



GOVERNMENT OF PUERTO RICO
Puerto Rico Electric Power Authority

Ricardo L. Ramos Rodríguez, P.E.
Chief Executive Officer

March 24, 2017

Governing Board

Ricardo L. Ramos Rodriguez
Executive Director

OPERATIONS REPORT – JANUARY 2017

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

Enclosure

MONTHLY REPORT
TO THE GOVERNING BOARD
JANUARY 2017

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PUERTO RICO ELECTRIC POWER AUTHORITY

I. OPERATIONS HIGHLIGHTS

A. Production

	JANUARY		Increase (Decrease) %
	2016-17	2015-16	
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	958,768	999,227	(4.0)
PREPA - Hydro	4,116	2,329	76.7
Purchased power - gas	287,259	286,507	0.3
Purchased power - coal	259,453	300,971	(13.8)
Renewable Energy	34,145	23,721	43.9
Total	1,543,741	1,612,755	(4.3)
Fiscal year-to-date:			
PREPA - Steam and gas	7,845,832	8,532,086	(8.0)
PREPA - Hydro	59,080	40,928	44.4
Purchased power - gas	1,987,907	1,868,395	6.4
Purchased power - coal	1,998,491	1,777,594	12.4
Renewable Energy	189,609	186,923	1.4
Total	12,080,919	12,405,926	(2.6)
Twelve months:			
PREPA - Steam and gas	13,391,484	14,296,464	(6.3)
PREPA - Hydro	72,778	55,686	30.7
Purchased power - gas	3,346,958	2,935,179	14.0
Purchased power - coal	3,435,605	3,264,538	5.2
Renewable Energy	328,307	335,722	(2.2)
Total	20,575,132	20,887,589	(1.5)
2. Maximum hourly peak load (in MW)			
Month	2,551	2,617	(2.5)
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	1,358,908	1,368,303	(0.7)
Days billed	31.00	31.00	0.0
Fiscal year-to-date:			
Billed	10,240,342	10,282,392	(0.4)
Days billed	213.00	213.00	0.0
Twelve months:			
Billed	17,231,328	17,241,521	(0.1)
Days billed	364.0	365.0	(0.3)
4. System efficiency (%)			
Month	86.5	81.8	5.8
Fiscal year-to-date	84.8	82.7	2.5
Twelve months	84.2	82.5	2.1
5. Average cost per barrel (\$)			
Month	61.82	43.85	41.0
Fiscal year-to-date	55.48	56.39	(1.6)
Twelve months	51.35	61.64	(16.7)
6. kWh/Barrel			
Month	615.78	614.91	0.1
Fiscal year-to-date	608.11	594.49	2.3
Twelve months	615.64	607.46	1.3
7. Heat rate (BTU/kWh) *			
Month	10,755	10,771	(0.1)
Fiscal year-to-date	10,801	10,803	(0.0)
Twelve months	10,677	10,847	(1.6)

* Interim Operational and Financial Information subject to change.

PUERTO RICO ELECTRIC POWER AUTHORITY

8. Fuel consumption
(in thousands)

	2016-17		2015-16		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	774	45,878	889	35,017	(12.9)	31.0
Gas	342	26,516	281	15,150	21.7	75.0
Natural Gas	441	23,827	455	21,091	(3.1)	13.0
Total	<u>1,557</u>	<u>96,221</u>	<u>1,625</u>	<u>71,258</u>	(4.2)	35.0
Fiscal year-to-date:						
Steam	6,200	322,471	7,538	387,070	(17.8)	(16.7)
Gas	3,323	231,709	3,460	251,321	(4.0)	(7.8)
Natural Gas	3,379	161,608	3,354	170,885	0.7	(5.4)
Total	<u>12,902</u>	<u>715,788</u>	<u>14,352</u>	<u>809,276</u>	(10.1)	(11.6)
Twelve months:						
Steam	10,712	501,882	13,181	763,304	(18.7)	(34.2)
Gas	5,124	344,370	4,693	364,009	9.2	(5.4)
Natural Gas	5,916	270,768	5,661	323,438	4.5	(16.3)
Total	<u>21,752</u>	<u>1,117,020</u>	<u>23,535</u>	<u>1,450,751</u>	(7.6)	(23.0)

JANUARY

B. Client Service

	2017	2016	Increase (Decrease) %
1. Service complaints per thousand clients	2.80	2.12	32.1
2. Disconnections for nonpayment per thousand clients	6.20	10.22	(39.3)

C. Distribution System

1. Interruption frequency index			
Total interruptions per thousand clients served	0.323	0.191	69.4
2. Interruption duration index			
Average interruption time per clients served (minutes)	53.25	33.29	60.0
3. Clients per interruption	210	184	14.2
4. Time per interruption (minutes)	350	315	11.1

D. Personnel

		JANUARY		Increase (Decrease)
		2017	2016	
Management Conf. / Carr.	Reg.	1,894	1,947	(53)
	Temp.	29	12	17
U.T.I.E.R.	Reg.	3,604	3,788	(184)
	Temp.	14	21	(7)
	Emerg.			
U.I.T.I.C.E.	Reg.	622	662	(40)
	Temp.			
U.E.P.I.	Reg.	307	318	(11)
	Temp.			
U.P.A.E.E.	Reg.	4	4	0
	Temp.	1		
Total		<u>6,475</u>	<u>6,752</u>	<u>(277)</u>

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	JANUARY					
	Month			Fiscal Year-to-Date		
	2017	2016	Increase (Decrease) %	2016-17	2015-16	Increase (Decrease) %
kWh sales:						
Residential	506,826	513,531	(1.3)	3,902,920	3,844,568	1.5
Commercial	637,127	614,512	3.7	4,820,551	4,808,519	0.3
Industrial	159,701	158,369	0.8	1,289,489	1,385,825	(7.0)
Others	32,287	32,487	(0.6)	226,627	221,643	2.2
Total	<u>1,335,941</u>	<u>1,318,899</u>	1.3	<u>10,239,587</u>	<u>10,260,555</u>	(0.2)
Basic revenues:						
Residential	28,008	30,544	(8.3)	216,218	218,487	(1.0)
Commercial	38,146	43,984	(13.3)	318,495	317,860	0.2
Industrial	7,713	7,612	1.3	60,361	62,216	(3.0)
Others	5,385	5,330	1.0	36,859	36,315	1.5
Total	<u>79,252</u>	<u>87,470</u>	(9.4)	<u>631,933</u>	<u>634,878</u>	(0.5)
Provisional rate:						
Residential	6,310	0	*	41,324	0	*
Commercial	8,362	0	*	53,443	0	*
Industrial	2,216	0	*	14,264	0	*
Others	409	0	*	2,484	0	*
Total	<u>17,297</u>	<u>0</u>	*	<u>111,515</u>	<u>0</u>	*
Fuel adjustment:						
Residential	41,302	31,619	30.6	311,880	345,405	(9.7)
Commercial	52,268	38,440	36.0	383,041	434,127	(11.8)
Industrial	12,088	8,442	43.2	94,202	112,223	(16.1)
Others	2,863	2,037	40.5	18,618	20,622	(9.7)
Total	<u>108,521</u>	<u>80,538</u>	34.7	<u>807,741</u>	<u>912,377</u>	(11.5)
Purchased power:						
Residential	25,725	23,920	7.5	179,392	169,705	5.7
Commercial	32,456	28,564	13.6	221,269	208,074	6.3
Industrial	7,530	6,738	11.8	54,606	55,062	(0.8)
Others	1,809	1,620	11.7	11,016	10,027	9.9
Total	<u>67,520</u>	<u>60,842</u>	11.0	<u>466,283</u>	<u>442,868</u>	5.3
Total revenues:						
Residential	101,345	86,083	17.7	748,814	733,597	2.1
Commercial	131,232	110,988	18.2	976,248	960,061	1.7
Industrial	29,547	22,792	29.6	223,433	229,501	(2.6)
Others	10,466	8,987	16.5	68,977	66,964	3.0
Total	<u>272,590</u>	<u>228,850</u>	19.1	<u>2,017,472</u>	<u>1,990,123</u>	1.4

JANUARY						
	Month			Fiscal Year-to-Date		
	2017	2016	Increase (Decrease) %	2016-17	2015-16	Increase (Decrease) %
2. Cents per kWh						
Basic revenues:						
Residential	5.53	5.95	(7.1)	5.54	5.68	(2.5)
Commercial	5.99	7.16	(16.3)	6.61	6.61	0.0
Industrial	4.83	4.81	0.4	4.68	4.49	4.2
Others	16.68	16.41	1.6	16.26	16.38	(0.7)
Total	5.93	6.63	(10.6)	6.17	6.19	(0.3)
Provisional rate:						
Residential	1.25	0.00	*	1.06	0.00	*
Commercial	1.31	0.00	*	1.11	0.00	*
Industrial	1.39	0.00	*	1.11	0.00	*
Others	1.27	0.00	*	1.10	0.00	*
Total	1.29	0.00	*	1.09	0.00	*
Fuel adjustment:						
Residential	8.14	6.15	32.4	7.99	8.99	(11.1)
Commercial	8.21	6.25	31.4	7.94	9.03	(12.1)
Industrial	7.56	5.33	41.8	7.31	8.10	(9.8)
Others	8.87	6.26	41.7	8.22	9.31	(11.7)
Total	8.12	6.11	32.9	7.89	8.89	(11.2)
Purchased power:						
Residential	5.08	4.66	9.0	4.60	4.41	4.3
Commercial	5.09	4.65	9.5	4.59	4.33	6.0
Industrial	4.72	4.25	11.1	4.23	3.97	6.5
Others	5.60	4.99	12.2	4.86	4.52	7.5
Total	5.05	4.61	9.5	4.55	4.32	5.3
Total revenues:						
Residential	20.00	16.76	19.3	19.19	19.08	0.6
Commercial	20.60	18.06	14.1	20.25	19.97	1.4
Industrial	18.50	14.39	28.6	17.33	16.56	4.6
Others	32.42	27.66	17.2	30.44	30.21	0.8
Total	20.39	17.35	17.5	19.70	19.40	1.5
3. Clients:						
Residential	1,336,466	1,327,936	0.6	1,334,398	1,326,393	0.6
Commercial	123,889	123,696	0.2	123,846	123,821	0.0
Industrial	626	639	(2.0)	628	643	(2.3)
Others	3,361	3,363	(0.1)	3,368	3,370	(0.1)
Total	1,464,342	1,455,634	0.6	1,462,240	1,454,227	0.6
4. Average kWh per client:						
Residential	379	387	(1.9)	2,925	2,899	0.9
Commercial	5,143	4,968	3.5	38,924	38,834	0.2
Industrial	255,113	247,839	2.9	2,053,326	2,155,249	(4.7)
Others	9,606	9,660	(0.6)	67,288	65,769	2.3
Total	912	906	0.7	7,003	7,056	(0.8)

*100% or over

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	JANUARY					
	Month		Increase (Decrease) %	Fiscal Year-to-Date		Increase (Decrease) %
	2017	2016		2016-17	2015-16	
kWh sales:						
Residential	12	11	9.1	84	77	9.1
Commercial	203,040	192,160	5.7	1,454,073	1,421,050	2.3
Industrial						
Others	29,098	29,417	(1.1)	206,325	205,670	0.3
Total	<u>232,150</u>	<u>221,588</u>	4.8	<u>1,660,482</u>	<u>1,626,797</u>	2.1
Basic revenues:						
Residential	1	1	0.0	4	4	0.0
Commercial	8,612	14,225	(39.5)	88,736	91,471	(3.0)
Industrial						
Others	4,997	5,025	(0.6)	34,972	35,308	(1.0)
Total	<u>13,610</u>	<u>19,251</u>	(29.3)	<u>123,712</u>	<u>126,783</u>	(2.4)
Provisional rate:						
Residential	-	-	0.0	1	-	*
Commercial	2,598	-	*	16,331	-	*
Industrial						
Others	378	-	*	2,263	-	*
Total	<u>2,976</u>	<u>-</u>	*	<u>18,595</u>	<u>-</u>	*
Fuel adjustment:						
Residential	1	1	0.0	7	7	0.0
Commercial	15,010	15,630	(4.0)	111,155	133,471	(16.7)
Industrial						
Others	2,242	2,202	1.8	16,706	19,058	(12.3)
Total	<u>17,253</u>	<u>17,833</u>	(3.3)	<u>127,868</u>	<u>152,536</u>	(16.2)
Purchased power:						
Residential	1	0	*	4	3	33.3
Commercial	9,079	7,560	20.1	63,201	60,539	4.4
Industrial						
Others	1,367	1,232	11.0	9,514	9,344	1.8
Total	<u>10,447</u>	<u>8,792</u>	18.8	<u>72,719</u>	<u>69,886</u>	4.1
Total revenues:						
Residential	3	2	*	16	14	14.3
Commercial	35,299	37,415	(5.7)	279,423	285,481	(2.1)
Industrial						
Others	8,984	8,459	6.2	63,455	63,710	(0.4)
Total	<u>44,286</u>	<u>45,876</u>	(3.5)	<u>342,894</u>	<u>349,205</u>	(1.8)
2. Service Agreements:						
Residential	14	14	0.0	16	14	14.3
Commercial	21,492	23,908	(10.1)	24,874	24,736	0.6
Industrial						
Others	2,918	2,994	(2.5)	3,314	3,137	5.6
Total	<u>24,424</u>	<u>26,916</u>	(9.3)	<u>28,204</u>	<u>27,887</u>	1.1

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)

	JANUARY 2017					
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	82.5	79.3	(3.9)	646.4	631.9	(2.2)
Fuel adjustment	55.2	108.5	96.6	487.6	807.8	65.7
Purchased power	78.9	67.5	(14.4)	529.1	466.3	(11.9)
Provisional rate	11.8	17.3	46.6	35.5	111.5	*
Revenues from sales	228.4	272.6	19.4	1,698.6	2,017.5	18.8
Other	(2.0)	(3.0)	50.0	(13.9)	(17.0)	22.3
Total revenues	226.4	269.6	19.1	1,684.7	2,000.5	18.7
Fuel	41.6	96.2	*	367.7	715.8	94.7
Purchased power	70.2	60.3	(14.1)	471.0	416.1	(11.7)
Other expenses	52.2	53.2	1.9	365.3	390.7	7.0
Total current expenses	164.0	209.7	27.9	1,204.0	1,522.6	26.5
1974 - sinking fund appropriations	17.7	55.7	*	123.9	374.6	*
Reserve Account						
Rate Stabilization Fund						
Interest on notes	3.3	4.5	36.4	23.1	31.1	34.6
Internal funds	24.0	0.0	*	204.1	0.8	(99.6)
Contribution to municipalities	4.0	(10.6)	*	30.5	(10.3)	*
Other appropriations	13.4	10.3	(23.1)	99.1	81.7	(17.6)
Total	226.4	269.6	19.1	1,684.7	2,000.5	18.7

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)

	JANUARY					
	Month			Fiscal Year-to-Date		
	2017	2016	Increase (Decrease) %	2016-17	2015-16	Increase (Decrease) %
Basic charges	79.3	87.5	(9.4)	631.9	634.9	(0.5)
Fuel adjustment	108.5	80.5	34.8	807.8	912.4	(11.5)
Purchased power	67.5	60.8	11.0	466.3	442.8	5.3
Provisional rate	17.3	0.0	*	111.5	0.0	*
Revenues from sales	272.6	228.8	19.1	2,017.5	1,990.1	1.4
Other	(3.0)	2.6	*	(17.0)	15.7	*
Total revenues	269.6	231.4	16.5	2,000.5	2,005.8	(0.3)
Fuel	96.2	71.3	34.9	715.8	809.3	(11.6)
Purchased power	60.3	53.8	12.1	416.1	395.2	5.3
Other expenses	53.2	51.8	2.7	390.7	383.8	1.8
Total current expenses	209.7	176.9	18.5	1,522.6	1,588.3	(4.1)
1974 - sinking fund appropriations	55.7	53.6	3.9	374.6	376.1	(0.4)
Reserve Account	0.0	0.0	0.0	0.0	0.0	0.0
Rate Stabilization Fund	0.0	(24.3)	*	0.0	0.0	0.0
Interest on notes	4.5	4.5	0.0	31.1	31.8	(2.2)
Internal funds	0.0	76.8	*	0.8	0.0	*
Contribution to municipalities	(10.6)	(61.4)	(82.7)	(10.3)	(11.4)	(9.6)
Other appropriations	10.3	5.3	94.3	81.7	21.0	*
Total	269.6	231.4	16.5	2,000.5	2,005.8	(0.3)

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 increased for the fiscal year-to-date due to a higher 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)

JANUARY

Construction Financing

	<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>1,126</u>	<u>0</u>
Available balance	<u>25,897</u>	<u>27,023</u>
Debt outstanding balance	1,126	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	<u>64,208</u>	<u>64,208</u>
Available amount	<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 balance	<u>3,958</u>	<u>3,958</u>
Debt outstanding balance	146,042	146,042
Maturity Date	January 10, 2014	
4. Collateral SWAP - (GDB):		
Line of credit	100,000	100,000
Amount received	<u>35,133</u>	<u>35,133</u>
Available balance	<u>64,867</u>	<u>64,867</u>
Debt outstanding balance	35,133	35,133
Maturity Date	Dec. 31, 2014	

E. Capital Improvements Program
(in thousand dollars)

JANUARY 2017						
	Month **			Fiscal Year-to-Date***		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Production	6,936	4,745	(31.6)	48,554	41,204	(15.1)
Transmission	6,772	2,780	(58.9)	47,407	21,215	(55.2)
Distribution	6,161	4,330	(29.7)	43,129	24,315	(43.6)
Other	8,177	494	(94.0)	57,236	3,079	(94.6)
Total	28,046	12,349	(56.0)	196,326	89,813	(54.3)
Internal Funds	23,963	0	****	204,142	828	(99.6)
Percentage of Internal Funds to Investment in Capital Improvements Programs*	85%	0%		104%	1%	
Contribution AID for Construction		33			956	

	2017	2016
F. Highest debt coverage as of January 31	0.94	1.06

G. REA Projects

	Month	Fiscal Year-to-Date
Total investment	\$3,544	\$30,356
Families served	3	10

* A minimum in the internal funds contribution of 25% has been recommended by the Consulting Engineers.

** Monthly figures may vary significantly due to fluctuations in the availability of funds. For more accurate results, please refer to fiscal year-to-date figures.

*** Includes monthly overhead allocation.

****100% or over

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

	JANUARY		Increase (Decrease) %
	2017	2016	
General clients	843,121	841,450	0.2
Government (State and federal agencies and public corporations)	195,988	291,301	(32.7)
Total Accounts Receivable	<u>1,039,109</u>	<u>1,132,751</u>	(8.3)
Uncollectibles Reserve	<u>(500,010)</u>	<u>(490,221)</u>	2.0
Accounts Receivable after Reserve	<u>539,099</u>	<u>642,530</u>	(16.1)
Sales of electric energy (12 months)			
Revenues from sales	3,052,462	3,284,112	(7.1)
Indicators:			
A/R to Sales	17.7%	19.6%	(9.7)
Sales Days in A/R	64	71	(9.7)
Ratio of collections to sales:			
General clients:			
Sales	2,657,190	2,867,206	(7.3)
Collections	2,628,967	2,931,338	(10.3)
%Collection to Sales	98.9	102.2	(3.2)
Government:			
Sales net of municipalities, public lightning and exclusions	395,272	416,906	(5.2)
Collections	484,029	405,982	19.2
% Collection to Sales	122.5	97.4	25.7
Total:			
Sales net of municipalities, public lightning and exclusions	3,052,462	3,284,112	(7.1)
Collections	3,112,996	3,337,320	(6.7)
%Collection to Sales	102.0	101.6	0.4

PUERTO RICO ELECTRIC POWER AUTHORITY

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PUERTO RICO ELECTRIC POWER AUTHORITY

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

	January 31 2017	June 30 2016
Current assets:		
Cash and cash equivalents		
General fund	\$ 60,558	\$ 60,558
Reserve for current expenses	387,494	353,841
Revenue fund	13	13
Working funds	1,098	1,033
Total cash and cash equivalents	<u>449,163</u>	<u>415,445</u>
Accounts receivable (Exhibit A)	1,730,125	1,676,390
Fuel oil inventory	107,356	71,473
Materials and supplies inventory	171,193	172,431
Prepayments and other (Exhibit B)	25,791	26,306
Total current assets	<u>2,483,628</u>	<u>2,362,045</u>
Non current receivables (Exhibit A)	<u>132,588</u>	<u>132,588</u>
Restricted Assets		
Investments held by trustees		
Sinking funds - Interest	28	1,934
Non current restricted deposits held by trustees	8,026	8,024
Total investment held by trustees	<u>8,054</u>	<u>9,958</u>
Construction fund and other		
Construction fund	75,048	122,357
Investment held by REA	1,110	1,108
Reserve maintenance fund	16,122	16,083
Other restricted fund	5,120	5,116
Total construction fund and other	<u>97,400</u>	<u>144,664</u>
Total restricted assets	<u>105,454</u>	<u>152,713</u>
Utility Plant		
Electric plant in service	12,812,387	12,745,101
Less: accumulated depreciation	7,286,628	7,076,126
Net electric plant in service	5,525,759	5,668,975
Construction work in progress, including preliminary surveys of 16,876 and 16,876	810,870	783,637
Total utility plant	<u>6,336,629</u>	<u>6,452,612</u>
Deferred debits:		
Unamortized debt expense	(992)	(310)
Other	38,316	37,273
Total deferred debits	<u>37,324</u>	<u>36,963</u>
Total assets	<u>9,095,623</u>	<u>9,136,921</u>
Deferred outflows of resources	<u>113,076</u>	<u>120,648</u>
Total Assets and Deferred Outflows	<u>\$ 9,208,699</u>	<u>\$ 9,257,569</u>

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

	January 31 2017	June 30 2016
Liabilities and net position		
Current Liabilities		
Notes payable to banks	\$ 731,838	\$ 731,838
Accounts payable and accrued liabilities (Exhibit C)	1,638,531	1,591,455
Customer deposits, including accrued interest	40,730	31,830
Total current liabilities	<u>2,411,099</u>	<u>2,355,123</u>
Current liabilities payable from restricted assets		
Current portion of long-term debt	248,729	234,394
Accrued interest payable on bonds and notes	52,835	11,881
Other current liabilities (Exhibit C)	42,199	44,203
Total current liabilities from restricted assets	<u>343,763</u>	<u>290,478</u>
Non current liabilities		
Power revenue bonds, net of unamortized debt discount of (43,306) and (46,259)	8,178,379	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>10,303,790</u>	<u>10,327,646</u>
Total liabilities	<u>13,058,652</u>	<u>12,973,247</u>
Deferred inflows of resources:		
Deferred gain on pension valuation	65,946	65,946
Total net position (Deficit)	<u>(3,915,899)</u>	<u>(3,781,624)</u>
Total Liabilities and Net Position	<u>\$ 9,208,699</u>	<u>\$ 9,257,569</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget January 2017	Actual January 2017	Actual January 2016
Operating revenues:			
Sales of electric energy	\$ 228,392	\$ 272,590	\$ 228,850
Total operating revenues	228,392	272,590	228,850
Other income	(1,897)	(2,954)	2,475
Total revenues	226,495	269,636	231,325
Expenses:			
Fuel cost	41,563	96,221	71,258
Purchased power	70,229	60,266	53,828
Other production	3,531	4,742	4,130
Transmission and distribution	10,978	12,600	11,777
Maintenance	14,298	12,111	12,239
Customer accounting and collection	8,342	7,822	7,329
Administrative and general	15,050	15,920	16,277
Subtotal expenses by function	163,991	209,682	176,838
Other post - employment benefits	-	-	653
Depreciation	29,742	30,548	30,870
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	11,858	40,367	39,386
Contribution to municipalities	4,012	6,611	15,120
Other appropriations	13,448	10,335	5,331
Bond discount and defeasance amortization	-	136	399
Total expenses	223,051	297,679	268,597
Contributed capital	792	462	194
Changes in net position	\$ 4,236	\$ (27,581)	\$ (37,078)

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

	FISCAL YEAR		
	Budget January 2017	Actual January 2017	Actual January 2016
Operating revenues:			
Sales of electric energy	\$ 1,698,618	\$ 2,017,472	\$ 1,990,124
Total operating revenues	1,698,618	2,017,472	1,990,124
Other income	(13,276)	(16,639)	16,353
Total revenues	1,685,342	2,000,833	2,006,477
Expenses:			
Fuel cost	367,681	715,788	809,276
Purchased power	470,964	416,155	395,231
Other production	24,719	32,282	33,833
Transmission and distribution	76,849	87,489	86,342
Maintenance	100,083	92,888	97,736
Customer accounting and collection	58,393	55,884	54,929
Administrative and general	105,353	122,140	111,000
Subtotal expenses by function	1,204,042	1,522,626	1,588,347
Other post - employment benefits	-	-	4,571
Depreciation	208,192	214,635	215,071
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	83,009	282,290	272,385
Contribution to municipalities	30,457	38,325	115,579
Other appropriations	99,131	81,670	20,986
Bond discount and defeasance amortization	-	496	5,355
Total expenses	1,624,831	2,140,042	2,222,294
Contributed capital	5,542	4,934	6,081
Changes in net position	\$ 66,053	\$ (134,275)	\$ (209,736)

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget January 2017	Actual January 2017	Actual January 2016
Revenues:			
Sales of electric energy (Exhibit D)	\$ 228,392	\$ 272,590	\$ 228,850
Total operating revenues	228,392	272,590	228,850
Other income	(1,897)	(2,954)	2,475
Total revenues	226,495	269,636	231,325
Less: 1974 construction fund investment income and gain on sale of properties	84	74	49
Revenues - net	226,411	269,562	231,276
Current expenses:			
Fuel cost	41,563	96,221	71,258
Purchased power	70,229	60,266	53,828
Other production	3,531	4,742	4,130
Transmission and distribution	10,978	12,600	11,777
Maintenance	14,298	12,111	12,239
Customer accounting and collection	8,342	7,822	7,329
Administrative and general	15,050	15,920	16,277
Total current expenses	163,991	209,682	176,838
Net revenues (as defined)	62,420	59,880	54,438
Contractual obligations:			
Sinking fund appropriations -			
Interest on power revenue bonds (1)	8,552	35,888	34,906
Bond redemption account (1)	9,139	19,780	18,670
Rate Stabilization Account	-	-	(24,282)
Interest on notes	3,306	4,480	4,480
Capital Improvements fund	23,963	-	76,780
Total contractual obligations	44,960	60,148	110,554
Balance	17,460	(268)	(56,116)
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	4,012	(10,602)	(61,447)
Other	13,448	10,334	5,331
Total provision for contribution and other	17,460	(268)	(56,116)
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 January 2017	Actual January 2017	Actual January 2016	Budget June 2017	Actual January 2017	Actual January 2016
Revenues:						
Sales of electric energy (Exhibit D)	\$ 1,698,618	\$ 2,017,472	\$ 1,990,124	\$ 2,970,682	\$ 3,240,308	\$ 3,487,319
Total operating revenues	1,698,618	2,017,472	1,990,124	2,970,682	3,240,308	3,487,319
Other income	(13,276)	(16,639)	16,353	(22,759)	(8,908)	(6,351)
Total revenues	1,685,342	2,000,833	2,006,477	2,947,923	3,231,400	3,480,968
Less: 1974 construction fund investment						
income and gain on sale of properties	587	368	695	1,007	510	1,530
Revenues - net	1,684,755	2,000,465	2,005,782	2,946,916	3,230,890	3,479,438
Current expenses:						
Fuel cost	367,681	715,788	809,276	647,482	1,117,020	1,450,802
Purchased power	470,964	416,155	395,231	828,393	703,156	699,125
Other production	24,719	32,282	33,833	42,376	56,019	59,087
Transmission and distribution	76,849	87,489	86,342	131,741	149,500	149,774
Maintenance	100,083	92,888	97,736	171,571	156,961	170,559
Customer accounting and collection	58,393	55,884	54,929	100,103	94,292	96,440
Administrative and general	105,353	122,140	111,000	180,604	212,085	207,571
Total current expenses	1,204,042	1,522,626	1,588,347	2,102,270	2,489,033	2,833,358
Net revenues (as defined)	480,713	477,839	417,435	844,646	741,857	646,080
Contractual obligations:						
Sinking fund appropriations -						
Interest on power revenue bonds (1)	59,865	251,214	220,205	102,626	423,338	376,825
Int on Pow. Rev. Fund - CR Bal Serie RR	-	-	-	-	-	-
Bond redemption account (1)	63,974	123,371	155,885	109,669	216,719	245,223
Reserve Account Fund (1)	-	-	-	-	-	(236,785)
Rate Stabilization Account	-	-	-	-	-	21,248
Reserve maintenance fund	-	-	-	-	-	-
Self Insurance Fund	-	-	-	-	-	-
Interest on notes	23,144	31,075	31,795	39,675	52,843	56,087
Capital Improvements fund	204,142	828	-	366,779	828	(75,806)
Total contractual obligations	351,125	406,488	407,885	618,749	693,728	386,792
Balance	129,588	71,351	9,550	225,897	48,129	259,288
Provision for Contribution in Lieu of Taxes and other appropriations						
Contribution to municipalities	30,457	(10,319)	(11,436)	51,784	(59,159)	219,496
Other	99,131	81,670	20,986	174,113	107,288	39,792
Total provision for contribution and other	129,588	71,351	9,550	225,897	48,129	259,288
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)

	January 2017	June 2016
Net Position		
Invested in utility plant, net related debt	\$ (983,465)	\$ (684,844)
Restricted for capital activity and debt service	(528,433)	(633,700)
Unrestricted	<u>(2,404,001)</u>	<u>(2,463,080)</u>
Total net position	<u>\$ (3,915,899)</u>	<u>\$ (3,781,624)</u>

ACCOUNTS RECEIVABLE
(in thousands)

Exhibit A

	January 2017	June 2016
Electric and related services:		
General clients	\$ 843,121	\$ 829,406
Recoveries under fuel adjustment and purchase power clause under or (over) billed	8,165	(14,191)
Unbilled services	177,078	167,574
Allowance for uncollectible accounts- General Client	<u>(441,513)</u>	<u>(434,755)</u>
Total General Clients	<u>586,851</u>	<u>548,034</u>
Government, including current and non current ⁽¹⁾	1,288,475	1,249,267
Allowance for uncollectible accounts- Government	<u>(58,497)</u>	<u>(58,497)</u>
Total Government	1,229,978	1,190,770
Claims Receivable from Insurance Companies & Other	30,227	29,964
Advances to Irrigation Systems - net	6,586	9,095
Accrued interest	2,056	2,052
Other	<u>7,015</u>	<u>29,063</u>
Total Accounts Receivable	1,862,713	1,808,978
Less: Government Account Receivable, non current portion	<u>132,588</u>	<u>132,588</u>
Total Accounts Receivable, current portion	<u>\$ 1,730,125.00</u>	<u>\$ 1,676,390.00</u>

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

PREPAYMENTS AND OTHER
(in thousands)

Exhibit B

	January 2017	June 2016
Claims Outstanding Related to Property Damages	\$ 353	\$ 353
Prepayments and other	<u>25,438</u>	<u>25,953</u>
Total	<u>\$ 25,791</u>	<u>\$ 26,306</u>

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES
(in thousands)

Exhibit C

	January 2017	June 2016
Accounts payable - fuel oil and other	\$ 494,481	\$ 530,072
Accrued annual leave	48,073	50,302
Accrued sick leave	-	4,682
Accrued salaries and fringe benefits	1,900	3,867
Accrued Contribution in Lieu of Taxes	1,075,128	977,388
Accrued Actuarial Retirement	2,192	2,193
Reserve for injuries and damages	6,263	4,557
Accrued Contributions Federal Social Security	407	-
Income tax withheld at source	359	-
Health plan	-	1,797
Pension & Benefits Deferred Employer Contribution	9,342	9,342
Other	386	7,255
Sub total current liabilities	<u>1,638,531</u>	<u>1,591,455</u>
Other current payables from restricted assets		
Retention on Contract Work	5,953	5,672
Vouchered A/P construction	2,887	5,548
Contribution aid to construction	<u>33,359</u>	<u>32,983</u>
Total other current payables from restricted assets	<u>42,199</u>	<u>44,203</u>
Total current Liabilities	<u>1,680,730</u>	<u>1,635,658</u>
NON-CURRENT LIABILITIES		
Net Pension Liability	1,704,640	1,704,640
Accrued sick leave	114,518	114,518
Accrued Unfunded OPEB	<u>134,857</u>	<u>134,857</u>
Total non current liabilities	<u>1,954,015</u>	<u>1,954,015</u>
Total accounts payables and non current liabilities	<u>\$ 3,634,745</u>	<u>\$ 3,589,673</u>

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

SALES OF ELECTRIC ENERGY

JANUARY 2017

Exhibit D

Class of Service	CLIENTS		KWHRS (in thousands)			
	Billed	Total	MONTHLY			Total
			Billed	Unbilled	Adjustment*	
Residential	1,336,466	1,336,466	508,271	375,273	(376,718)	506,826
Commercial	123,889	123,889	648,547	460,116	(471,536)	637,127
Industrial	626	626	170,572	119,262	(130,133)	159,701
Public lighting	2,165	2,165	26,537	12,376	(11,243)	27,668
Other public authorities	2	2	2,728	1,703	(2,226)	2,203
Agricultural	1,194	1,194	2,253	1,553	(1,392)	2,414
Subtotal	1,464,342	1,464,342	1,358,908	970,283	(993,250)	1,335,941
Fuel oil adjustment						
Purchased power						
Subtotal	1,464,342	1,464,342	1,358,908	970,283	(993,250)	1,335,941
Unrecovered fuel oil cost-net						
Unrecovered purchased power cost-net						
Total	1,464,342	1,464,342	1,358,908	970,283	(993,250)	1,335,941

FISCAL YEAR-TO-DATE					
Class of Service	Average Clients	Kwhrs. (thousands)	Revenue (thousand \$)	Kwhrs. per Client	Cents per Kwhr. Sold
Residential	1,334,398	3,902,920	257,542	2,925	6.60
Commercial	123,846	4,820,551	371,938	38,924	7.72
Industrial	628	1,289,489	74,625	2,033,326	5.79
Public lighting	2,172	190,481	37,064	87,698	19.46
Other public authorities	2	20,596	1,135	10,298,000	5.51
Agricultural	1,194	15,550	1,144	13,023	7.36
Subtotal	1,462,240	10,239,587	743,448	7,003	7.26
Fuel oil adjustment			798,144		7.89
Purchased Power			453,525		4.55
Subtotal	1,462,240	10,239,587	1,995,117	7,003	19.48
Unrecovered fuel oil cost-net			9,597		
Unrecovered purchased Power cost-net			12,758		
Total	1,462,240	10,239,587	2,017,472	7,003	19.70

*Unbilled previous month.

SALES OF ELECTRIC ENERGY

JANUARY 2017

Exhibit D

REVENUES (in thousands \$)						
Class of Service	MONTHLY				Kwhrs. per Client	Cents per Kwhr. Sold
	Billed	Unbilled	Adjustment*	Total		
Residential	34,398	15,268	(15,348)	34,318	379	6.77
Commercial	47,504	29,639	(30,655)	46,508	5,143	7.30
Industrial	10,326	5,492	(5,889)	9,929	255,113	6.22
Public lighting	5,245	2,164	(1,940)	5,469	12,780	19.767
Other public authorities	159	75	(88)	146	1,102,865	6.62
Agricultural	170	84	(75)	179	2,021	7.42
Subtotal	97,802	52,742	(53,993)	96,549	912	7.22
Fuel oil adjustment	100,436	75,983	(72,326)	104,093		8.12
Purchased power	61,204	48,353	(48,881)	60,676		5.05
Subtotal	259,442	177,078	(175,202)	261,318	912	19.56
Unrecovered fuel oil cost-net				4,428		
Unrecovered purchased power cost-net				6,844		
Total	259,442	177,078	(175,202)	272,590	912	20.39