</u>	<u>\$ 3,793</u>



ACCOUNTS PAYABLE AND ACCRUED LIABILITIES  
(in thousands)

Exhibit C

	March 2016	June 2015
Accounts payable - fuel oil and other	\$ 412,110	\$ 521,779
Accrued annual leave	51,654	55,329
Accrued sick leave	9,270	22,962
Accrued salaries and fringe benefits	2,703	4,175
Accrued Contribution in Lieu of Taxes	1,080,693	806,692
Reserve for injuries and damages	8,775	6,704
Accrued Contributions Federal Social Security	668	1,526
Income tax withheld at source	136	872
Pension & Benefits Deferred Employer Contribution	15,014	15,014
Other	22,629	28,727
Sub total current liabilities	<u>1,605,423</u>	<u>1,456,042</u>
Other current payables from restricted assets		
Retention on Contract Work	5,587	5,734
Vouchered A/P construction	1,330	6,316
Contribution aid to construction	<u>30,942</u>	<u>30,205</u>
Total other current payables from restricted assets	<u>37,859</u>	<u>42,255</u>
Total current Liabilities	<u>1,643,282</u>	<u>1,498,297</u>
NON-CURRENT LIABILITIES		
Accrued sick leave	114,518	114,518
Accrued Unfunded OPEB	<u>132,893</u>	<u>127,016</u>
Total non current liabilities	<u>247,411</u>	<u>241,534</u>
Total accounts payables and non current liabilities	<u>\$ 1,890,693</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**  
**MARCH 2016**

Class of Service	Clients		KWHRS (in thousands)			
			Monthly			
	Billed	Total	Billed	Unbilled	Adjustment	Total
Residential	1,329,387	1,329,387	485,512	310,464	(298,553)	497,423
Commercial	123,791	123,791	674,806	413,491	(383,280)	705,017
Industrial	635	635	197,505	120,821	(110,595)	207,731
Public Lighting	2,171	2,171	27,795	8,029	(8,746)	27,078
Other Public Authorities	2	2	2,577	1,262	(1,289)	2,550
Agricultural	1,192	1,192	2,097	1,331	(1,286)	2,142
Subtotal	1,457,178	1,457,178	1,390,292	855,398	(803,749)	1,441,941
Fuel Oil Adjustment						
Purchased Power						
Purchased Power						
Unrecovered Fuel Oil Cost-net						
Unrecovered Purchased Power Cost-net						
Total	1,457,178	1,457,178	1,390,292	855,398	(803,749)	1,441,941

**FISCAL YEAR-TO-DATE**

Class of Service	Average Clients	KWHRs (thousands)	Revenues (thousands)	Kwhrs. per Client	Cents per KWHRs Sold
Residential	1,326,929	4,787,489	274,415	3,608	5.73
Commercial	123,803	6,129,366	409,671	49,509	6.68
Industrial	641	1,769,651	79,847	2,760,766	4.51
Public Lighting	2,173	235,848	44,013	108,536	18.66
Other Public Authorities	2	27,773	1,226	13,886,500	4.41
Agricultural	1,193	19,510	1,240	16,354	6.36
Subtotal	1,454,741	12,969,637	810,411	8,915	6.25
Fuel Oil Adjustment			1,073,565		8.23
Purchased Power			570,229		4.38
Subtotal	1,454,741	12,969,637	2,454,205	8,915	18.92
Unrecovered Fuel Oil Cost-net			(5,301)		
Unrecovered Purchased Power Cost-net			(2,293)		
Total	1,454,741	12,969,637	2,446,611	8,915	18.86

**PUERTO RICO ELECTRIC POWER AUTHORITY**  
**SALES OF ELECTRIC ENERGY**  
**MARCH 2016**

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Exhibit D

**REVENUES**  
(in thousand \$)

Class of Service	Billed	Unbilled	Adjustment	Total	Kwhrs. per Client	Cents per Kwhr. Sold
Residential	28,918	12,606	(12,143)	29,381	374	5.91
Commercial	47,290	26,847	(25,123)	49,014	5,695	6.95
Industrial	9,112	5,474	(4,990)	9,596	327,135	4.62
Public Lighting	5,117	1,364	(1,524)	4,957	12,473	18.31
Other Public Authorities	119	59	(57)	121	1,274,792	4.75
Agricultural	127	72	(69)	130	1,797	6.07
Subtotal	90,683	46,422	(43,906)	93,199	990	6.46
Fuel Oil Adjustment	84,599	47,734	(49,732)	82,601		5.58
Purchased Power	62,409	40,487	(36,741)	66,155		4.51
Unrecovered Fuel Oil Cost-net				(2,149)		
Unrecovered Purchased Power Cost-net				(1,143)		
Total	237,691	134,643	(130,379)	238,663	990	16.55