



Government of Puerto Rico
Puerto Rico Electric Power Authority

May 19, 2017

Governing Board

Ricardo L. Ramos Rodríguez
Chief Executive Officer

OPERATIONS REPORT – MARCH 2017

Enclosed is the report on the operations of the Puerto Rico Electric Power Authority for March 2017.

Enclosure

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MONTHLY REPORT
TO THE GOVERNING BOARD
MARCH 2017

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PUERTO RICO ELECTRIC POWER AUTHORITY

I. OPERATIONS HIGHLIGHTS

A. Production

	MARCH		Increase (Decrease)
	2016-17	2015-16	%
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	954,098	1,045,093	(8.7)
PREPA - Hydro	4,969	2,016	*
Purchased power - gas	286,599	286,831	(0.1)
Purchased power - coal	319,689	285,960	11.8
Renewable Energy	39,684	33,252	19.3
Total	1,605,039	1,653,152	(2.9)
Fiscal year-to-date:			
PREPA - Steam and gas	9,777,755	10,569,850	(7.5)
PREPA - Hydro	67,869	46,053	47.4
Purchased power - gas	2,542,026	2,423,978	4.9
Purchased power - coal	2,493,965	2,335,956	6.8
Renewable Energy	260,795	244,833	6.5
Total	15,142,410	15,620,670	(3.1)
Twelve months:			
PREPA - Steam and gas	13,285,644	14,182,213	(6.3)
PREPA - Hydro	76,442	56,069	36.3
Purchased power - gas	3,345,495	3,154,298	6.1
Purchased power - coal	3,372,717	3,183,168	6.0
Renewable Energy	341,582	339,216	0.7
Total	20,421,880	20,914,964	(2.4)
2. Maximum hourly peak load (in MW)			
Month	2,663	2,703	(1.5)
Fiscal year-to-date	3,087	3,080	0.2
Twelve months	3,087	3,080	0.2
3. Sales (kWh in thousands)			
Month:			
Billed	1,366,704	1,390,292	(1.7)
Days billed		31.00	(100.0)
Fiscal year-to-date:			
Billed	12,862,614	13,009,589	(1.1)
Days billed		274.00	(100.0)
Twelve months:			
Billed	17,126,403	17,282,571	(0.9)
Days billed		365.0	(100.0)
4. System efficiency (%)			
Month	87.2	87.2	0.0
Fiscal year-to-date	84.4	83.0	1.7
Twelve months	84.0	82.8	1.5
5. Average cost per barrel (\$)			
Month	60.24	42.51	41.7
Fiscal year-to-date	56.66	53.85	5.2
Twelve months	54.13	57.31	(5.5)
6. kWh/Barrel			
Month	631.02	626.18	0.8
Fiscal year-to-date	611.49	601.07	1.7
Twelve months	614.91	606.36	1.4
7. Heat rate (BTU/kWh)**			
Month	10,440	10,553	(1.1)
Fiscal year-to-date	10,750	10,735	0.1
Twelve months	10,689	10,810	(1.1)

*100% or over

**Interim Operational and Financial Information subject to change.

8. Fuel consumption
(in thousands)

	2016-17		2015-16		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	834	49,525	909	33,886	(8.3)	46.2
Gas	335	24,579	268	15,409	25.0	59.5
Natural Gas	343	16,914	492	21,673	(30.3)	(22.0)
Total	<u>1,512</u>	<u>91,018</u>	<u>1,669</u>	<u>70,968</u>	(9.4)	28.3
Fiscal year-to-date:						
Steam	7,892	425,004	9,237	449,947	(14.6)	(5.5)
Gas	4,018	283,860	4,038	283,283	(0.5)	0.2
Natural Gas	4,080	197,133	4,310	213,728	(5.3)	(7.8)
Total	<u>15,990</u>	<u>905,997</u>	<u>17,585</u>	<u>946,958</u>	(9.1)	(4.3)
Twelve months:						
Steam	10,704	541,537	12,563	663,715	(14.8)	(18.4)
Gas	5,241	364,559	5,024	372,878	4.3	(2.2)
Natural Gas	5,661	263,450	5,802	303,764	(2.4)	(13.3)
Total	<u>21,606</u>	<u>1,169,546</u>	<u>23,389</u>	<u>1,340,357</u>	(7.6)	(12.7)

MARCH

			Increase (Decrease) %	
	2017	2016		
B. Client Service				
1. Service complaints per thousand clients		2.62		(100.0)
2. Disconnections for nonpayment per thousand clients		9.34		(100.0)
C. Distribution System				
1. Interruption frequency index				
Total interruptions per thousand clients served		0.269		(100.0)
2. Interruption duration index				
Average interruption time per clients served (minutes)		45.63		(100.0)
3. Clients per interruption		175		(100.0)
4. Time per interruption (minutes)		309		(100.0)

D. Personnel

		MARCH		Increase (Decrease)
		2017	2016	
Management Conf. / Carr.	Reg.	1,857	1,923	(66)
	Temp.	27	13	14
U.T.I.E.R.	Reg.	3,574	3,745	(171)
	Temp.	13	19	(6)
	Emerg.			
U.I.T.I.C.E.	Reg.	614	653	(39)
	Temp.			
U.E.P.I.	Reg.	306	317	(11)
	Temp.			
U.P.A.E.E.	Reg.	4	4	0
	Temp.	1		
Total		<u>6,396</u>	<u>6,674</u>	<u>(278)</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		
	2017	2016	Increase (Decrease) %	2016-17	2015-16	Increase (Decrease) %
kWh sales:						
Residential	488,889	497,423	(1.7)	4,785,650	4,787,489	(0.0)
Commercial	689,603	705,017	(2.2)	6,070,617	6,129,366	(1.0)
Industrial	191,751	207,731	(7.7)	1,635,643	1,769,651	(7.6)
Others	29,614	31,770	(6.8)	288,747	283,131	2.0
Total	<u>1,399,857</u>	<u>1,441,941</u>	(2.9)	<u>12,780,657</u>	<u>12,969,637</u>	(1.5)
Basic revenues:						
Residential	27,652	29,381	(5.9)	266,775	274,415	(2.8)
Commercial	46,557	49,014	(5.0)	402,897	409,671	(1.7)
Industrial	8,916	9,596	(7.1)	76,733	79,847	(3.9)
Others	4,729	5,208	(9.2)	46,868	46,478	0.8
Total	<u>87,854</u>	<u>93,199</u>	(5.7)	<u>793,273</u>	<u>810,411</u>	(2.1)
Provisional rate:						
Residential	5,971	0	*	52,919	0	*
Commercial	8,731	0	*	69,958	0	*
Industrial	2,337	0	*	18,728	0	*
Others	417	0	*	3,316	0	*
Total	<u>17,456</u>	<u>0</u>	*	<u>144,921</u>	<u>0</u>	*
Fuel adjustment:						
Residential	35,893	26,894	33.5	387,171	398,849	(2.9)
Commercial	51,041	41,021	24.4	489,602	513,043	(4.6)
Industrial	13,151	10,671	23.2	121,239	132,266	(8.3)
Others	2,538	1,865	36.1	24,222	24,106	0.5
Total	<u>102,623</u>	<u>80,451</u>	27.6	<u>1,022,234</u>	<u>1,068,264</u>	(4.3)
Purchased power:						
Residential	25,343	22,792	11.2	226,290	213,962	5.8
Commercial	35,328	31,866	10.9	287,261	269,425	6.6
Industrial	9,167	8,867	3.4	71,466	71,581	(0.2)
Others	1,479	1,488	(0.6)	14,372	12,968	10.8
Total	<u>71,317</u>	<u>65,013</u>	9.7	<u>599,389</u>	<u>567,936</u>	5.5
Total revenues:						
Residential	94,859	79,067	20.0	933,155	887,226	5.2
Commercial	141,657	121,901	16.2	1,249,718	1,192,139	4.8
Industrial	33,571	29,134	15.2	288,166	283,694	1.6
Others	9,163	8,561	7.0	88,778	83,552	6.3
Total	<u>279,250</u>	<u>238,663</u>	17.0	<u>2,559,817</u>	<u>2,446,611</u>	4.6

*100% or over

MARCH						
Month			Fiscal Year-to-Date			
2017	2016	Increase (Decrease) %	2016-17	2015-16	Increase (Decrease) %	
2. Cents per kWh						
Basic revenues:						
Residential	5.66	5.91	(4.2)	5.57	5.73	(2.8)
Commercial	6.75	6.95	(2.9)	6.64	6.68	(0.6)
Industrial	4.65	4.62	0.6	4.69	4.51	4.0
Others	15.97	16.39	(2.6)	16.23	16.42	(1.2)
Total	6.28	6.46	(2.8)	6.21	6.25	(0.6)
Provisional rate:						
Residential	1.22	0.00	*	1.11	0.00	*
Commercial	1.27	0.00	*	1.15	0.00	*
Industrial	1.22	0.00	*	1.14	0.00	*
Others	1.41	0.00	*	1.15	0.00	*
Total	1.25	0.00	*	1.13	0.00	*
Fuel adjustment:						
Residential	7.34	5.41	35.7	8.09	8.33	(2.9)
Commercial	7.40	5.82	27.1	8.07	8.37	(3.6)
Industrial	6.86	5.13	33.7	7.42	7.48	(0.8)
Others	8.57	5.88	45.7	8.39	8.51	(1.4)
Total	7.33	5.58	31.4	8.00	8.23	(2.8)
Purchased power:						
Residential	5.18	4.58	13.1	4.73	4.47	5.8
Commercial	5.12	4.52	13.3	4.73	4.40	7.5
Industrial	4.78	4.27	11.9	4.37	4.04	8.2
Others	4.99	4.68	6.6	4.98	4.58	8.7
Total	5.09	4.51	12.9	4.69	4.38	7.1
Total revenues:						
Residential	19.40	15.90	22.0	19.50	18.53	5.2
Commercial	20.54	17.29	18.8	20.59	19.45	5.9
Industrial	17.51	14.02	24.9	17.62	16.03	9.9
Others	30.94	26.95	14.8	30.75	29.51	4.2
Total	19.95	16.55	20.5	20.03	18.86	6.2
3. Clients:						
Residential	1,335,398	1,329,387	0.5	1,334,808	1,326,929	0.6
Commercial	123,796	123,791	0.0	123,843	123,803	0.0
Industrial	619	635	(2.5)	626	641	(2.3)
Others	3,350	3,365	(0.4)	3,364	3,368	(0.1)
Total	1,463,163	1,457,178	0.4	1,462,641	1,454,741	0.5
4. Average kWh per client:						
Residential	366	374	(2.2)	3,585	3,608	(0.6)
Commercial	5,570	5,695	(2.2)	49,019	49,509	(1.0)
Industrial	309,775	327,135	(5.3)	2,612,848	2,760,766	(5.4)
Others	8,840	9,441	(6.4)	85,834	84,065	2.1
Total	957	990	(3.3)	8,738	8,915	(2.0)

*100% or over

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) %
	2017	2016		2016-17	2015-16	
kWh sales:						
Residential	10	10	0.0	102	97	5.2
Commercial	217,656	208,161	4.6	1,865,701	1,829,166	2.0
Industrial						
Others	29,975	30,016	(0.1)	265,884	264,666	0.5
Total	<u>247,641</u>	<u>238,187</u>	4.0	<u>2,131,687</u>	<u>2,093,929</u>	1.8
Basic revenues:						
Residential	1	1	0.0	5	5	0.0
Commercial	15,093	15,090	0.0	118,102	120,493	(2.0)
Industrial						
Others	5,052	5,194	(2.7)	45,087	45,504	(0.9)
Total	<u>20,146</u>	<u>20,285</u>	(0.7)	<u>163,194</u>	<u>166,002</u>	(1.7)
Provisional rate:						
Residential	-	-	-	1	-	*
Commercial	2,831	-	*	21,610	-	*
Industrial						
Others	389	-	*	3,039	-	*
Total	<u>3,220</u>	<u>-</u>	*	<u>24,650</u>	<u>-</u>	*
Fuel adjustment:						
Residential	1	1	0.0	8	9	(11.1)
Commercial	15,379	14,881	3.3	145,456	165,193	(11.9)
Industrial						
Others	2,267	1,835	23.5	21,970	23,128	(5.0)
Total	<u>17,647</u>	<u>16,717</u>	5.6	<u>167,434</u>	<u>188,330</u>	(11.1)
Purchased power:						
Residential	1		*	5	5	0.0
Commercial	11,507	9,244	24.5	84,193	79,065	6.5
Industrial						
Others	1,670	1,414	18.1	12,712	12,180	4.4
Total	<u>13,178</u>	<u>10,658</u>	23.6	<u>96,910</u>	<u>91,250</u>	6.2
Total revenues:						
Residential	3	2	50.0	19	19	0.0
Commercial	44,810	39,215	14.3	369,361	364,751	1.3
Industrial						
Others	9,378	8,443	11.1	82,808	80,812	2.5
Total	<u>54,191</u>	<u>47,660</u>	13.7	<u>452,188</u>	<u>445,582</u>	1.5
2. Service Agreements:						
Residential	14	14	0.0	16	14	14.3
Commercial	21,462	23,313	(7.9)	24,120	24,391	(1.1)
Industrial						
Others	2,923	2,931	(0.3)	3,228	3,089	4.5
Total	<u>24,399</u>	<u>26,258</u>	(7.1)	<u>27,364</u>	<u>27,494</u>	(0.5)

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)

	MARCH 2017					
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	89.8	87.8	(2.2)	814.4	793.3	(2.6)
Fuel adjustment	72.2	102.6	42.1	617.9	1,022.2	65.4 ¹
Purchased power	78.9	71.3	(9.6)	681.3	599.4	(12.0) ²
Provisional rate	11.8	17.5	48.3	59.2	144.9	* ³
Revenues from sales	252.7	279.2	10.5	2,172.8	2,559.8	17.8
Other	(2.0)	(2.8)	40.0	(17.8)	(22.9)	28.7 ⁴
Total revenues	250.7	276.4	10.3	2,155.0	2,536.9	17.7 ¹
Fuel	54.5	91.0	67.0	465.9	906.0	94.5 ²
Purchased power	70.2	65.3	(7.0)	606.4	536.6	(11.5)
Other expenses	52.2	52.9	1.3	469.8	492.1	4.7
Total current expenses	176.9	209.2	18.3	1,542.1	1,934.7	25.5 ⁵
1974 - sinking fund appropriations	17.7	55.6	*	159.2	485.9	* ⁶
Reserve Account						
Rate Stabilization Fund						
Interest on notes	3.3	4.5	36.4	29.8	39.6	32.9 ⁷
Internal funds	35.0		*	259.5	0.8	(99.7)
Contribution to municipalities	4.2	(3.6)	*	38.7	(28.6)	*
Other appropriations	13.6	10.7	(21.3)	125.7	104.5	(16.9)
Total	250.7	276.4	10.3	2,155.0	2,536.9	17.7

EXPLANATION OF MAJOR VARIATIONS

1. The increase in the fuel adjustment and expense for the fiscal year-to-date was due to higher cost of fuel than budgeted.
2. Purchased power revenue and expenses decreased for the fiscal year-to-date due to a lower availability from cogenerators than budgeted.
3. On July 24, 2016, the Energy Commission approved the provisional rate.
4. The other revenues for the fiscal year-to-date increased due to a higher non operating income than budgeted.
5. The 1974 Sinking Fund appropriation have been accrued but not paid nor transferred.
6. Internal funds have been accrued but not paid nor transferred to the Construction Fund. Actual amounts are maintained as part of the General Fund, to provide a reserve for current expenses.
7. Contribution to municipalities for the fiscal year-to-date decreased due to the application of ceiling limits and the annual saving of 5% in accordance with Act 4-2016.

*100% or over

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

	MARCH					
	Month			Fiscal Year-to-Date		
	2017	2016	Increase (Decrease) %	2016-17	2015-16	Increase (Decrease) %
Basic charges	87.8	94.8	(7.4)	793.3	815.7	(2.7)
Fuel adjustment	102.6	148.8	(31.0)	1,022.2	1,686.6	(39.4)
Purchased power	71.3	66.9	6.6	599.4	679.0	(11.7)
Provisional rate	17.5		*	144.9		*
Revenues from sales	279.2	310.5	(10.1)	2,559.8	3,181.3	(19.5)
Other	(2.8)	(2.2)	27.3	(22.9)	18.2	*
Total revenues	<u>276.4</u>	<u>308.3</u>	(10.3)	<u>2,536.9</u>	<u>3,199.5</u>	(20.7)
Fuel	91.0	132.2	(31.2)	906.0	1,500.4	(39.6)
Purchased power	65.3	59.4	9.9	536.6	605.6	(11.4)
Other expenses	<u>52.9</u>	<u>53.8</u>	(1.7)	<u>492.1</u>	<u>494.4</u>	(0.5)
Total current expenses	209.2	245.4	(14.8)	1,934.7	2,600.4	(25.6)
1974 - sinking fund appropriations	55.6	49.2	13.0	485.9	427.0	13.8
Reserve Account					(170.6)	*
Rate Stabilization Fund		4.3	*		47.6	*
Interest on notes	4.5	4.5	0.0	39.6	41.2	(3.9)
Internal funds		(14.7)	*	0.8	42.4	(98.1)
Contribution to municipalities	(3.6)	16.8	*	(28.6)	181.1	*
Other appropriations	<u>10.7</u>	<u>2.8</u>	*	<u>104.5</u>	<u>30.4</u>	*
Total	<u>276.4</u>	<u>308.3</u>	(10.3)	<u>2,536.9</u>	<u>3,199.5</u>	(20.7)

EXPLANATION OF MAJOR VARIATIONS

1. The decrease in the fuel adjustment and expense for the fiscal year-to-date was due to lower cost of fuel than prior year.
2. Purchased power revenue and expenses decreased for the fiscal year-to-date due to a lower availability from cogenerators than prior year.
3. On July 24, 2016, the Energy Commission approved the provisional rate, which it is an increase to all classes of clients by 1.299 cents per kWh.
4. The other revenues for the fiscal year-to-date decreased due to a lower non operating income than prior year.
5. The 1974 Sinking Fund appropriation for current fiscal year have been accrued but not paid nor transferred.
6. Internal funds have been accrued but not paid nor transferred to the Construction Fund. Actual amounts are maintained as part of the General Fund, to provide a reserve for current expenses.
7. Contribution to municipalities for the fiscal year-to-date decreased due to the application of ceiling limits and the annual saving of 5% in accordance with Act 4-2016.
8. Other appropriations for the fiscal year-to-date increased due a reclass of public lighting from Contribution to municipalities to other appropriation (subsidies) per Act 4-2016.

*100% or over

D. Notes Payable
(in thousand dollars)

MARCH

Construction Financing

	<u>2017</u>	<u>2016</u>
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 Plant (AFICA):		
Line of credit	27,023	27,023
Amount received	1,285	0
Available balance	<u>25,738</u>	<u>27,023</u>
Debt outstanding balance	1,285	0
Maturity Date	June 30, 2033	

Operational Financing

	<u>2017</u>	<u>2016</u>
1. Municipalities Settlement Agreement :		
Line of credit	64,208	64,208
Amount received	64,208	64,208
Available balance	<u>0</u>	<u>0</u>
Debt outstanding balance	0	0
Maturity Date	June 30, 2014	
2. Fuel Financing (Scotiabank) :		
Line of credit	550,000	550,000
Amount received	549,950	549,950
Available 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	146,042	146,042
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	35,133	35,133
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 2017						
	Month **			Fiscal Year-to-Date***		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Production	6,936	10,554	52.2	62,426	53,364	(14.5)
Transmission	6,772	3,096	(54.3)	60,952	26,836	(56.0)
Distribution	6,161	4,155	(32.6)	55,451	33,944	(38.8)
Other	8,177	2,127	(74.0)	73,589	11,863	(83.9)
Total	28,046	19,932	(28.9)	252,418	126,007	(50.1)
Internal Funds****	35,016	10	*****	259,478	837	(99.7)
Percentage of Internal Funds to Investment in Capital Improvements Programs*	125%	0%		103%	1%	
Contribution AID for Construction		879			1,862	

	2017	2016
F. Highest debt coverage as of March 31	0.97	1.04

G. REA Projects

	Month	Fiscal Year-to-Date
Total investment	\$0	\$32,863
Families served	0	11

*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.

****Please refer to note 6, page 8 for more information.

*****100% or Over

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

	MARCH		Increase (Decrease) %
	2017	2016	
General clients	839,514	811,741	3.4
Government (State and federal agencies and public corporations)	206,869	298,003	(30.6)
Total Accounts Receivable	<u>1,046,383</u>	<u>1,109,744</u>	(5.7)
Uncollectibles Reserve	<u>(509,628)</u>	<u>(491,143)</u>	3.8
Accounts Receivable after Reserve	<u>536,755</u>	<u>618,601</u>	(13.2)
Sales of electric energy (12 months)			
Revenues from sales	3,133,861	3,324,026	(5.7)
Indicators:			
A/R to Sales	17.1%	18.6%	(8.0)
Sales Days in A/R	63	68	(8.0)
Ratio of collections to sales:			
General clients:			
Sales	2,730,131	2,754,374	(0.9)
Collections	2,654,875	2,846,064	(6.7)
%Collection to Sales	97.2	103.3	(5.9)
Government:			
Sales net of municipalities, public lightning and exclusions	403,730	569,652	(29.1)
Collections	483,000	376,691	28.2
% Collection to Sales	119.63	66.13	80.9
Total:			
Sales net of municipalities, public lightning and exclusions	3,133,861	3,324,026	(5.7)
Collections	3,137,875	3,222,755	(2.6)
%Collection to Sales	100.1	97.0	3.3

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	March 31 2017	June 30 2016
Current assets:		
Cash and cash equivalents		
General fund	\$ 60,558	\$ 60,558
Reserve for current expenses	312,955	235,221
Revenue fund	13	13
Working funds	1,100	1,033
Total cash and cash equivalents	<u>374,626</u>	<u>296,825</u>
Accounts receivable (Exhibit A)	1,924,422	1,845,977
Fuel oil inventory	127,134	71,473
Materials and supplies inventory	170,126	172,431
Prepayments and other (Exhibit B)	28,758	26,306
Total current assets	<u>2,625,066</u>	<u>2,413,012</u>
Non current receivables (Exhibit A)	<u>132,588</u>	<u>132,588</u>
Restricted Assets		
Cash held by trustees	<u>2</u>	<u>(1,908)</u>
Investments held by trustees		
Sinking funds - Interest	3,388	1,934
Non current restricted deposits held by trustees	8,026	8,024
Total investment held by trustees	<u>11,414</u>	<u>9,958</u>
Construction fund and other		
Construction fund	43,114	96,712
Investment held by REA	1,112	1,108
Reserve maintenance fund	16,122	16,083
Other restricted fund	5,123	5,116
Total construction fund and other	<u>65,471</u>	<u>119,019</u>
Total restricted assets	<u>76,887</u>	<u>127,069</u>
Utility Plant		
Electric plant in service	12,836,972	12,750,472
Less: accumulated depreciation	7,346,174	7,076,126
Net electric plant in service	<u>5,490,798</u>	<u>5,674,346</u>
Construction work in progress, including preliminary surveys of 16,919 and 16,876	821,121	776,948
Total utility plant	<u>6,311,919</u>	<u>6,451,294</u>
Deferred debits:		
Unamortized debt expense	(1,666)	(310)
Other	38,738	37,273
Total deferred debits	<u>37,072</u>	<u>36,963</u>
Total assets	<u>9,183,532</u>	<u>9,160,926</u>
Deferred outflows of resources	<u>113,076</u>	<u>120,648</u>
Total Assets and Deferred Outflows	<u>\$ 9,296,608</u>	<u>\$ 9,281,574</u>

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

	March 31 2017	June 30 2016
Liabilities and net position		
Current Liabilities		
Notes payable to banks	\$ 736,777	\$ 731,838
Accounts payable and accrued liabilities (Exhibit C)	1,848,676	1,775,067
Customer deposits, including accrued interest	45,265	31,830
Total current liabilities	<u>2,630,718</u>	<u>2,538,735</u>
Current liabilities payable from restricted assets		
Current portion of long-term debt	248,327	234,394
Accrued interest payable on bonds and notes	132,612	11,881
Other current liabilities (Exhibit C)	41,781	44,203
Total current liabilities from restricted assets	<u>422,720</u>	<u>290,478</u>
Non current liabilities		
Power revenue bonds, net of unamortized debt discount of (43,306) and (46,259)	8,178,380	8,202,235
Net pension liability	1,704,640	1,704,640
Non current portion, accounts payable and accrued sick leave	114,518	114,518
Accrued unfunded OPEB	134,857	134,857
Customer deposits - noncurrent	171,396	171,396
Total noncurrent liabilities	<u>10,303,791</u>	<u>10,327,646</u>
Total liabilities	<u>13,357,229</u>	<u>13,156,859</u>
Deferred inflows of resources:		
Deferred gain on pension valuation	65,946	65,946
Total net position (Deficit)	<u>(4,126,567)</u>	<u>(3,941,231)</u>
Total Liabilities and Net Position	<u>\$ 9,296,608</u>	<u>\$ 9,281,574</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget March 2017	Actual March 2017	Actual March 2016
Operating revenues:			
Sales of electric energy	\$ 252,698	\$ 279,250	\$ 238,663
Total operating revenues	252,698	279,250	238,663
Other income	(1,897)	(2,788)	3,545
Total revenues	250,801	276,462	242,208
Expenses:			
Fuel cost	54,449	91,019	70,968
Purchased power	70,240	65,266	58,285
Other production	3,531	4,829	4,576
Transmission and distribution	10,978	12,406	15,213
Maintenance	14,298	12,596	13,030
Customer accounting and collection	8,342	8,334	8,129
Administrative and general	15,050	14,736	20,471
Subtotal expenses by function	176,888	209,186	190,672
Other post - employment benefits	-	-	653
Depreciation	29,742	30,541	30,869
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	11,858	40,379	38,886
Contribution to municipalities	4,179	7,397	15,270
Other appropriations	13,636	10,682	2,071
Bond discount and defeasance amortization	-	136	399
Total expenses	236,303	298,321	278,820
Contributed capital	791	937	293
Changes in net position	\$ 15,289	\$ (20,922)	\$ (36,319)

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

	FISCAL YEAR		
	Budget March 2017	Actual March 2017	Actual March 2016
Operating revenues:			
Sales of electric energy	\$ 2,172,778	\$ 2,559,817	\$ 2,446,612
Total operating revenues	2,172,778	2,559,817	2,446,612
Other income	(17,069)	(22,453)	20,980
Total revenues	2,155,709	2,537,364	2,467,592
Expenses:			
Fuel cost	465,926	905,997	946,958
Purchased power	606,364	536,581	507,520
Other production	31,782	41,893	42,529
Transmission and distribution	98,806	110,409	111,493
Maintenance	128,678	118,277	122,650
Customer accounting and collection	75,077	72,468	70,391
Administrative and general	135,453	149,032	147,190
Subtotal expenses by function	1,542,086	1,934,657	1,948,731
Other post - employment benefits	-	-	5,877
Depreciation	267,675	275,710	276,816
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	106,726	362,602	349,590
Contribution to municipalities	38,749	51,993	146,987
Other appropriations	125,663	104,516	25,756
Bond discount and defeasance amortization	-	768	6,154
Total expenses	2,080,899	2,730,246	2,759,911
Contributed capital	7,125	6,009	7,079
Changes in net position	\$ 81,935	\$ (186,873)	\$ (285,240)

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget March 2017	Actual March 2017	Actual March 2016
Revenues:			
Sales of electric energy (Exhibit D)	\$ 252,698	\$ 279,250	\$ 238,663
Total operating revenues	252,698	279,250	238,663
Other income	(1,897)	(2,788)	3,545
Total revenues	250,801	276,462	242,208
Less: 1974 construction fund investment income and gain on sale of properties	84	43	27
Revenues - net	250,717	276,419	242,181
Current expenses:			
Fuel cost	54,449	91,019	70,968
Purchased power	70,240	65,267	58,286
Other production	3,531	4,829	4,576
Transmission and distribution	10,978	12,406	15,213
Maintenance	14,298	12,596	13,029
Customer accounting and collection	8,342	8,334	8,129
Administrative and general	15,050	14,736	20,471
Total current expenses	176,888	209,187	190,672
Net revenues (as defined)	73,829	67,232	51,509
Contractual obligations:			
Sinking fund appropriations -			
Interest on power revenue bonds (1)	8,552	35,888	34,267
Bond redemption accoun (1)	9,139	19,780	18,670
Interest on notes	3,306	4,491	4,618
Capital Improvements fund	35,017	10	-
Total contractual obligations	56,014	60,169	57,555
Balance	17,815	7,063	(6,046)
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	4,179	(3,619)	(8,117)
Other	13,636	10,682	2,071
Total provision for contribution and other	17,815	7,063	(6,046)
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 March 2017	Actual March 2017	Actual March 2016	Budget June 2017	Actual March 2017	Actual March 2016
Revenues:						
Sales of electric energy (Exhibit D)	\$ 2,172,778	\$ 2,559,817	\$ 2,446,612	\$ 2,970,682	\$ 3,326,166	\$ 3,355,400
Total operating revenues	2,172,778	2,559,817	2,446,612	2,970,682	3,326,166	3,355,400
Other income	(17,069)	(22,453)	20,980	(22,759)	(19,351)	148,044
Total revenues	2,155,709	2,537,364	2,467,592	2,947,923	3,306,815	3,207,356
Less: 1974 construction fund investment income and gain on sale of properties	755	442	755	1,007	524	1,242
Revenues - net	2,154,954	2,536,922	2,466,837	2,946,916	3,306,291	3,206,114
Current expenses:						
Fuel cost	465,926	905,997	946,958	647,482	1,169,546	1,340,357
Purchased power	606,364	536,581	507,520	828,393	711,293	691,683
Other production	31,782	41,892	42,529	42,376	56,933	59,393
Transmission and distribution	98,806	110,409	111,493	131,741	147,269	155,786
Maintenance	128,678	118,277	122,650	171,571	157,437	175,589
Customer accounting and collection	75,077	72,468	70,391	100,103	95,415	97,168
Administrative and general	135,453	149,032	147,190	180,604	202,787	213,652
Total current expenses	1,542,086	1,934,656	1,948,731	2,102,270	2,540,680	2,733,628
Net revenues (as defined)	612,868	602,266	518,106	844,646	765,611	472,486
Contractual obligations:						
Sinking fund appropriations -						
Interest on power revenue bonds (1)	76,970	322,989	288,739	102,626	426,578	382,712
Bond redemption account (1)	82,251	162,932	193,224	109,669	218,941	246,826
Reserve Account Fund (1)	-	-	-	-	-	(236,785)
Rate Stabilization Account	-	-	-	-	-	12,968
Interest on notes	29,756	39,613	40,465	39,675	52,710	54,348
Capital Improvements fund	259,478	838	-	366,779	838	(22,946)
Total contractual obligations	448,455	526,372	522,428	618,749	699,067	437,123
Balance	164,413	75,894	(4,322)	225,897	66,544	35,363
Provision for Contribution in Lieu of Taxes and other appropriations						
Contribution to municipalities	38,750	(28,622)	(30,078)	51,784	(58,820)	(3,818)
Other	125,663	104,516	25,756	174,113	125,364	39,181
Total provision for contribution and other	164,413	75,894	(4,322)	225,897	66,544	35,363
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)

	March 2017	June 2016
Net Position		
Invested in utility plant, net related debt	\$ (1,008,448)	\$ (686,162)
Restricted for capital activity and debt service	(636,359)	(659,345)
Unrestricted	<u>(2,481,760)</u>	<u>(2,595,724)</u>
Total net position	<u>\$ (4,126,567)</u>	<u>\$ (3,941,231)</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

ACCOUNTS RECEIVABLE
(in thousands)

Exhibit A

	March 2017	June 2016
Electric and related services:		
General clients	\$ 839,514	\$ 829,406
Recoveries under fuel adjustment and purchase power clause under or (over) billed	13,203	(14,191)
Unbilled services	161,130	167,574
Allowance for uncollectible accounts- General Client	(451,131)	<u>(434,755)</u>
Total General Clients	<u>562,716</u>	<u>548,034</u>
Government, including current and non current	1,507,213	1,418,851
Allowance for uncollectible accounts- Government	<u>(58,497)</u>	<u>(58,497)</u>
Total Government	1,448,716	1,360,354
Claims Receivable from Insurance Companies & Other	30,227	29,964
Advances to Irrigation Systems - net	5,994	9,098
Accrued interest	2,082	2,052
Other	<u>7,275</u>	<u>29,063</u>
Total Accounts Receivable	2,057,010	1,978,565
Less: Government Account Receivable, non current portion	<u>132,588</u>	<u>132,588</u>
Total Accounts Receivable, current portion	<u>\$ 1,924,422</u>	<u>\$ 1,845,977</u>

(1) Excludes CILT set aside during fiscal year 2016-2017 and 2015-2016.

PREPAYMENTS AND OTHER
(in thousands)

Exhibit B

	March 2017	June 2016
Claims Outstanding Related to Property Damages	\$ 353	\$ 353
Prepayments and other	<u>28,405</u>	<u>25,953</u>
Total	<u>\$ 28,758</u>	<u>\$ 26,306</u>

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands)

	March 2017	June 2016
Exhibit C		
Accounts payable - fuel oil and other	\$ 492,941	\$ 530,136
Accrued annual leave	47,544	50,302
Accrued sick leave	-	4,682
Accrued salaries and fringe benefits	2,499	3,867
Accrued Contribution in Lieu of Taxes	1,276,599	1,146,973
Accrued Actuarial Retirement	2,192	2,192
Reserve for injuries and damages	1,610	258
Accrued Contributions Federal Social Security	1,250	-
Income tax withheld at source	495	-
Health plan	5,015	20,060
Pension & Benefits Deferred Employer Contribution	9,342	9,342
Other	9,189	7,255
Sub total current liabilities	<u>1,848,676</u>	<u>1,775,067</u>
Other current payables from restricted assets		
Retention on Contract Work	5,893	5,672
Vouchered A/P construction	2,255	5,548
Contribution aid to construction	33,633	32,983
Total other current payables from restricted assets	<u>41,781</u>	<u>44,203</u>
Total current Liabilities	<u>1,890,457</u>	<u>1,819,270</u>
NON-CURRENT LIABILITIES		
Net Pension Liability	1,704,640	1,704,640
Accrued sick leave	114,518	114,518
Accrued Unfunded OPEB	134,857	134,857
Total non current liabilities	<u>1,954,015</u>	<u>1,954,015</u>
Total accounts payables and non current liabilities	<u>\$ 3,844,472</u>	<u>\$ 3,773,285</u>

(1) Excludes CILT set aside during fiscal year 2016-2017 and 2015-2016.

PUERTO RICO ELECTRIC POWER AUTHORITY
SALES OF ELECTRIC ENERGY
MARCH 2017

Class of Service	Clients		KHRS (in thousands)			
			Monthly			
	Billed	Total	Billed	Unbilled	Adjustment	Total
Residential	1,335,398	1,335,398	481,614	321,791	(314,516)	488,889
Commercial	123,796	123,796	672,730	431,891	(415,018)	689,603
Industrial	619	619	180,212	121,489	(109,950)	191,751
Public Lighting	2,156	2,156	27,371	10,932	(13,377)	24,926
Other Public Authorities	2	2	2,730	1,543	(1,599)	2,674
Agricultural	1,192	1,192	2,047	1,435	(1,468)	2,014
Subtotal	1,463,163	1,463,163	1,366,704	889,081	(855,928)	1,399,857
Fuel Oil Adjustment						
Purchased Power						
Purchased Power						
Unrecovered Fuel Oil Cost-net						
Unrecovered Purchased Power Cost-net						
Total	1,463,163	1,463,163	1,366,704	889,081	(855,928)	1,399,857

FISCAL YEAR-TO-DATE

PUERTO RICO ELECTRIC POWER AUTHORITY
SALES OF ELECTRIC ENERGY
MARCH 2017

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Exhibit D

REVENUES
(in thousand \$)

Class of Service	Billed	Unbilled	Adjustment	Total	Kwhrs. per Client	Cents per Kwhr. Sold
Residential	33,255	13,010	(12,642)	33,623	366	6.88
Commercial	54,778	27,777	(27,267)	55,288	5,570	8.02
Industrial	10,810	5,561	(5,118)	11,253	309,776	5.87
Public Lighting	5,309	1,771	(2,235)	4,845	11,561	19.44
Other Public Authorities	158	68	(75)	151	1,336,513	5.65
Agricultural	<u>152</u>	<u>78</u>	<u>(80)</u>	<u>150</u>	<u>1,689</u>	<u>7.45</u>
Subtotal	104,462	48,265	(47,417)	105,310	957	7.52
Fuel Oil Adjustment	98,451	65,456	(75,854)	88,053		7.33
Purchased Power	<u>72,605</u>	<u>47,410</u>	<u>(41,603)</u>	<u>78,412</u>		<u>5.09</u>
Unrecovered Fuel Oil Cost-net				14,570		
Unrecovered Purchased Power Cost-net				(7,095)		
Total	<u>275,518</u>	<u>161,131</u>	<u>(164,874)</u>	<u>279,250</u>	<u>957</u>	<u>19.95</u>